

MODEL MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE DEPARTMENT OF CONSUMER AFFAIRS, MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION GOVERNMENT OF INDIA AND GRANTEE ORGANIZATION FOR UNDERTAKING.....ACTIVITIES

This MoU is made and entered into on this -----at New Delhi, between, Ministry of Consumer Affairs, (Food & Public Distribution), Department of Consumer Affairs, Government of India, New Delhi, through its Joint Secretary, (hereinafter called as the “First Party/DCA” which term shall unless repugnant to the context shall mean and include their successors, assignees and administrators) **ON THE FIRST PART.**

AND

GRANTEE , a non-profit organization registered in ----- under the Societies Registration Act 1860 with its registered office located at-----through its President (hereinafter called as the “**Second Party**”, which term shall unless repugnant to the context shall mean and include their successors, assignees, and administrators) **ON THE SECOND PART.**

And WHEREAS, the First Party/DCA has been approached by the Second Party/Grantee That the Second Party is having some consumer welfare project with the specific aims and objects. Therefore, after considering the aim and objectives of the consumer welfare project, the First Party has agreed that a project in this regard need to be supported by First Party and whereas the SECOND PARTY had submitted a proposal for-----, which has been approved by the Standing Committee set up under (CWF)Consumer Welfare Fund Rules 1992(hereinafter called as CWF Rules) for financing the project from the said fund which has been **approved** for the said **project** vide CWF’ s letter No. -----dated -----.

On the basis of proposal from the Second party, the First party/DCA has approved and sanctioned the proposal for financial assistance for -----at an estimated cost of Rs. ----- spread over in the period of -----commencing from date of release of funds as per the **approval** letter No.----- dated --- **issued by CWF** and as per terms and given in the sanction letter No.-----dated----- issued by the First Party.

The primary objectives of the Project are:

- 1
- 2
- 3
- 4

AND WHEREAS, the First party/DCA has agreed to sanction a grant of Rs-----
---, as cost to carry on the activities under the Project, (hereinafter referred to as the '**Grant**') subject to the condition and satisfaction of First Party/DCA that the Grant will be used for the desired purpose and the Second Party agrees to abide by the terms and conditions set out in the said sanction letter -----dated-----.

NOW, THEREFORE, IN CONSIDERATION OF THE PROMISES AND MUTUAL COVENANTS HEREINAFTER CONTAINED, BOTH THE PARTIES HERETO AGREE AS FOLLOWS.

I. SCOPE OF AGREEMENT AND CLARIFICATION

This Agreement details the responsibilities and obligations of First Party/DCA, and Second Party referred to hereafter.

II. RESPONSIBILITIES AND OBLIGATIONS OF FIRST PARTY/DCA

- a) The First Party will provide financial support to the Second Party of a sum of Rs----- (hereafter referred to as the "**Grant**") out of the total cost of the project of Rs.-----lakhs and the remaining Rs ----- lakhs will be contributed by the Second Party itself as its own contribution for the said project for a period of 6 months (hereinafter referred to as the "**Period**") towards implementation of the various programmes and activities under the project on the condition that the Second Party agrees to abide by the terms and conditions set out in the said sanction letter ----- dated -----
- b) Seventy five percent (75%) of the (**Grant**) for the first year shall be payable within one month from the date of execution of this MoU. The remaining twenty five percent (25%) will be released on submission of Utilization certificate (UC) and on the recommendation of the Executive Committee.
- c) The FIRST PARTY/DCA neither will be responsible nor liable for any claims or liabilities of any nature whatsoever, including those arising from employment of contractual manpower employed by Second Party of any status and nature, if any to be arised, or arising out of or in the course of employment of any employee.
- d) The First party/DCA shall introduce a system of concurrent evaluation for regular feedback regarding the functioning of the **sanctioned** project. The second part will not raise any objection or obstacle of any kind what so ever.

e) The First Party/DCA will periodically monitor the progress of activities under the project through an Executive committee, set up for the purpose. The committee will meet every three months and recommend subsequent release of installment of grants.

