



Health & Wealth, We Manage Both

# MEMORANDUM OF UNDERSTANDING

## BUSINESS ASSOCIATES - PAN SERVICES



## MEMORANDUM OF UNDERSTANDING FOR APPOINTMENT OF A BUSINESS ASSOCIATE

This MEMORANDUM OF UNDERSTANDING is made at New Delhi on this \_\_\_\_\_ day of the month of \_\_\_\_\_ in the year \_\_\_\_\_ by and between:

M/s ALANKIT ASSIGNMENTS LTD., a company established and incorporated under the provisions of the Companies Act, 1956 having its registered office at 205-208, Anarkali Bazar, Jhandewalan Extension, New Delhi and Corporate Office at 'Alankit House', 2E/21, Jhandewalan Extension, New Delhi-110055 (hereinafter referred to as "the FIRST PARTY", which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors in title, and permitted assigns) OF THE FIRST PART;

- And -

Sh. \_\_\_\_\_, A proprietary firm/partnership firm/company having its principal place of business at \_\_\_\_\_ (hereinafter referred to as "the SECOND PARTY " which expression shall, unless repugnant to the context or meaning thereof its successors-in-interest/title, legal representatives and permitted assigns ) OF THE SECOND PART;

WHEREAS NATIONAL SECURITIES DEPOSITORY LIMITED (NSDL), MUMBAI having under the authority of Income-tax Department, (ITD) Government of India appointed M/s ALANKIT ASSIGNMENTS LIMITED, the FIRST PARTY to operate as an established " TAX INFORMATION NETWORK FACILITATION CENTRE " ( TFC ) with an obligation to operate TAX INFORMATION NETWORK ( TIN ) to render services relating to collecting, receiving, processing, recording the specified datas/information and forwarding and transmitting of the same to NSDL and in so doing, to follow and comply with the provisions of the Income-tax Act, 1961, the operational procedures laid down by NSDL in TFC operating manual ( TOM ) as ruling with all modifications brought therein, and also to comply with orders, directions or notices which may be issued or prescribed by NSDL, ITD or any other authority appointed by the Government of India to regulate and control the functioning of TIN;

AND WHEREAS the FIRST PARTY is allowed to operate/run TIN through its own branch net work, and/or to outsource/assign the work of operation and running TFC by appointing Business Associate (s) in accordance with and subject to the terms and conditions of their own appointment by NSDL.

AND WHEREAS the SECOND PARTY has assured the FIRST PARTY that the SECOND PARTY is possessed of all the necessary infrastructure in the form of suitable and appropriate working space, hardware, software, telecommunication facilities, human resources, and also the knowledge and skill which is needed to perform their obligations to undertake and discharge the work assigned to them under this MOU.

NOW THIS MOU WITNESSES:

1. APPOINTMENT OF SECOND PARTY AS " BUSINESS ASSOCIATE " :-
  - 1.1 That the FIRST PARTY appoints the SECOND PARTY as its Business Associate to outsource/assign the functions/work connected with operation and running of PAN Centre and provisions hereof.
  - 1.2 That the term of appointment can be extended on terms and conditions as may be mutually agreed upon by the parties by means of a written MOU.

