AGREEMENT

THIS Agreement made and entered into on this thirty 31st of March Two thousand six between the President of India acting through Scientist-F dealing with Drugs and Pharmaceuticals Research Programme of Technology Development and Transfer Division. The Department of Science and Technology, Government of India having its office at Technology Bhavan, New Mehrauli Road, New Delhi-110 016 (hereinafter called DST which expression shall wherever the context so admits include its successors and permitted assigns) of the **first part.**

AND

Biomix Network Ltd. a company incorporated under the Indian Companies Act 1956 having its registered office at Millennium Business Park, 303, Building 6, Sector III, MIDC, Mahape, Navi Mumbai 400709 (hereinafter called "Biomix" which expression shall wherever the context so admits include its successors, receivers, administrators permitted assigns and associated companies) of the **second part**.

WHEREAS at the directions of Government of India, DST is implementing a scheme entitled "Pharmaceutical Research and Development Support Fund" (PRDSF) Scheme that provides loans to in-house R&D laboratories of industries/SIRO (Scientific and Industrial Research Organisation) for undertaking Research and Development on Drugs and Pharmaceuticals Sector.

WHEREAS Technology Development and Transfer Division in DST head office in New Delhi is entrusted with the responsibility to implement the scheme.

AND WHEREAS DST has invited proposals from industry for consideration and support under the scheme. DST has received several proposals for support under the scheme from Indian Industry. Following a stringent and rigorous system of screening, peer review and domain expert evaluation and assessment through Expert Committee of PRDSF and Drug Development Promotion Board (DDPB), DST has selected a project on "Phase III

Clinical Trials & Scaling up of a Novel Antiviral Product, RECEPTOL for AIDS." by Biomix Network Ltd. as one of the proposals for further consideration

AND WHEREAS Biomix is an Indian Private Sector Limited Company engaged in Research & Development work in the field of AIDS and has the expertise, knowledge, significant research and development base and experience and has agreed to develop the product under the scheme as an 'Industrial Partner'.

AND WHEREAS the Expert Committee (PRDSF) and Drug Development Promotion Board of DST have approved the project for financial support. The support will be in the form of loan to the participating industrial partner - Biomix Network Ltd.

WHEREAS the above mentioned industrial partner has entered into a Legal Agreement with DST for undertaking the project.

Now, therefore, in consideration of the premises and mutual covenants hereinafter contained, the parties hereto agree as follows:

CL.1 SCOPE OF THE AGREEMENT

This agreement details (i) the modalities and the terms and conditions of the collaboration, financial arrangements, outputs of the project including intellectual property rights, (ii) responsibilities and obligations of each party (iii) role and functions and powers of the Monitoring Committees, pertaining to the project.

CL. 2 MODALITIES OF COLLABORATION

The respective responsibilities of Biomix , the participating industrial partner and DST shall be as follows:

2.1 Responsibilities of Biomix

i. Undertake activities as outlined in the project document and/or assigned by Monitoring Committee (as provided in Clause 4) in conformance with the outputs, milestones and targets;

ii. Maintain a separate account to be operated by authorized persons of the company under the control of the principal investigator of the project;

iii. Submit yearly audited statement of accounts with details on the purposes for which the funds of the project Loan as well Industry Share were utilized to DST for the period ending 31st March by 31st May of the year in the format provided by DST;

iv. Furnish six monthly Progress Reports to DST;

v. Provide periodic inputs on technical and market intelligence as well as comparative analysis of technologies to the Monitoring Committee;

vi. Cooperate with the Monitoring Committee by providing it the requisite information and if requested, to the premises where the project activity is being carried out (as provided in Clause 4);

vii. Assist wherever necessary, the Monitoring Committee with requisite technical inputs / facilities to help accomplish the objectives of the project;

viii. Abide by the decision of the Monitoring Committee / DST on the assessment of the progress in the project and the modification in the objectives, outputs, milestones, targets, funding, IPR Sharing, premia and / or royalty as also the foreclosure of any activity or subproject;

ix. Help uphold and enhance the awareness of the PRDSF Scheme; and

x. Ensure and warrant that the same collaboration will not be executed by it with any other party within India for the project duration and five years thereafter.