III RESPONSIBILITIES AND OBLIGATIONS OF SECOND PARTY

1. The Second Party will submit proposal for release of second installment of funds and the release of funds will be on the basis of the UC and statement of Expenditure and on recommendation of the Executive Committee, **the record of which to be maintained properly by Second Party.**

2. The Second Party shall keep the First party/DCA informed of the progress made in the project, on a quarterly basis.

3. The Second Party agrees to achieve the following objectives through this project:

- 1
- 2
- 3
- 4
- 5

4. The Second Party also agrees and promises to work towards achieving the following:

- 1
- 2
- 3
- 4
- 5

5. The Second Party shall ensure that the assets acquired out of the grant from the Consumer Welfare Fund are suitably maintained and insured.

6. **SECOND PARTY**, wherever applicable, agrees to maintain an Assets Register **and other documents record** showing all the assets whenever acquired out of the grants mentioned above and agree to undertake disposal of these through appropriate procedure as per General Financial Rules (GFR) and credit the receipts there of to the First Party/DCA

7. The Second Party hereby agrees that the assets acquired by it from the grants released from time to time will revert back to the First Party/DCA in the event of the project failing at any point of time for any reason whatsoever.

8. The Second Party agrees that in case of any deviations or modifications that are necessary to carryout the project, those deviations or modification will be carried out, only after the due written approval of the Executive Committee, set up by the First Party/DCA for this purpose.

9. The second party agrees that,

- It shall operate a separate Bank Account for this project.
- It shall maintain proper accounts of the actual expenditure incurred under various Heads as also the revenue realized from time to time and make necessary arrangements for audit of such accounts through Auditors empanelled by the Comptroller, and Auditor General (CAG) or Company Law Board.(CLB)
- It shall submit duly audited statement of accounts for expenditure up to 75% of the grant released earlier by the **First Party for said project**, before claiming the next installment due for the project.
- It shall make available all related documents, transactions and vouchers to the internal audit team appointed by the First Party/DCA as and when felt necessary for internal evaluation by First Party/DCA.
- It shall credit back to the First Party/DCA any receipts out of the proceeds of the sale or auction of assets acquired out of the grant given by First Party **for the project but amount being utilized to earn more money for the project only. However no such transaction to be done by the Second Party without informing to the First Party in writing.**
- It shall incur Rs. -----lakh as their own contribution towards the project.

10.) The Second Party agrees that First Party/DCA shall not be liable for any disputes legal or otherwise that may arise out of any action on the part of the Second Party. The loss, if any, to be incurred in such activities to be borne by the Second Party exclusively.

11.) (a)SECOND PARTY will provide the “infrastructure”, including the space, office equipments including computers and information related facilities and services, etc. for all the activities under the Project.

(b)SECOND PARTY will submit to the First Party/DCA a quarterly report of activities and a detailed performance-cum-activities report at the end of the every year.

(c) SECOND PARTY, while seeking release of **Grant**, will submit, to the First Party/DCA all reasonable evidences of proper utilization of installments released earlier by the First Party for the said project.

(d) SECOND PARTY, will follow and comply with all conditions attached to the grant-in-for the project as per GFR.

SECOND PARTY, shall indemnify the FIRST PARTY/DCA against any claim, which may be made under the Workmen’s Compensation Act’ 1926, or any statutory modifications thereof or otherwise, in

respect of any damages or compensation payable in consequence of any accident or injury sustained by any workmen or other person while in the employment of the SECOND PARTY or its contractor/agents so long as such accident or injury arose within the preview of the project envisaged in this Agreement. .

(f) SECOND PARTY shall further indemnify the FIRST PARTY/DCA against any damage, caused, expenses and/ or claim occasioned by any infringement of Patents or Intellectual Patents or Intellectual Property Rights, arising out of any acts or omissions by or on behalf of SECOND PARTY.

(g) SECOND PARTY will undertake to comply with all regulations regarding testing of products as per the decisions arrived at by the Executive committee.

IV TIMELINES FOR ACTIVITIES / TARGETS

1.	Infrastructure & staff etc.:	Within one month
2.	Quarterly Report:	By 10th of the following month every quarter
3.	Performance cum Activity Report	Within one month of the end of each financial year
4.	Annual Report in Hindi and English	By September of each succeeding financial year
5.	Utilization certificates (UC) and Audited Accounts:	Within 12 months from the closure of the project period.
6.	Meeting of Executive Committee:	Once in every six months

V. TERMS AND CONDITIONS

The following broad terms and conditions are mutually agreed upon by both the parties hereto.