## 2. RIGHTS AND OBLIGATIONS OF THE FIRST PARTY (AS BUSINESS ASSOCIATE)

- 2.1 The First Party reserves its right to terminate this MOU in the event of failure or omission on the part of the Second Party to observe and comply with the provisions of the Income-Tax Act, 1961, any order, directives, instructions or notifications issued by NSDL, ITD or any other authority designated by the Government of India to regulate the working of TIN.
- 2.2 The First Party shall have the right of inspection of the operation and related records at the place of work of the Second Party as "BUSINESS ASSOCIATE" to exercise internal control to ensure the proper and smooth working of the TFC for which purpose, the Second Party shall allow the authorized representative/agent/employee/officials of the First Party unhindered access at all reasonable times to their place of work, records and electronic devices.
- 2.3 The First Party shall timely provide to the Second Party with all the software programmes which are developed/devised/modified by NSDL or by any other agency/body under their authority for facilitation/ up-gradation of the system of operation of TIN from time to time, the complete guidelines and TFC Operating Manual ( TOM ) for the Second Party to use, adopt and follow; and also provide from time to time copies of all the orders, notifications, directions and other regulatory instructions issued by NSDL, ITD or any other competent Government Authorities for timely observance and compliance by the Second Party as Business Associate.
- 2.4 The First Party shall have the right of demanding accounts of collection of all fees/charges/sums which the Second Party would be obliged to charge and receive against the work performed by them as a TFC Business Associate of the First Party.

## 3. RIGHTS AND OBLIGATIONS OF THE SECOND PARTY AS A "BUSINESS ASSOCIATE"

- 3.1 The Second Party shall have a right to have orientation and initial training provided to its man-power by the First Party for smooth and proper operation of TFC as a Business Associate from his place of work.
- 3.2 The Second Party shall have to arrange for the following assets/infrastructure to operate TIN FACILITATION CENTRE (TFC) as Business Associate of the First Party.
  - a) Minimum office space of 150 sq. ft. located either at the central location or at a convenient location in the City.
  - b) The In-charge of the Centre should have basic Computer Knowledge and has attended Training at Alankit Head Office/Regional Office.
- 3.3 The Second Party shall keep and maintain the records in such manner as may be prescribed by NSDL in its TOM and shall allow the inspection thereof to any of the authorized representative of the First Party or NSDL, ITD or any other designated authority at its premises, and shall not remove such records to a place other than the designated places without informing the First Party.
- 3.4 To exercise proper control, guidelines issued by the first party to the Second Party shall have to be followed. Other than this, any advice or instructions issued by NSDL or any other authority for observance and compliance by the First Party as TFC of NSDL shall be mutatis mutandis applicable on the Second Party. The Second Party shall follow the Service Standards prescribed by the first party and NSDL and shall also observe and comply with all orders, notifications, directions and instructions

which are issued and binding for observance and compliance by the First Party shall also be binding upon the Second Party for due observance and compliance.

- 3.5 The capital cost of the assets/infrastructure to be arranged by the Second Party as per clause (3.2) hereof shall be exclusively borne by the Second Party. Likewise the operative cost of running the Business Associate center shall also be exclusively to the account of the Second Party,
- 3.6 All NSDL Circulars are binding on the both the parties without any Force Meajure clause.
- 3.7 Second Party has to deposit a sum of Rs. \_\_\_\_\_/- against interest free refundable security deposit with first party.

#### 4. SCOPE OF WORK

The scope of work to be performed by the Second Party as Business Associate of the First Party as TFC shall comprise and, inter-alia, include the following services/functions :-

- a) Acceptance /collection of PAN Application-Fresh and Correction
- b) Submission of the same to the first party's Delhi Office for processing & uploadation
- c) Any other work as may be assigned by NSDL from time to time which is linked with ITD

#### 5. FEE STRUCTURE AS PRESCRIBED AND TO BE FOLLOWED STRICTLY BY THE SECOND PARTY AS A "BUSINESS ASSOCIATE "OF THE FIRST PARTY.

##### Fee structure

Amount to be collected from Deductors: Rs. 85 per application + 10.30% service tax i.e. Rs.94

##### Payment of Fees to First Party

The second party shall recover the fees from deductor and deposit the same in designated bank account on next working day. In case second party fails to deposit the amount in bank, he will be liable to pay interest @ 18% p.a. to first party.

##### Commission to Business Associate

- i. In respect of PAN Applications, the first party shall pay Rs.7/- per application as collection charges to the second party.
- ii. Rs. 3 will be paid for Digitization per Application.

