

MEMORANDUM OF UNDERSTANDING BETWEEN ENTREPRENEURS OF JAPAN AND INDIA

THIS MEMORANDUM OF UNDERSTANDING IS MADE AT MUMBAI ON THIS

DAY OF.....2000 Between M/s XYZ Pic, a company incorporated and existing under the Japanese Companies Act and having its corporate office at..... Japan(hereinafter referred to as "XYZ") of the ONE PART and M/s ABCr Ltd.,a company incorporated and existing under the Companies Act,1956 and having its registered office at.....Mumbai (hereinafter referred to as "ABC") of the OTHER PART;

WHEREAS XYZ is engaged in the business for the last 40 years in various products in Japan and has experience and capabilities in various fields and desirous to expand its business activities in various parts of the world;

AND WHEREAS with a view to commence business activities in India XYZ has sent its team consisting of various experts and the said team has negotiated with various Indian industrialists and entrepreneurs;

AND WHEREAS the said team of XYZ has negotiated with ABC, who has experience and capabilities in the field of automobiles, electronic goods, cellular and mobile phones and desires to enter into the manufacturing of the computers and related products;

AND WHEREAS after negotiations, XYZ and ABC have desired to initiate further negotiations for their joint collaboration for installing the manufacturing unit/s of computers and related products and the parties are confident that by further negotiations and dialogues between the representatives of the parties, a long lasting business relationship will be established between them;

AND WHEREAS the parties have desired to create a framework for proceeding with the negotiations so that the terms and Conditions of the agreement may be finalized and with that objective in view, they mutually agree to act in accordance with the terms, set forth in the Memorandum of Understanding.

NOW IN CONSIDERATION OF THE PREMISES, The Parties hereby agree as follows:

1. The parties herein agree that they will negotiate for establishment of long lasting business relations in accordance With the terms and conditions hereinafter mentioned
2. The parties shall constitute a negotiating team, which will consist of six representatives out of which each party will nominate three members. It is understood that the team leader nominated by each party will be authorized to take decision on the part of the party nominating him. The committee shall decide the rule, procedure, frequency and place of the meeting. The leader of, the team nominated by XYZ shall be the chairman of the said team and will chair the meetings of the committee.
3. The negotiating team shall make study of the market conditions of both countries, cost effectiveness and other factors for the establishment of factory in India for the manufacturing of the computer and related products in joint collaboration. The said team shall decide the place where the proposed factory will be located. The terms and conditions of the proposed joint collaboration between the parties will be finalized by the negotiating team. The negotiating team shall also prepare blue print for the establishment of the factory in joint collaboration in India.

The negotiating team shall be authorized to appoint consultants for undertaking studies and to give opinion to the

4. Each party will bear all costs and expenses incurred by it in relation to this Memorandum, which includes travel expenses, overheads, establishment of office in each other country, and other expenses which may be incidental in connection with this Memorandum team.

5. If the Negotiating Team appoints consultants for undertaking studies and to give opinion, the expenses in connection with the appointment of such consultants will be borne by the ABC in the first instance and 50% of the said expenses will be reimbursed by XYZ on submission of the bill. The bill to be submitted by ABC will provide the details of expenses incurred by it in connection with the appointment of specialists, along with the copy of the bills/receipts obtained by the ABC and the XYZ shall reimburse the 50% expenses within 15 days from the date of receipt of the bill by it.

6. The parties agree that it and its , associates/affiliates shall not directly or indirectly negotiate with any other party in connection with the establishment of a factory in joint collaboration in India. It is also agreed that the parties shall not negotiate with any other party for the establishment of business relations in India or Japan without the written consent of the other party.

7. All notices and correspondence shall be in writing and may be sent by sending the same by registered airmail or by facsimile transmission to the other side, at its address set forth herein below or at such other address ,as such other party may subsequently notify. All such notices shall be deemed to have been given or served when delivered.

XYZ PIC
Postal Address:
Telephone No.
Facsimile No.
Kind Attention
ABC Ltd.,
Postal Address
Telephone No.
Facsimile No.
Kind Attention

8. No party shall disclose any information to third party concerning the matters relating to this Memorandum, unless the final agreement is executed between the parties.

9. This Memorandum shall remain in full force for a period of six months from the execution of these presents. However this Memorandum will terminate on the execution of agreement between the parties or an agreement to terminate, this Memorandum.

10. This Memorandum is not assignable and no party to this Memorandum shall be authorized to assign this Memorandum.

11. In the event of any difference or dispute arising out of the interpretation or in connection with this Memorandum, the parties shall consult each other and the Managing Directors of both the parties will decide the matter by holding a meeting either at Japan or at Mumbai.

12. The obligations of the parties under clauses of this Memorandum shall survive, the termination or expiration of this Memorandum

13. It is hereby expressly made clear that the intention of the parties is not to create binding agreement between the, parties and no party shall have the right to file claim against the other party for breach of the terms of this Memorandum. The parties understand that neither this Memorandum. ..gives any right to any party nor it creates a partnership, joint collaboration or any other entity.

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed through their authorized representatives on the day and year first above written.

Signed and delivered by the within named XYZ Pic through the hands of Shri..... its authorised official in the presence of

- 1
- 2.

Signed and delivered by the within named ABC Ltd. through the hands of Shri..... its authorized official in the presence of

- 1
- 2