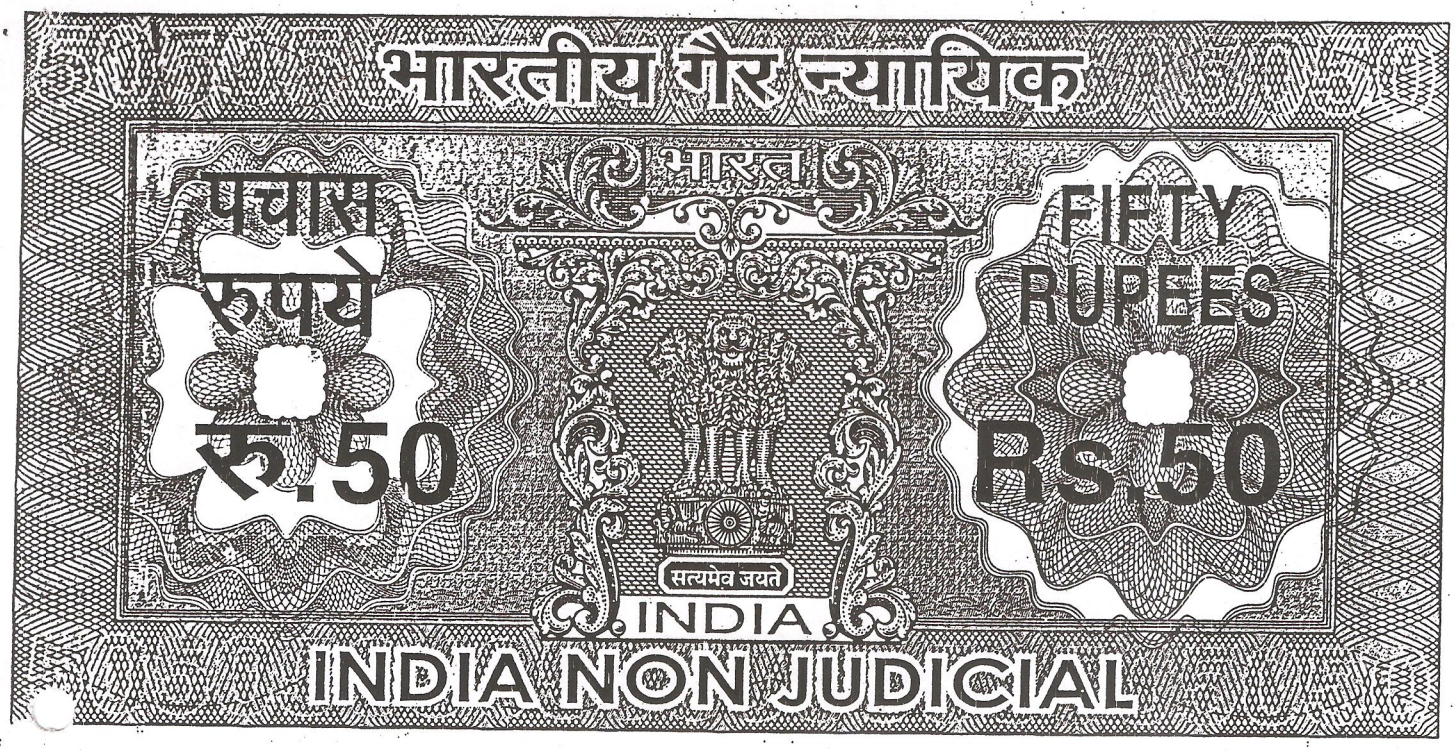

भारतीय गैर न्यायिक

भारत

पचास रुपये रु.50

FIFTY RUPEES Rs.50

सत्यमेव जयते

INDIA

INDIA NON JUDICIAL

ગુજરાત गुजरात GUJARAT

D 197647

અનુ. નં. ૧૧૮૪/૧૧ રૂા. ૫૭૧ તા. ૧૯૩૧૦૭.
નામ KAIRA DIST. CO-OP. MILK
ગામ PROD. UNION LTD. ANAND
હસ્ત

હેતલભાઈ કનુભાઈ પટેલ
સ્ટમ્પ વેન્ડર લા. નં. ૭૦/૯૭, આણંદ.