2.2 Responsibilities of DST:

i. Provide financial support for the project as outlined in the Annexure-1;

3.5 The provision of the loan to Biomix, the industry partner, by DST does not create any liability explicit or implicit on DST in respect of the manpower engaged by the industry for the project.

CL.4 MONITORING COMMITTEE

A Monitoring Committee comprising of three eminent experts in the area shall be appointed by DST to monitor the project for achieving the defined objectives in the time and costs projected. The terms of reference to the Monitoring Committee are:

i. To review and examine the progress of the project in conformance with the milestones, targets and objectives as contained in the agreement;

ii. Based on the foregoing to assess and recommend for:

(a) foreclosing or dropping or modification in the components of the project, within the overall approved objectives, budget and timeframe;

(b) including additional institutional / industrial partners, in the overall interest of the project; and

(c) devising the funding support to the implementing agency, Biomix

iii. Any other matter as referred to by Secretary, DST.

The Monitoring Committee shall meet at least once a year. The meetings of the Monitoring Committee shall be facilitated by DST and convened by Biomix

CL.5 RESULTS OF THE PROJECT

5.1 The deliverables from the project are defined and included as Appendix 1.

5.2 It is the responsibility of the Biomix to protect any intellectual property rights that may result from the project. If required, DST shall extend the requisite

support to industrial partner in fulfilling the procedural formalities for securing and maintaining the intellectual property right / patents.

5.3 Biomix, the industrial partner shall have the first right to avail / utilize the IPR /knowledge / technology / product / appliance developed in the project on the following terms and conditions, which shall be final and binding on the industry partner:

(i) Biomix, the industrial partner, shall pay to DST a royalty of 0.5% of the net sale value (consisting of the cost of raw material and energy cost only) of the product (arising out of the project after the funding from DST is released) for a period of 10 years from the date of first sale of each product or till such time the patent rights are enjoyed, whichever is later.

(ii) In case Biomix, the industrial partner, assigns licenses the marketing rights of the said technology/products/equipment/appliances (arising out of the project after the funding from DST is released) wholly or partly to a third party, the royalty due to and payable to DST as in (i) above shall be factored in the said arrangement.

(iii) In case Biomix, the industrial partner, decides to further develop the technology for the products (arising out of the project after the funding from DST is released) in association with or wholly through a third party, the royalty payable to DST as in (i) above shall be factored in such arrangement including a share in any milestone payments which shall not be less than 10% of that receivable by the industrial partner. Current products and technologies and Patents developed and filled by Biomix and its technology partners will be excluded from this list for such payments to DST by the company.

5.4 In the event Biomix , the industrial partner, not willing to exploit the IPR further, DST will explore the feasibility of offering the IPR to other firms. The industrial partner shall receive compensation as decided by the Monitoring Committee/DST.

ii. Facilitate, coordinate, monitor the activities of the projects for smooth functioning of the project etc;

iii. Facilitate and ensure the holding of Monitoring Committee meetings, as far as possible, at least once in a year to monitor the project;

iv. Take necessary steps to implement the decisions of the Monitoring Committee including extension / curtailing / modification of outputs, milestones and targets and funding; and

v. Apprise the Expert Committee and DDPB of DST, from time to time, about the progress of the project.

CL 3. FINANCIAL ARRANGEMENT

3.1 The total estimated cost of the project is Rs. 24 Crores The financial support will be in the form of loan by DST to Biomix to the extent of Rs. 12 Crores. The detailed year-wise and head-wise break up of the project cost, the amount of loan and the schedule of loan disbursement by DST to Biomix, the industrial partner are shown in Annexure-1. The first year support to the industrial partner shall be released by DST after signing of the Agreement.