1) It is agreed that the First Party/DCA reserves the rights to cancel the project at any time without assigning any reason whatsoever. It is also agreed that the First Party/DCA would not incur any liability whatsoever if the project is terminated before completion of its full term.

2. (a) It is agreed by the Second Party that all assets including Physical and intellectual property **and patents** created out of the Grant released by the First Party for the **project of Second Party** would be the property of the First Party/DCA and the First Party/DCA can make them **freely utilize itself or can make** available and accessible to anyone at its instance. (b) The Second Party shall extend all the requisite support to the First Party/DCA in fulfilling the procedural formalities to acquire the legal rights thereon.

3. The Second Party also agrees that the First Party/DCA will not liable for any disputes legal or otherwise that may arise out of the actions of the Second Party with any Third Party (Whomsoever).

4. FIRST PARTY/DCA will provide support for a period of ___ months from the date of this MoU.

5. An Executive Committee shall be constituted to monitor the implementation of this MoU. The Committee would be headed by an Officer not below the rank of Joint Secretary in the Department of Consumer Affairs with Director (CWF) as Member Secretary, comprising of the Deputy Secretary(Finance) and President/Nominee of the concerned organization as Members.

6. The Executive Committee will review the actual performance under this MoU and shall meet at least once in three months for evaluation of the specific activities undertaken under the Project.

7. FORCE MAJEURE

Neither of the parties 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 acts of God, War, Flood, Earthquakes, Strikes not confined to the premises of the party, Lockouts beyond the control of the party, claiming force Majeure, Epidemics, Riots, civil commotions etc. provided on the occurrence of and cessation of any such event within one month of such occurrence of cessation. If the Force Majeure conditions continue beyond six, months, the parties shall jointly decide about the future course of action of the project.

8. In case of any disputes or differences arising out of this MoU or in the operations of the project, during the validity period of this MoU the same shall be resolved through mutual discussions between both parties. Any unresolved disputes of differences shall be referred to a sole Arbitrator who will be a Retired Judge of a High Court or the Supreme Court to be appointed by FIRST PARTY/DCA whose decision shall be final and binding on both the parties. The venue of arbitration shall be at New Delhi and the arbitration proceedings shall be governed by the Arbitration and Conciliation Act, 1996 and any modification or reenactment thereof.

The High Court of Delhi and the Courts subordinate to it at New Delhi shall have exclusive jurisdiction in all matters concerning this MoU including any matters concerning this MoU including any matter arising out of the arbitration proceedings or any Award made therein.

9. This is the sole MoU between the Parties hereto, for the purpose mentioned herein and any other communication made on this subject contrary to the covenants contained herein shall not be applicable and will not have any effect and also will not be entertained by the First Party.

VI. DURATION OF THE MoU:

- i. This MoU will be valid for a period of ----- year/s from the date of signing it, unless the project sanctioned to the second party is terminated before expiry of the sanctioned period and the period can be extended in writing only and by mutual consent of both the parties.
- ii. It is agreed that the FIRST PARTY/DCA reserves the right to cancel the Grant to the Second Party before the end of the period of MoU, if the Second Party fails to comply with the terms and conditions of this MoU.
- iii. It is also agreed that the FIRST PARTY/DCA would not incur any liability whatsoever, if the funding of the Project is terminated before completion of period and project.

IN WITNESS WHEREOF, both the parties have caused their representatives, duly authorized for that purpose to execute this MoU on the date and in the year herein above written, in the presence of following witnesses.

Signed for the
On behalf of
First Party/DCA

Signed for the on behalf of
Second Party

()
Joint. Secretary
Department of Consumer Affairs
Government of India
365-B, G wing
New Delhi-11001

(Representative of Grantee)

WITNESSES

1. _____
Name
Designation
Address

1. _____
Name
Designation
Address

2. _____
Name
Designation
Address

2. _____
Name
Designation
Address