**Memorundum of Understanding between Biomix-Kaira Union and GCMMF Ltd for Manufacture of RECEPTOL on Pilot Plant Scale.**

This Memorundum Of Understading is entered into on this 31st Day of March 2007 at Anand between Biomix Network Ltd., an Indian Corporation and or its subsidiaries, with its principal place of business at Millennium Business Park, Unit # 303, Building #6, Sector III MIDC, Mahape, New Bombay 400709, Pilot ( hereinafter referred to as "Biomix")

And

Kaira District Co-operative Milk Producers' Union Ltd, a Cooperative Society registered under Gujarat Cooperative Societies Act 1961, having its registered office at Anand,hereinafter referred to as "Amul"

भारतीय गैर न्यायिक

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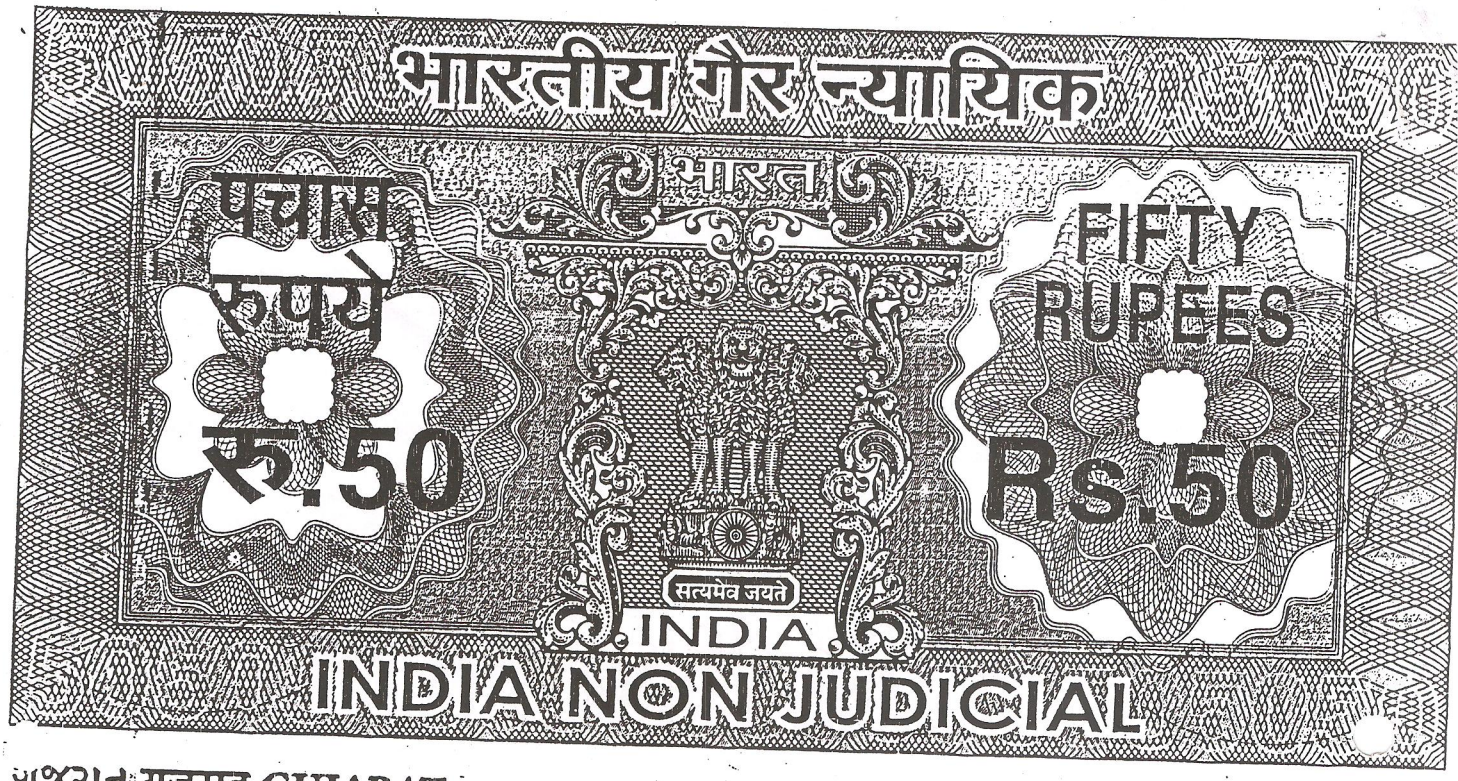

ગુજરાત गुजरात GUJARAT

D 197648

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સ્ટેમ્પ વેન્ડર લા. નં. ૭૦/૯૭, આણંદ.

And

Gujarat Co-operative Milk Marketing Federation Ltd a Cooperative Society registered under Gujarat Cooperative Societies Act 1961, having its registered office at Anand hereinafter referred to as "GCMMF Ltd".

WHEREAS, BIOMIX specializes in the nano-biotechnology field of pharmaceuticals and diagnostic industries, has developed patented diagnostic and therapeutic products and has undertaken clinical trails.

WHEREAS, AMUL is India's pioneering Dairy Co-operative, owned and managed by the farmers of Kaira District. Amul in its endeavor for empowering the rural farmers of India has set up a 3 tier model encompassing farmers at village level, milk processing unit at

District level and marketing organization at State level for the socio economic development of rural farming community. The model has been received not only in India but accepted by the World Bank and FAO.

