

VIII-37

Memorandum of Understanding signed on  
September 11, 1989 at Calcutta

between (1) Prof. K.L. Chopra, Director, Indian Institute of Technology, Kharagpur and (2) Shri A.B. Gersappe, Executive Director, INCAB Industries Ltd., 9 Hare Street, Calcutta and (3) Prof. G.S. Sanyal, Executive Director, Science & Technology Entrepreneurs Park - IIT, Kharagpur (hereinafter called (STEP)).

PREAMBLE:

Whereas, Indian Institute of Technology, Kharagpur (hereinafter called IIT) is in the process of development of necessary technological competence required in the process of manufacture of mono and multi-mode optical fibres and down stream products in its optical fibre facility.

Whereas, INCAB Industries Ltd., and its associate IBCAN Consultancy Pvt. Ltd., (hereinafter jointly called INCAB) will be associating itself with this development work now with a view to adapt and, if necessary, upgrade and use the technology for commercial exploitation and is accordingly desirous to form a joint venture company (hereinafter called JVC) in collaboration with STEP and IIT to work towards achieving the above goal.

Therefore, an agreement is signed between IIT, INCAB and STEP as under:

Recd. from  
Director's  
office on  
3.10.89.

*Chopra*  
3.10.89

1. INCAB, being desirous of commercial exploitation of optical fibre technology and other related products, shall join STEP and IIT to promote JVC for the aforesaid purpose.
2. INCAB will apply to STEP for accepting it as an entrepreneur.

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*Gersappe*

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Cpy for Executive Director, STEP

*Deepti Nair*

3. STEP agrees to accept INCAB as a ~~joint~~ entrepreneur initially in the nursery stage, that is when the development work is being carried out, and shall provide to it all assistance and privileges as laid down in the memorandum of association and rules and regulations of STEP.
4. JVC shall be allowed to associate itself with IIT for carrying out research, design and development work and processes required for manufacture of optical fibres having specifications as may be desired by INCAB.
5. STEP shall provide to JVC space in one or two of the industrial units in its land at Copali later, when the technology is ready for commercial exploitation and the basic infrastructural facilities of STEP are completed or under completion.
6. It is noted by all the parties concerned that the present agreement relates to a project essentially of R & D character in the nursery stage and having the main objective of technology development.
7. During the nursery stage of the joint enterprise with STEP the following arrangements and procedures are agreed upon to achieve the objective of completing the research, design and development work, prior to regular production, in all respects in the shortest possible time:

*Deepti*  
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(a) During the period of development of the technology and the nursery stage of JVC, all raw materials for the above work will be imported or purchased locally by STEP/IIT and JVC/INCAB shall pay the required amount for the aforesaid purpose.

(b) STEP/IIT shall arrange the import of materials for (a) above.

(c) R & D work shall be carried out for both multimode and single mode optical fibre technology by JVC. *The technology developed by IIT will be registered with DST and other concerned agencies.*

(d) For smooth working of the project for (c) above, technical and other personnel will be required. The category and number of such persons shall be decided jointly by the manager deputed by INCAB and Chief Consultant nominated by IIT. JVC/INCAB will pay for gross emoluments of all the above persons thus employed.

(e) For supervising the R & D programme, fixed after joint consultation, IIT will nominate an R & D manager and a chief consultant from amongst its staff on payment of suitable honoraria from the fund provided by JVC/INCAB. JVC, in turn, will also assign one senior officer for joint supervision of the programme.

(f) Any missing equipment or parts forming a constituent portion of the optical fibre facility will be procured by IIT at its own cost. JVC/INCAB will not be responsible for any misconduct of the employees and agents of IIT and the consequence thereof. During the course of the work, if any equipment is damaged through faults of JVC, liabilities of JVC shall not exceed 100 per cent of the landed cost of the equipment, reduced by depreciation as per rates provided by Income Tax Act, 1961.

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(g) STEP will assist in arranging accommodation of JVC employees outside the IIT Campus. In the event of spare accommodation being available in IIT for a limited stretch of time, IIT and/or STEP will provide accommodation; in that case, the maintenance and other charges will be borne by the JVC/INCAB.

(h) INCAB's initial expense for completion of the development work which will lead to production of fibres of the desired specifications shall be worked out jointly by IIT, STEP and JVC and agreed to by INCAB.

8. INCAB's main objective in joining hands with IIT through STEP is to develop and market optical fibres and related products aforesaid for diverse applications. To achieve this objective, INCAB Industries Ltd. or IBCAN Consultancy (P) Ltd. will obtain necessary industrial licence/registration from the Govt. of India for manufacturing various types of cables from the fibres produced by JVC at its industrial unit. In this IIT and STEP will provide all assistance and help.

9. After completion of development work, the optical fibre facility of IIT shall be utilised for production of optical fibres of desired specifications till all stages of development of fibre optic cable and other downstream products become commercially viable. During this period INCAB will be free to buy the fibre produced from the optical fibre/<sup>facility</sup> at a price to be mutually agreed upon between the parties to this MOU.

10. INCAB agrees to pay STEP and IIT a sum of Rs.5.00 lakhs as service charges for development work.

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11. All rights of any patent arising out of the technology developed through the R & D programme of the present agreement shall be shared equally between IIT and INCAB, on the terms to be mutually agreed.
12. INCAB will come to an agreement with STEP and IIT that whatever products are developed by JVC, INCAB will market the same and realise the sale proceeds after payment of royalty to IIT and STEP as may be mutually agreed to between IIT, STEP and JVC when the R & D programme is finally completed.
13. If any dispute arises on any of the clauses of this MOU the same will be referred to a mutually acceptable Arbitrator.
14. This agreement is subject to the force majeure courses and also subject to approval by the Board of Directors of INCAB, the Board of Governors of IIT and the Governing Body of STEP and other appropriate authorities as required.

Signed:

1)

*Deepti* ~ Sept 11, 1989

2)

*Atersope*

3)

*Atersope* ~ Sept 11, 1989