

## SOP FOR ENGAGEMENT OF AGENTS FOR EXPORT OF IOL PRODUCTS

### SCOPE:

Identification of the agents on a geographically defined parameters, assessment of their capabilities in obtaining and handling of export orders for IOL, drawing of terms & conditions of appointment, yearly assessment of their performance and renewal or otherwise of their contract.

### PROCEDURE:

- (i) Applications for acting as agents for export of IOL products, received directly or through Indian embassies abroad, would be scrutinized by the divisional officer of the export section in the context of some parameters like their past experiences in handling such work, their financial standing, their bonafide, their recognized credentials as an export house/ facilitator etc. These parameters are illustrative and not exhaustive. The services of Indian Missions abroad (for foreign agents) and Intelligence Bureau (for Indian agents) would be availed, if found necessary for checking the bonafides of these applicants. Similarly, application for granting authorization received from the direct buyer for eventual placement of order on IOL would be scrutinized by the Division Officer in the context of his past performance and payment history etc.
- (ii) On verification of each such application in the context of the parameters as indicated in (i) Above, the Divisional Officer would put up the file with a specific recommendation keeping in view of the existing IOL policy of authorizing an agent to handle IOL export on non – exclusive basis in each geographical location or country on tender to tender basis or for the country as a whole for limited period of one year.
- (iii) The approval for granting authorisation to an agent for promoting IOL products would at the level of the Director/Operations. Even in those cases where such authorisation to represent IOL is required by a Buyer for selling IOL products to the end user, such authorisation would be furnished with the approval of Director/Operations.
- (iv) Once approved, each of such agent, who would work on agency commission basis, and Buyer who would make an outright purchase of IOL products for eventual sale to the End User, would conclude an agreement, with IOL with regard to duties and responsibilities of both sides. The functioning of the agent would be with effect from the date the agreement is signed & authorization letter issued by IOL. An authorization letter to a direct buyer can be issued subject to his signing an agreement with IOL.
- (v) The list of such entities granted Authorization for a year by IOL for securing export orders of IOL products, on agency commission basis, would be subject to an annual review based on the parameters of performance for the purpose of taking a decision with regard to extension/renewal of Agreement or otherwise. However, Authorization given to a direct Buyer would be valid till the export orders of IOL's products secured, executed by him and payment received from him.
- (vi) All strategic pricing decisions including that of agency commission before quoting to the Facilitator/Agent/Buyer, would be taken by a committee comprising CMD,IOL, Director/ Finance, IOL, and Director/Operations, IOL following the MoD letter No.:



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20(2)/2000/DP (Plg-VII) Dt.: 07-11-2000. However, the payment of agency commission would invariably be following the RBI regulations on vogue as on that day.

(vii) For taking decisions to quote full price against each export enquiry to the direct Buyer, in the interest of speed, the Divisional Officer of Export section are empowered to do so on the basis of duly vetted prices received from the concerned factory manufacturing that products. However, the decision to give agency commission and the quantum of agency commission, even in case where full prices would be quoted, would be taken by the above three member committee keeping the RBI regulations in view.

(viii) The SOP will be put up on IOL web portal.

(ix) The format of agreement and that of Authorization letter would be as under:-



# AGREEMENT

**For Exports of  
India Optel Limited Products & Services  
In ..... (*Name of the countries*)**

**BETWEEN**

**India Optel Limited  
A Govt. of India Enterprise  
Department of Defence Production  
Ministry of Defence  
Govt. of India**

**AND**

***M/s* .....**  
.....

***Agreement Number Expl /...../***

**Date:**



## AGREEMENT

INDIA OPTEL LTD., A Govt. of India Enterprise, Department of Defence Production. Ministry of Defence, Government of India, having its registered office at *OFIL Campus, Raipur, Dehradun, 248008*, India (Hereinafter referred to as - **IOL or PRINCIPAL** - which expression shall, unless repugnant to the context or the meaning thereof, be deemed to include its successors and permitted assigns)

AND

M/s..... (Country) registered in ..... (Country) having its registered office located at ..... (Address) acting through its CEO & MD ..... (hereinafter referred to as - M/s. .... which expression shall, unless repugnant to the context or the meaning thereof, be deemed to include Its successors and permitted assigns)

### 1. WITNESSETH,

1.1. Whereas IOL, a Government of India Enterprise, engaged in the manufacturing of Optical and Opto-electronics devices of tanks and ICV, military optical instruments, communications cables, airfield field lighting cables, cable harness for armoured vehicle etc. is desirous of exporting the PRODUCTS to designated Countries, and to engage the channel partners for marketing and sales of IOL products (hereinafter referred to as 'PRODUCTS') to the .....Name of the Country (hereinafter referred to as 'TERRITORY') as per details given below.

Name of the End User Country	Authorization for	Agreement type

1.2. Whereas M/s..... has the necessary contacts and experience in the marketing sales and distribution of the said PRODUCT/S and other similar items in the TERRITORY and elsewhere in the world and are fully conversant with prevailing Rules, Laws and Registrations requirements of the said country/countries;

1.3. Whereas IOL is desirous of granting authorization to M/s..... for the

IOL

AGREEMENT Between IOL & M/s.....

M/s.....



duration of the agreement, to represent IOL in various tenders and enquiries, purchase, market and sell products for and on behalf of IOL, in the TERRITORY on **non-exclusive basis** subject to furnishing of End User Certificates (EUC) and subject to mutually agreed terms and conditions as detailed below:

2. OBLIGATIONS OF M/s.....

2.1. M/s..... undertakes to promote, market and increase trade volume of the said PRODUCT(S) in the TERRITORY manufactured by IOL only and would not deal with or promote any products of similar nature of the competitors. M/s..... shall canvass for the sale of PRODUCTS in the TERRITORY and direct all orders received from the customers to THE PRINCIPAL;

2.2. M/s..... undertakes to forward enquires and generate order RFPs of IOL products during the currency of the Agreement for IOL to quote and would put its best effort to promote the sale of products in the designated country.

2.3. M/s..... undertakes not to divulge the information relating to commercial data, technology, design, fabrication, assembly and testing aspects procedures etc. that are not in public domain and exclusively provided by the IOL at any time to any third party without prior written consent from IOL which has disclosed such information.

2.4. M/s..... undertakes to ensure compliance with all pertinent law and regulations in the designated country in their applications to this agreement and to obtain all necessary approvals, licences or registrations in connection with this agreement if so required,

2.5. M/s..... undertakes not to enter any obligation on behalf of IOL without the prior written consent of IOL.

2.6. M/s..... undertakes not to sell/ offer the products of IOL to any other country, other than the designated country for which authorization has been granted, without the prior written consent of IOL;

2.7. M/s..... undertakes to arrange to furnish the End User Certificate (henceforth EUC) and to ensure effective and speedy realization of all payment/s due from the buyer of the designated country;

2.8. M/s..... undertakes to ensure that all payments due to IOL are paid in

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IOL

AGREEMENT Between IOL & M/s.....

M/s.....



USD/ Euro through (a) an irrevocable and confirmed Letter of Credit payable against presentation of Shipping documents opened through and confirmed by an international bank of repute acceptable to IOL as be mutually agreed upon or (b) in advance through (i) swift transfer or (ii) transfer by the lending bank where a buyer's credit has been applied for by the end buyer.

2.9. M/s..... shall be responsible for assisting the PRINCIPAL/ the Customer depending on specific project requirements, for customs and port clearance, local transportation, labour contracts, clearance and payment of bills and resolution of disputes, intimation of adverse / positive feedbacks in time, with respect to problems in supplies, etc.

2.10. M/s..... undertakes to provide all support and assistance to IOL or any IOL team visiting in the designated country for export, marketing or in the matter of settlement of any dispute or relating to inspection for repair or replacement of the items sold to the Buyer through M/s..... However, the cost and expenses that would be incurred in connection with the visits of IOL personnel in the designated country for the above purpose would be borne by IOL;

2.11. M/s..... undertakes that it will render assistance to enable IOL to receive its dues in respect of supplies made and related services covered by this Agreement.