WHEREAS, AMUL has done research and development pertaining to the manufacturing and production of milk based products including cheese facility at Kheda Satellite Dairy at Khatraj, Gujarat.

WHEREAS, Biomix has received all regulatory approvals from the Ministry of Health, Government of India, Indian Council of Medical Research, National AIDS Control Organization, Drug Controller - General of India (FDA Chief) and Hospital IRB, Ethics and Scientific Committees for Receptol clinical trials, for treatment of AIDS and Hepatitis.

WHEREAS GCMMF is India's largest Food products marketing organization having facility to manufacture dairy products at its 13 affiliated District Co-operative Union's plants. It has a net work of 5 lakh Retail Outlets managed by 55 offices within the country and abroad. They also have logistic facilities for handling dry and wet products through normal as well as cold chain. The products are marketed all over the country and 30 countries across the globe.

NOW THEREFORE, in line with the socio economic development of farming community, Amul desires to associate with Biomix Receptol pilot production facility in the interest of the rural community and society at large.

WHEREAS, BIOMIX and AMUL have entered into an understanding to utilize Amul cheese plant for the Pilot production of RECEPTOL at Amul's Cheese plant in Gujarat and wishes to enter into a Joint Venture to install a Pilot Production facility for RECEPTOL at Amul's Cheese Plant in Gujarat for Receptol & other Colostrum products for exclusive use by Biomix

**I General:**

Biomix shall build a pilot plant at Amul Cheese Factory to produce the colostrum based liquid spray containing proline-rich-polypeptides ("the Product", RECEPTOL etc.) in Pilot pursuant to this Agreement. The Pilot Plant will be designed, managed and owned by BIOMIX under the following terms:

**II Pilot Plant Commissioning Schedule:**

AMUL will provide all assistance to construct and commission the Pilot Plant as per the design & guidelines provided by M/s. Biomix on the following schedule:

(1) Amul will provide its one of the 10,000 liters capacity cheese manufacturing plant to BIOMIX for processing of Colostrum once a week or as per the mutually agreed scheduled requirements of BIOMIX to manufacture RECEPTOL from colostrums cheese whey, that will be the raw material from Amul to be supplied to Biomix.

(2) Amul will ensure the separate collection of the cheese whey in its RO Plant adjacent to the cheese plant and will provide 3000 sq. feet clean covered area for its processing to extract RECEPTOL based on proprietary and trade secret of BIOMIX which will be kept confidential for all times.

(3) Design & Commissioning of processing unit for RECEPTOL manufacturing at Amul Cheese Plant will commence upon execution of this Agreement. BIOMIX will provide all processing and filling equipments for this facility and BIOMIX will continue to own them at all times along with infrastructure created for this facility.

(4) The Pilot Plant will be completed & commissioned no later than September 30,2007 so long as BIOMIX has purchased the equipments for the same and has obtained all the governmental approvals and authorizations required to operate the Pilot Plant, in association with AMUL.

(5) AMUL will source and procure Colostrum for BIOMIX as per BIOMIX Specifications and BIOMIX will pay to AMUL for the same at a mutually agreed price on quarterly basis.

(6) It is agreed between the parties that time is the essence of this contract.

**III Pilot Plant Specifications**

Biomix will erect the Pilot Plant intended to produce up to 6 million 5.00 ounce bottles of the Product per month. The initial utilization capacity will be lower than the installed capacity.

**IV Pilot Plant Payment Terms:**

AMUL will assist in constructing the BIOMIX Pilot Plant specified in Paragraph III for BIOMIX on the schedule specified in Paragraph II on the actual cost basis which will be confirmed and monitored by a joint Project Monitoring Committee (PMC) set up by AMUL and BIOMIX and will meet on the regular basis. All payments to AMUL will be made on the Quarterly basis once the PMC has confirmed it in writing. Members of PMC initially will be as per Annexure-I.

## V Pilot Plant Operating Responsibilities

AMUL's responsibilities will be the following:

(1) AMUL will be responsible for the Co-management of the Pilot Plant with BIOMIX and the production of the Product.

(2) AMUL will conform to all governmental operating regulations and restrictions which have been communicated to AMUL by BIOMIX in writing.

(3) BIOMIX will pay all the costs associated with operating the Pilot Plant including production, labour, utilities, packaging and raw colostrum costs on the actual basis approved by PMC.

(4) The Pilot Plant Manager will be a BIOMIX employee who will work under AMUL Managing Director and will jointly report to AMUL and BIOMIX Managing Directors.

(5) AMUL will utilize and implement the BIOMIX proprietary processes and technologies required to produce the Product in the Pilot Plant. The quality of the Product produced will meet BIOMIX specifications.

