

## **AGREEMENT TO ACT AS TECHNICAL OR MANAGEMENT ADVISER**

THIS AGREEMENT is made at ..... this ... day of ..... between M/s. ABC Co. Ltd., a Company registered under the Indian Companies Act, 1956, having its registered office at ... hereinafter referred to as the Indian company of the One Part and M/s. XYZ Co. Ltd., a Company Incorporated under the laws in force in... having its registered office at ..... hereinafter referred to as the Foreign Company of the Other Part.

WHEREAS the Indian Company is carrying on the business of manufacturing ..... and owns a large factory (or factories) at ... ..

AND WHEREAS as the manufacturing process In the Indian Company's factories is highly technical and complicated and the production turnover of the Indian Company is very large and requires also administrative skill, the Indian Company approached the Foreign Company, who Is carrying on business at.. as technical and management advisers to different companies carrying on more or less similar business all over the world. for collaboration to act as technical and management adviser.

AND WHEREAS after some negotiations the Foreign Company has agreed to act as the technical and management advisers of the Indian Company on the following terms and conditions and it is proposed to record the same in a formal agreement.

AND WHEREAS this agreement has been approved by the Government of India and the Reserve Bank of India on the terms and conditions a copy of which is hereto annexed.

NOW IT IS AGREED BETWEEN THE PARTIES HERETO AS FOLLOWS. –

- 1 The Indian Company hereby appoints the Foreign Company as the technical and management adviser of the Indian Company.
  
- 2 The Foreign Company agrees to depute Its technical and management experts not exceeding ... in number fully qualified as regards the business carried on by the Company to advise the India Company as to the technical matters relating to the machinery installed by the Indian Company in its factories at ... and relating to -the quality of production as well as regarding the management of the factories.

- 3 The Office of the said experts will be at the registered office of the Indian Company at ... and the experts will attend to the office work during the Company's working hours except when they are on a visit to the factories.
- 4 The Indian Company will arrange for spacious residential accommodation of the experts befitting their position and in a good locality of the city where the registered office of the Indian Company is situated at the cost of the Indian Company.
- 5 The said experts will visit the factories of the Indian Company as and when they think necessary or required but at least once in a week and the Indian Company shall make arrangements for their overnight stays at such place or places.
- 6 The said experts will also visit the factory or factories for giving advice and assistance whenever required by the Indian Company or by the local manager of the factory.
- 7 The experts will use and make available all their expertise in carrying on the production in the said factories in an efficient manner and also make all suggestions for the efficient management of the factories.
- 8 The Foreign Company will make available all the know-how including all literature, formulae, drawings, and other material to the said experts to enable them to advise the Indian Company and to use their expert knowledge in solving any problem as to the running of the machinery and plant and as to the manufacture of the products.
- 9 Apart from the expenses required to be incurred for the residence and household purposes of the said experts and their family members namely wives and children and their travelling expenses, the Indian Company shall pay to the Foreign Company for the services to be rendered by the Company and its experts as follows

X      X            X            X            X

The personal expenses of the experts and their families for food and other normal amenities shall not, however, exceed Rs. ... per month per expert. All payments to be made by the Indian Company to the Foreign Company and its experts will be subject to the approval of the Government of India and/or Reserve Bank of India and will be made as stipulated by the said authorities.

- 10 If the Indian Company feel that the services rendered by the Foreign Company and Its experts are not satisfactory or necessary, the Indian Company will have the right to cancel this agreement by giving to the Foreign Company three months' prior notice to that effect.
- 11 During the period of this agreement the experts deputed by the Foreign Company will not give any advice or other help or guidance to any other Company or person in India.
- 12 The experts deputed by the Foreign Company will not be treated as the employees of the Indian Company and will not be entitled to any of the benefits given to the regular employees of the Indian Company. However the experts will be given off-time or casual leave for such days and at such times as may be agreed upon between the expert and the Managing Director of the Indian Company from time to time.
- 13 The Letter of Approval issued by the Govt. of India herein recited and hereto annexed shall be deemed to form part of this Agreement and if any term of this agreement is found inconsistent with or contrary to any term and/or condition contained in the said letter, the same will be treated as null and void.
- 14 The duration of this agreement will be... months, subject to what is herein otherwise provided. The said period may be extended by mutual consent.
- 15 This agreement will be treated as terminated on the happening of any of the events below mentioned .
  - (i) If any party hereto commits breach of any provisions of this agreement and the party who is alleged to have committed breach is served with a notice by the other party three months prior to the intended date of termination by the other party and the former party has failed to amend the breach within the said period.
  - (ii) If any event happens which will make the performance of this agreement impossible including any force majeure event.
  - (iii) If either the Indian Company or the Foreign Company goes into either voluntary or compulsory liquidation according to or under the law by which it is governed.
  - (iv) If the parties hereto mutually agree to terminate this Agreement.

- 16 All sanctions, approvals, permissions, licences and other requirements of the Government of India and of any statutory authorities required for giving effect to all the terms and conditions of this agreement shall be obtained by the Indian Company.
- 17 In the event of any dispute or difference arising between the parties hereto as to the rights and obligations under this agreement or as to any claim, monetary or otherwise of one party against the other or as to the interpretation and effect of any terms and conditions of this agreement such dispute or difference shall be referred to Arbitration of a common Arbitrator if agreed upon, otherwise to two or more Arbitrators, one to be appointed by each of the parties to this agreement and such Arbitrator shall be governed by the Indian Arbitration & Conciliation Act, 1940. The venue for such Arbitration shall be ..... in India.
- 18 The validity of this agreement and the effect or meaning of the term, hereof will be decided according to the Indian Law.
- 19 Any communication by one party to the other shall be made by registered post through airmail, with acknowledgement due or by telex or fax or cable. In case the communication is made by telex or fax or cable the same will be subsequently but immediately thereafter confirmed by written communication sent by registered post as aforesaid. Any evidence showing the communication was posted or telex, fax or cable communication was made, will be sufficient to prove the posting or sending the communication.
- 20 In this agreement the expression 'know-how' shall include technical information such as inventories formulae processes, engineering and manufacturing skill, scientific data, calculations, specifications, drawings standards, sketches and all other relevant information and knowledge.

IN WITNESS WHEREOF the parties have put their respective seals the day and year first hereinabove written.

The common seal of M/s. ABC Co. Ltd.,  
is hereunto affixed pursuant to the resolution of the  
Board of Directors dated ..... in the presence of  
Mr....., a Director duly authorised in that behalf

The common seal of M/s. XYZ & Co. Ltd.,  
is hereunto affixed pursuant to the resolution of the  
Board of Directors dated..... in the presence of  
Mr. .... a Director, duly authorised In that behalf.

Witnesses;

1.

2.