#### 6. INDEMNITY & COMPENSATION OF LOSSES

- a) The Second Party shall indemnify and compensate the First Party by payment of amount that is claimed by NSDL or any other third party from the First Party on account of any loss suffered by it due to any acts of commission, omission, negligence, misfeasance, fraud, willful misconduct, errors or default on the part of the Second Party or any of its employees or workers.

## 7. CONFIDENTIALITY

That the Second Party shall maintain and ensure confidentiality of information that comes to its possession consequent to its participation in TIN as Business Associate of the First Party and shall not reveal the same to anyone or use for purposes other than specified in TOM except when and if permitted by NSDL, provided such information may be provided by the Second Party if required under any order of NSDL, Court or Governmental Authority in accordance with law. Such requirement of confidentiality and non-disclosure would be equally applicable to all the employees/workers/representative of the Second Party associated in its operation as Business Associate of the First Party.

## 8. INSURANCE

The Second Party shall take insurance cover as per norms and requirement from NSDL

## 9. ASSIGNMENT TO THIRD PARTY BY THE SECOND PARTY.

That the Second Party shall be prohibited to grant any sub-Business Associate or assign any interest or duty/work to any third party or to his branches under any circumstances. In case of breach of this condition, this Business Associate MOU shall at once stand terminated and the Second Party being rendered liable to compensate the First Party for all monetary and other material losses suffered in their goodwill, reputation and stature.

## 10. TERMINATION

### 10.1 Termination by the First Party

The First Party shall be within its right and authority to terminate this MOU in the event provided in clause (2.1) hereof. Without prejudice, the First Party may also terminate this MOU in the event the Second Party is adjudged insolvent, is convicted for any offence involving moral turpitude or in the estimation of the First Party, the Second Party becomes unsound.

### 10.2 Termination by the Second Party

The Second Party can terminate this MOU by giving three months notice in advance to the First Party. Upon termination, the Second Party shall forthwith handover all the property of the First Party including software or any other material provided by the First Party to the Second Party, free of cost.

## 11. OBLIGATIONS OF THE PARTIES EVEN AFTER TERMINATION.

Both the First and Second Party shall be bound by their obligations/liabilities which had arisen from acts/omissions done prior to the termination. Notwithstanding any termination or expiration of this contract the representations and warranties under various clauses and the rights and obligations under the confidentiality clause shall survive and continue and shall bind the parties and their legal representatives, successors, heirs and assigns.



The Second Party shall immediately upon termination return to the First Party all the licensed software provided to them by the First Party to operate the center and all records contained TIN including tin database and the licensed programs.

**12. JURISDICTION**

Both the First Party and the Second Party agree that all claims, differences and disputes, arising out of or in relation to this MOU including any agreements, contracts and transactions made under this MOU or with reference to any thing incidental thereto or in pursuance thereof or relating to their validity, construction, interpretation, fulfillment or the rights, obligations and liabilities of the parties thereto and including any question of whether such dealings, transactions MOU, or contracts have been entered into or not, shall be subject to the exclusive jurisdiction of the Courts of Delhi only.

**13. EXECUTION OF MOU**

This MOU is executed in two originals and each party shall have/retain one original.

**14. NOTICES**

Any notice to be given under this MOU shall made in writing in English and shall be delivered either by Registered Post, by courier service, by mail at specified email id of second party or by facsimile ( confirmed by registered mail ) to their respective following addresses, unless otherwise designated or changed by written notice by the parties hereto.

First Party:

**Alankit Assignments Limited  
'Alankit House' 2E/21,  
Jhandewalan Extn.,  
New Delhi-110055**

Second Party:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

IN WITNESS WEHREOF, the parties have hereunto set and subscribed their respective hands in and around the day and year first hereinabove written in the presence of witness named below:

SIGNED AND DELIVERED BY:

ALANKIT ASSIGNMENTS LTD.,  
Through its Director/Authorised Signatory.

Witness:

SIGNED AND DELIVERED BY: