

MEMORANDUM OF UNDERSTANDING  
BETWEEN  
NATIONAL PRODUCTIVITY COUNCIL (NPC)  
AND  
GOVERNMENT OF ANDHRA PRADESH

This Memorandum of Understanding made on this 27th day of June 2017 at Vijayawada between

NATIONAL PRODUCTIVITY COUNCIL, under Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce & Industry, Government of India (hereinafter referred to as NPC) having its registered office at Utpadakta Bhavan, 5-6 Institutional Area, Lodhi Road, New Delhi - 110003, represented by its Director General, (which expression unless it be repugnant to, or excluded by the context or meaning thereof be deemed to mean and include its successors, assignees) first part.

And

Government of Andhra Pradesh, hereinafter referred to as Govt. of AP, represented by its Commissioner, Industries, Commerce & Export Promotion (which expression shall unless it be repugnant to, or excluded by the context or meaning thereof be deemed to mean and include its successors, assignees) second part.

Whereas,

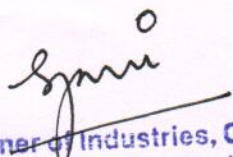
Govt. of AP and NPC (hereinafter jointly referred to as parties) hereby agree to enter into a Memorandum of Understanding for the purpose of strengthening and fulfilling the objectives in an effective and timely manner.

It is hereby agreed to by and between the two parties as follows:

Whereas the first party is agreeing to render its services in the areas as mentioned in this MoU.

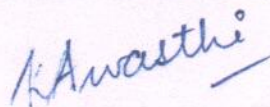
AND

Whereas the second party desires to avail the services of the First party



Commissioner of Industries, C&EP  
Govt. of Andhra Pradesh  
Ruthayalampada, Vijayawada-11.

कल्पना अवस्थी गजपत / Kalpana Awasthi I.A.S.  
महानिदेशक / Director General  
राष्ट्रीय उत्पादकता परिषद् / National Productivity Council  
लोदी रोड, नई दिल्ली / Lodi Road, New Delhi-110003





Now, this MoU witnessed and it is hereby agreed by and between the parties hereto as follows:

**1. PURPOSE AND SCOPE OF MoU**

- a. NPC is a National level apex organization under Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce & Industry, Government of India, having expertise in the area of training, consultancy and research with the mission to promote productivity culture across all sectors in the economy so as to enhance competitiveness and improve standards of living.
- b. The aim of this MoU is primarily to establish a written document under which both the parties may enter into written agreements to work together in the areas of collaboration mentioned in this MoU. However, this MoU is legally nonbinding in nature.
- c. The parties shall harness the combined strengths to work on key opportunities primarily in the Government, Public Sector, Education sector, Agriculture Sector and Industries in the State of Andhra Pradesh.
- d. Both the parties have come together in a spirit of mutual co-operation to synergize their strengths jointly in the various fields listed below.
- e. **ROLE OF NPC & AREAS OF COLLABORATION:** NPC shall have collaboration and provide services in any or all of the suggested areas listed below or any other areas apart from the list below. The following services can be expanded in scope and scale for the MSME Units/Government Departments/Organizations/Institutions/Agencies/State Level Public Enterprises etc.
- f. **LEAN MANUFACTURING:** NPC is the National Monitoring & Implementing Agency (NMIU) for implementation of Lean Manufacturing Scheme of Ministry of MSME, Govt. of India. NPC can conduct Awareness Programmes for the industry officials of Govt. of AP for disseminating about the formation of Clusters of MSME units so that the benefit of Lean Manufacturing practices can be taken by these units and they can enhance their competitiveness.
- g. **ZED SCHEME:** NPC is one of the implementing Agencies of the ZED Scheme of Ministry of MSME. NPC can conduct Awareness Programmes for the ZED

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महानिदेशक / Director General

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*KAwasthi*

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*[Signature]*  
Commissioner of Industries, C&EP  
Govt. of Andhra Pradesh  
Muthayalampadu, Vijayawada-11.



Scheme for industry officials, Associations and MSME units and can conduct Programmes for training of Master Trainers & Consultants for disseminating the advantages of the scheme. After getting the ZED rating by the MSME units, NPC can provide handholding services to the MSME units to facilitate them to upgrade their rating so that these units can become more competitive.

**h. INDUSTRY 4.0**

- i. NPC can help in development of Smart Manufacturing Index for specific Industries and suggest Industry 4.0 features that may be incorporated appropriately and design incentivisation for them.
- ii. NPC can undertake research studies and surveys in the area of IT and Industry 4.0 and carry out pilots for evidence based policy support.

**i. MFCA (Material Flow Cost Accounting)**

- i. NPC has developed expertise in an innovative environment management tool that saves material losses, improves the environmental performance, helps reduce cost, and enhances the Productivity of the Industries/MSMEs etc.
- ii. NPC can take up specific projects related to MFCA across various industries in various sectors.

**j. PRODUCTIVITY ENCHANCEMENT**

- i. Enhancing the Productivity of Government offices/Industries/State Level Public Enterprises through training and consultancy interventions to make them more productive and competitive.
- ii. Developing a pool of certified Productivity Practitioners to inculcate productivity culture among the new generation by conduct of internationally recognized Asian Productivity Organization (APO) Certified Basic and Advanced Productivity Practitioners courses for students of Technical Colleges and Universities. These courses will enhance the skills of students and make them employment ready in today's industrial scenario.

- k. Conduct of customized HR Capacity building programs for government officials/Technical students/Industry related people in different thematic areas through training courses, workshops, seminars and overseas training and consultancy.

*KAwasthi*



- l. To work for strengthening digital knowledge network in the State and providing digital empowerment and developing e-learning courses for government officials and industries
  - m. Setting up Project Monitoring Unit for Monitoring and Evaluation of various Government schemes being implemented in the State.
  - n. Conduct of Energy Management audit as well as productivity Audit for holistic problem solving, plant engineering, safety and reliability engineering, risk analysis etc., across State Government undertaking.
  - o. Conduct of Environment Assessment studies as well as dissemination of Rules of Environment Ministry for greater adoption.
  - p. For Agriculture sector, conduct of Evaluation & Impact Assessment, Crop Productivity improvement studies, Post - harvest management, macro-economic research including surveys for rural and economic development, employment generation, rural development policies and programmes etc.
  - q. Handholding for Ease of Doing Business ranking of the State.
2. **ROLE OF GOVERNMENT OF ANDHRA PRADESH:** The Government of Andhra Pradesh will provide administrative and financial support, as deemed necessary and appropriate, for the following activities:
- a. Expediting the formation of Lean Clusters, by undertaking the following activities:
    - i. Communicating with State GM-DICs seeking their support in propagation of the benefits of the scheme thus facilitating in the formation of the Clusters
    - ii. Facilitating co-ordination with Industry Associations to help divulge the benefits pertaining to the Scheme for further course of action.
    - iii. Coordinating with the OEMs (Original Equipment Manufacturers') viz. Heavy industry, food processing industry etc. in the State for better understanding and learnings related to the expected outcomes thus enhancing the competitiveness of the MSMEs through Lean Manufacturing Scheme implementation

*K Awasthi*

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- b. Expediting the implementation of Zero Effect, Zero Defect (ZED) Scheme of Ministry of MSME.
  - c. Providing institutional support, data availability, staffing support and financial support to MSME units for facilitating to carry out NPC services, as deemed necessary and appropriate.
  - d. Enhancing the Productivity of State level Public Enterprises, conduct of Monitoring & Evaluation Studies for the various Schemes of the State Govt., Facilitating the readiness of SMEs for Industry 4.0 etc.
  - e. Providing support for training & consultancy of State enterprises in Material Flow Cost Accounting (MFCA).
  - f. Disseminating information and popularizing the conduct of Productivity Practitioners Certification courses for technical students of colleges and universities.
  - g. Encouraging formation of Local Productivity Councils in the State in various regions.
  - h. Supporting the dissemination of Productivity Related Material in Regional language.
3. **PROFESSIONAL RESPONSIBILITIES:** NPC will be responsible for overall project management & coordination, resource management, deliverables and liaison with Government of Andhra Pradesh or its constituent agencies. However, for each of the project being undertaken by NPC, a detailed scope of work including the financial implications for executing the project will be worked out jointly.
4. **NODAL AUTHORITY:** The nodal officer from NPC shall be Director General, NPC or any nominee and the Nodal officer from Govt. of AP shall be the Secretary to Government & CIP, Department of Industries & Commerce or any nominee for all the decision making and concurrence.

