

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is made and entered into this _____ day of _____ ' 2012 between Telecommunications Consultants India Ltd., a Govt. of India Enterprise, having its Corporate Office at TCIL Bhawan, Greater Kailash – I, New Delhi – 110 048 (hereinafter called "TCIL")

AND

M/s _____ (Name and address of Agency) on the other part (herein after called as 'Agency')

Whereas TCIL is a prime contracting and engineering company and undertakes projects in all the fields of telecommunications, civil constructions including road constructions.

Whereas M/s _____ are engaged in the work of supply, erection & commissioning of the plant & machinery having experience in similar works for the last _____ years.

Whereas TCIL had invited competitive quotes from the bidders for supply of the plants and whereas the agency has agreed to supply of the same as per the specification of the tender.

Now this MOU witnesseth as under;

1. It is mutually agreed that following documents shall be deemed to form, read and construed as part of this MOU.
 - i) Tender document issued by the client _____.
 - ii) Offers dated _____ submitted by the Agency.
 - iii) MOU between TCIL and agency.

2. TCIL shall award part or whole of the work as mutually agreed to the agency and, the agency shall mobilize immediately and execute the work speedily and assure quality in works and achieve the Progress as stipulated in the tender Document.

3. The Agency shall submit EMD in the form of Bank Draft for 0.50% of package value. EMD shall not carry any interest and shall be returned in case contract is not awarded to the agency.

4. In case the Agency withdraws from the offer or fails to sign the agreement or fails to furnish the back up performance security within the stipulated period, the EMD shall stand forfeited by TCIL. The earnest money shall despite signing of the agreement and furnishing the performance guarantee be retained as part of security deposit.

5. On award of the works to the agency, the agency undertakes to carry out the same work as per specifications of the client and to the best satisfaction of Client / TCIL towards quality of works.

6. Agency has confirmed that it owns requisite construction machinery and has resources and shall deploy the same for execution of the project and shall complete project in scheduled time.
7. The work shall be awarded to the agency at the rates _____
_____. Agency agrees that while making the progress payments to the agency by TCIL, all applicable deductions shall be deductible from the agency's bills by TCIL. Agency agrees that all tax liabilities including Works Tax / VAT on total contract value shall be borne by agency.
8. TCIL shall take Contractor's all risk policy in accordance with the requirement and deduct 0.70% of the contract value from the agency towards premium. Contractor shall take other policies required for all plant and equipment/workman compensation etc.
9. Agency shall comply with all applicable local laws & license fee for contract labour etc. if any shall be entirely borne by the agency.
10. All statutory deductions such as Income Tax deductible at source / VAT etc. applicable on the contract shall be deducted by TCIL from the bills of the agency.
11. It is agreed between the parties that all marketing, inspection costs and other costs shall be on account of the agency.
12. Agency undertakes to deploy requisite own working capital to execute the contract.
13. Payment Terms: Payments shall be made as per the payments schedule given in the terms & conditions of the tender.
14. Performance Security: The agency shall provide back up performance Bank Guarantee from a scheduled Bank through its branch in New Delhi. The bank guarantee shall be an unconditional and irrevocable guarantee payable on demand and without demur.
15. In case of delay in execution of work, LD as per terms of bidding tender of the client shall be applicable. In case of continued delay, on breach of other contract conditions TCIL may terminate the contract and get the work carried out at the risks and costs of the agency.
16. Arbitration: Any dispute in relation to or arising out of this MOU shall be resolved amicably by the parties. Unresolved disputes shall be referred to Arbitration. The

Arbitrator shall be appointed by the CMD, TCIL, New Delhi. The venue of Arbitration shall be New Delhi. Laws of India shall be the governing laws under this MOU.

17. On award of works to the agency, a detailed purchase order shall be issued to the supplier/agency.
18. The agency understands and agrees that he has read the tender document fully and carefully. It is expressly understood and agreed by the agency that all duties and obligations of TCIL towards the client shall be that of the agency for the corresponding portion of work awarded to and executed by it.
19. TCIL shall get registered with the Commercial Tax Department in the State of Mdhya Prdesh and apply for composite scheme for the Works Contract Tax. The agency shall extend all assistance in this regard. Works Tax shall be borne by the agency and agency shall also get themselves registered with the Commercial Tax Department if required so.
23. This MOU is valid for the specific work as awarded by TCIL.

M/s. Telecommunications Consultants India Ltd.

For Supplier

Signatures of the authorized representative
of TCIL

Signature and Seal