3.2 The repayment of loan component by Biomix, the private sector industry partner shall commence from 01.04.2009. The year-wise repayment schedule of the loan by Biomix and the terms and conditions thereof are given in Annexure-2a and 2b.

3.3 Biomix, the participating industry partner shall ensure that the funds of the project are utilized only for the project as per this Agreement. Without the approval of DST, the Biomix will not effect re-appropriation of funds from one budget head to another.

3.4 Biomix, the industry partner shall immediately refund to DST any funds remaining with it unutilized on foreclosure or termination (as per clause 4) / completion of the project.

5.5 Biomix, the industrial partner shall have the exclusive right to commercially exploit / conduct further research work on the Intellectual Property in the project so developed. The Biomix shall keep the DST informed about the commercialization (national, international) and IPR.

5.6 Any publications in journals, presentation in seminars in respect of the project is prohibited until such publications/presentations are cleared by the Monitoring Committee and a written permission is issued by DST. These publications shall be in the name of research workers, duly acknowledged that the work has been carried out under the PRDSF scheme with support from DST.

5.7 None of the parties hereto shall file any exclusive claim for seeking intellectual property rights in its own name or in the name of its associates upon the intellectual property generated in the project unless it can be documentarily demonstrated that it has been outside of the project.

CL.6 DURATION OF THE PROJECT

The project duration shall be for 3 years from the date of receipt of first funds from DST. It would be the endeavor of Biomix to complete the project within the stipulated period. In case, the Monitoring Committee feels that it is desirable to undertake further developmental work on the outcome of the project, which requires additional financial commitment, the concerned party shall submit a separate project proposal for consideration under the PRDSF.

CL.7 COMPLETION

The project envisaged shall be deemed to have been successfully completed, on accepting the recommendations of Monitoring Committee by the Secretary, DST. In case, during the tenure of the project, it is found that the project or any project component is not likely to lead to successful completion, the Monitoring Committee may recommend to foreclose/extend the project or the project

component as warranted. In case a dispute arises regarding the decision of the monitoring committee, the decision of Secretary, DST in the matter will be fully binding on all the participants.

CL.8 CONFIDENTIALITY

8.1 During the tenure of the Agreement and for five years after the successful commercialization of the project, Biomix undertakes on it's behalf and on behalf of it's employees / representatives / associates involved in the project to maintain a strict confidentiality and refrain from disclosure thereof, of all or any part of the information and data exchanged / generated from the project under this Agreement for any purpose other than in accordance with this Agreement.

8.2 The parties shall not have any obligation of confidentiality with respect to any information that;

i. is in the public domain by use and / or publication at the time of its receipt from the disclosing party; or

ii. was already in its possession prior to receipt from the disclosing party; or

iii. is properly obtained by the recipient from the third party with a valid right to disclose such information and such third party is not under confidentiality obligation to the disclosing party;

iv. is required by public authority by law or decree.

Any and all information received by either party from the other upon request shall be promptly returned, however, the parties involved in the project may retain one copy of such information in their confidential files, solely for record purposes.

CL.9 EFFECTIVE DATE, TENURE & TERMINATION OF THE AGREEMENT

9.1 The Agreement shall be effective from the date of signing and be valid for a period of 15 years thereafter.

9.2 The original agreement duly signed by the industry partner shall remain in the custody of DST and a copy of the agreement duly authenticated by DST shall be provided to Biomix.

9.3 During the tenure of the Agreement, parties hereto can terminate their part of the Agreement either for breach of any of the terms and conditions of the Agreement or otherwise by giving a three months notice in writing.

9.4 In the event of termination of the Agreement vide CL 9.3, the rights and obligations of the parties thereto shall be settled by mutual discussions. In case the parties fail to reach a mutual settlement within a period of 3 months, the matter shall be referred for recommendation of the Monitoring Committee which will be considered by Secretary, DST. The decision of the Secretary, DST shall be final and binding on the parties. The financial settlement shall take into consideration not only the expenditure incurred but also the expenditure committed by the parties hereto.

9.5 Clause 4 of this Agreement as also the Agreement arrived at between the parties hereto on the intellectual property shall survive the termination of the Agreement.

CL.10 FORCE MAJEURE

Neither party shall be held responsible for non-fulfillment of their respective obligations under this Agreement due to the exigency of one or more of the force Majeure events such as but not limited to acts of God, War, Flood, Earthquakes, Strikes not confined to the premises of the party, Lockouts beyond the control of the party claiming force Majeure, Epidemics, Riots, Civil Commotions etc. provided on the occurrence and cessation of any such event the party affected thereby shall give a notice in writing to the other party within one month of such occurrence or cessation. If the force Majeure conditions continue beyond six months, the parties shall jointly decide about the future course of action.

CL.11 AMENDMENTS TO THE AGREEMENT

No amendment or modification of this Agreement shall be valid unless the same is made in writing by both the parties to the agreement or their authorized

representatives and specifically stating the same to be an amendment of this Agreement. The modifications / changes shall be effective from the date on which they are made / executed unless otherwise agreed to. However, if any amendment/modification need to be carried out between the parties and the said amendment/modification does not in any way affect the rights/obligations of the other parties then such document be signed between those parties to whom amendment/modification applies. In case recommendations of the Monitoring Committee of the project for inclusion of additional institutional/industrial partners (as per the Clause 4.(ii) (b) are approved by the Secretary, DST, a separate agreement shall be signed between DST and the new industrial/institutional partner. The said agreement after signing shall be appended to the main agreement and shall be treated as part of the agreement by all the parties.

CL.12 ASSIGNMENT OF THE AGREEMENT

The rights or / and liabilities arising to any party to this Agreement shall not be assigned except with the written consent of the other parties and subject to such terms and conditions as may be agreed upon between the involved parties.

CL.13 NOTICES & JURISDICTION

All notices and other communications required to be served or the party under the terms of this Agreement shall be considered to be duly served if the same shall have been delivered by hand or posted by registered mail to the party at its last known address of business. Similarly, any notice to be given to DST shall be considered as duly served if the same shall have been delivered to, left with or posted by registered mail to the DST at its registered address in New Delhi.

The Courts at New Delhi shall have exclusive jurisdiction in all matters concerning this Agreement including any matter arising out of the arbitration proceedings or any award made therein.

CL.14 ARBITRATION

Except as hereinbefore provided, any dispute arising out of this Agreement or relating to its interpretation, the same shall be referred to the arbitration by the Arbitral Tribunal consisting of one arbitrator to be appointed by each party to the Agreement and the decision of such arbitrators shall be final and binding on all the parties. The venue of arbitration shall be at such place as may be fixed by such arbitrators and the arbitration proceedings shall take place under the Arbitration and Conciliation Act, 1996 and any modification or re-enactment thereof.

SEAL of the parties

In witness whereof the parties hereto have signed this Agreement on the day, month and year mentioned hereinbefore.

Parties

For & on behalf of

President of India (First part)

Signature

Name

Designation

डॉ जी.जे.समाधानम/Dr.G.J.Samathan
वैज्ञानिक 'एफ' /Scientist-'F'
विज्ञान और प्रौद्योगिकी विभाग
Deptt. of Science & Technology
टेक्नोलॉजी भवन नई दिल्ली-16
Technology Bhawan New Delhi-16

SEAL

For & on behalf of

Biomix Network Ltd. (Second part)

Signature

Name : Dr. Pawan Saharan

Designation: Chairman & CEO

BIOMIX NETWORK LIMITED
Registration # 11-104142
NAVI MUMBAI

SEAL

Witness (Name and Address)

1. C. Rajadurai Sc-B (C RAJADURAI) DST

2. Santosh Kumar DEO (Project) DST

Date: 31.03.2006