*KAwasthi*

कल्पना अवस्थी / Kalpana Awasthi I.A.S.  
महानिदेशक / Director General  
राष्ट्रीय उत्पादकता परिषद् / National Productivity Council  
लोदी रोड, नई दिल्ली / Lodi Road, New Delhi-110003

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*[Signature]*  
Commissioner of Industries, C&EP  
Govt. of Andhra Pradesh  
Muthavalamnada, Vijayanagara



**5. TERM AND TERMINATION:**

- a. This MoU will be operational and valid for 3 years from the date of signing or until the date of earlier termination. Upon completion of three years, the MoU can be renewed with mutual consent of both the parties.
- b. Under normal circumstances, either party wanting to terminate the MoU can do so and it can be done on a mutually agreed upon date in a justified way with a notification given at least three months prior to termination date. Notwithstanding any such termination, all projects already undertaken will continue to be governed by the respective project specific agreements and shall be performed by both parties in good faith and due diligence.

6. **CONFIDENTIALITY:** Govt. of AP and NPC, to the extent of their respective rights to do so, shall exchange such information and data as is reasonably required by each one to perform its responsibilities under this MOU. Each party agrees to keep such information and act in confidence and to use the same degree of confidentiality as its uses with respect to its own proprietary data to prevent the disclosure to third parties of all relevant information, data and confidential business information.

7. **DISPUTE RESOLUTION/ARBITRATION:** Any dispute or difference arising out of or in connection with this MoU shall be settled by the parties by mutual negotiations.

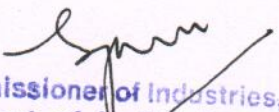
8. **FORCE MAJEURE:** Neither party shall be held responsible for non-fulfillment of their respective obligations under this MoU due to the exigency of one or more of the force majeure events such as but not limited to the acts of God, war, flood, earthquake, strikes, lockouts, epidemics, riots and civil commotion, 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. Neither party shall be made responsible for an unexpected or uncontrollable event.

9. **ASSIGNMENT:** This MoU is personal to the parties hereto and may not be signed in whole or in the part by either party without the written consent of the other party.

The signing of this MOU is not a formal undertaking. It implies that the signatories will strive to reach, to the best of their abilities in order to meet the objectives stated in this MOU.

*K Awasthi*

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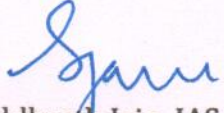
  
**Commissioner of Industries, C&EP**  
**Govt. of Andhra Pradesh**  
Muthavalamadu, Vijayawada

कल्पना अवस्थी मायस / Kalpana Awasthi I.A.S.  
महानिदेशक / Director General  
राष्ट्रीय उत्पादकता परिषद् / National Productivity Council  
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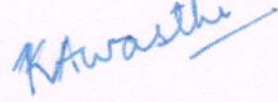


In witness whereof the parties have caused this MoU to be signed by their duly authorized representatives, the day and year first above written.

FOR AND ON BEHALF OF Govt. of AP

  
Shri Siddharth Jain, IAS  
Commissioner, Industries, Commerce and Export  
Promotion  
Govt. of Andhra Pradesh  
Muthayalampadu, Vijayawada-11.  
Government of Andhra Pradesh

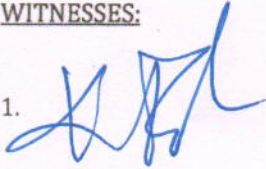
FOR AND ON BEHALF OF NPC

  
Smt. Kalpana Awasthi, IAS  
Director General  
National Productivity Council

कल्पना अवस्थी / Kalpana Awasthi I.A.S.  
महानिदेशक / Director General  
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WITNESSES:

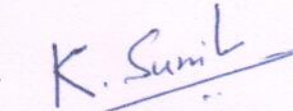
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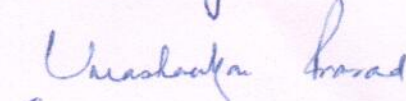
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1.

  
(Sunil Kumar)  
Secretary, NPC

2.

  
(UMASHANKAR PRASAD)  
Director (HRM & IE)  
NPC, Lodi Road.  
N.D.