(6) Amul will not be responsible for partial or full loss of product for the reasons beyond their control.

BIOMIX responsibilities will be the following:

(1) BIOMIX will obtain, maintain and pay all licenses, permits and fees and will obtain and pay for all required governmental approvals needed to operate the Pilot Plant.

(2) BIOMIX will inform AMUL in writing of the governmental operating regulations and restrictions associated with operating the Pilot Plant.

(3) BIOMIX will provide standard of Colostrum to AMUL for its purchase and AMUL procure the same for the producer of Colostrum at a mutually agreed cost payable by BIOMIX.

(4) BIOMIX will supply the Packaging materials and labels to be attached to the Product.

AMUL will process all the raw colostrum delivered to the Pilot Plant into the Product within two weeks after delivery. Except during the first three (3) months after the start of production, AMUL will endeavor to produce up to 1,000,000 bottles per month & will deliver all the Product produced in the Pilot Plant to BIOMIX immediately upon completion of production and packaging of the Product.

AMUL will provide BIOMIX with a certificate of analysis on each batch of the Product. AMUL will store the Product owned by BIOMIX in the Pilot Plant so long as there is sufficient space in the Pilot Plant. If outside storage is required, the cost will be paid by BIOMIX.

AMUL will provide necessary additional processing facility as may be required for processing the Colostrum Cheese, Cheese Whey Powder or other derivatives obtained from it during processing of colostrum at actual cost basis to Biomix.

**VI. Marketing:**

Kaira Union shall undertake manufacturing pharmaceutical indications as suggested and formulated by Biomix. These products shall be offered for sale through GCMMF to Biomix exclusively. The marketing of such products will be undertaken by Biomix abroad and for domestic market all the parties shall evolve the strategy jointly.

**(ii) Investment in BIOMIX for future projects/expansion:**

Amul is willing to examine the possibility of investing in Biomix for the expansion of Receptol Pilot Plant to a World Class manufacturing facility.

**VII. Indemnity:**

BIOMIX will indemnify AMUL, its shareholder and officers from any loss, damages, expenses, penalties suffered or incurred by reason of any action take against them on account of the marketing and sales representations made by BIOMIX regarding the Product, and changes made to the Product by BIOMIX subsequent to the Product leaving the Pilot Plant and the failure by BIOMIX to meet its obligations pursuant to Paragraph V of this Agreement.

AMUL will indemnify BIOMIX, its shareholder and officers from any loss, damages, expenses, penalties suffered or incurred by reason of any action take against them on account of the failure by AMUL to meet its obligations pursuant to Paragraph V of this agreement.

**VIII. Term:**

This Agreement shall commence on the date of signing and shall remain in force for fifteen years, unless terminated earlier in accordance with this Agreement.

**IX. Confidentiality:**

All the parties agree to keep the contents of this Agreement confidential and AMUL will inform all its people involved in the Pilot Plant to keep all information regarding production at Pilot Plant confidential for all times and will ask them to sign a confidential contract to this effect if necessary.

**X. Governing Law:**

This Agreement shall be governed by the laws of India and the Courts at Anand shall have jurisdiction.

**XI. Agreement:**

This Agreement cannot be amended, changed or terminated except by a written instrument executed by a duly authorized officer of each party. This agreement cannot be terminated by either party for a period of five years from the time of signing.

**XII. Assignment:**

Neither party may assign the Agreement in part or in whole to any third party with the prior written consent of the other party. Such consent will not be unreasonably withheld.

**XIII. No Waiver**

The failure of either party at any time, or from time to time to exercise any of its rights under this Agreement shall not be deemed a waiver of such rights or in any way prevent either party from subsequently asserting or exercising its rights.

XIV. Vesting of Rights:

This Agreement shall benefit and be binding upon the parties here to and their respective successors and assignees.

GUJRAT CO-OPERATIVE MILK MARKETING FEDERATION LTD.

Name: B.M. Vyas
Title : Managing Director

(B.M. VYAS)
Managing Director
Gujarat Co-operative Milk
Marketing Federation Ltd.
ANAND

Dated: _____

WITNESS: 1. Name & Address. 2. Name & Address.

M. N. VYAS
GCMMFLH Anand

KAIRA DISTRICT CO-OPERATIVE MILK PRODUCERS' UNION LTD.

Name : Rahul Kumar
Title : Managing Director.

Dated : _____

WITNESS: 1. Name & Address. 2. Name & Address.

V.K.Ghoda,
General Manager (DP)
Kaira District Co-operative Milk
Producers' Union Ltd,
Amul Dairy, Anand 388 001
Gujarat.

14/4/07

BIOMIX NETWORK LTD.

Name: Dr. Pawan Saharan
Title: Chairman & CEO
Dated: _____

WITNESS : 1. Name & Address 2. Name & Address