2.12. M/s..... shall provide itself with, and be solely responsible for, (a) such facilities, employees, and business organization, and (b) such permits, licenses, and other forms of clearance from governmental or regulatory agencies, if any, as it deems necessary for the conduct of its business operations in accordance with this Agreement.

2.13. M/s..... shall, at its own expense, and in a manner consistent with the sales policies of the Principal: (a) provide adequate contact with existing and potential customers within the TERRITORY on a regular basis; and (c) assist the Principal in assessing customer requirements for the Products.

2.14. M/s..... shall bear the entire cost and expense of conducting its business in accordance with the terms of this Agreement.

2.15. M/s..... may bring high end technology from across the World to IOL for production in IOL factories or may bring the opportunities to IOL to set up Factories (project exports) in the TERRITORY subject to acceptance of IOL to partner with the respective country ministry of defence/ related industries.

### **3. OBLIGATIONS OF IOL**

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IOL

AGREEMENT Between IOL & M/s.....

M/s.....



3.1. IOL undertakes to provide price(s) for product(s) on FOB Indian Port basis preferably:

3.2. IOL undertakes to supply the products against purchase orders & EUC/Import Certificate received from the client from designated country through M/s..... and accepted by IOL subject to issue of No Objection Certificate (NOC) for export by MoD, Govt. of India. IOL also undertakes to ensure that shipping schedule for products are adhered to as far as possible and product(s) supplied are as specified in the purchase order;

3.3. IOL will supply without charge to M/s....., a reasonable number of copies of its publications, promotional literature, technical data and specification and samples relating to products covered by this Agreement & suitable for use in the designated country and also such other information regarding the products as may reasonably be required from time to time.

3.4. IOL undertakes to ensure timely availability and supply of spares, on commercial basis, necessary to maintain product(s) in good working conditions during the normal average life of the products as per the terms of contract purchase order;

3.5. IOL warrant that the products which are covered by this agreement and delivered - hereunder shall be free of defects in material and workmanship and if found to be defective by the end user, shall be repaired or replaced by IOL at its own expense as per warrantee clause in the contract:

3.6. IOL undertakes to remit to M/s..... its commission as agreed upon, on case to case basis, at the earliest as and when IOL receives its full payment from the buyer on pro rata basis.

3.7. IOL warrants that when M/s ..... brings ToT or Project exports, M/s..... will be entitled to service charge and to be agreed on case to case basis.

#### 4. COMMISSION

On any export order received through M/s..... from the End User, the commission percentage shall be decided mutually on case to case basis and not exceeding applicable guidelines. The agreed commission/Service Charge percentage and any other relevant terms and conditions as mutually agreed upon will be put in writing and signed by IOL and M/s..... and honoured by both IOL and M/s..... The commission/Service Charge payable will be subject to Reserve Bank of India regulations.

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AGREEMENT Between IOL & M/s.....

M/s.....



However, in case a direct order is placed on IOL by M/s..... and not by the End User, M/s..... is not entitled to any commission/Service Charge payment.

## 5. EXCLUSION

All transactions arising out of direct trade between the respective Government; shall be deemed to be excluded from the purview of this agreement, except those arising out of the marketing effort of M/s.....

## 6. CONFIDENTIALTY

M/s..... and IOL will safeguard and treat as confidential all price list, quotations, technical particulars, shipping documents and the products as well as the information acquired in the course of business to include introductions of local partners in various countries and will not use or disclose the same in any way detrimental to the interest of either party during the continuance of this agreement, or any time thereafter.

## 7. DURATION OF THE AGREEMENT,

7.1. This Agreement shall come into force on the date of its execution;

7.2. The duration of this Agreement shall be for a period of **ONE year** or till the date of completion of all obligations connected with the supplies and payment thereof whichever is later and will be continued thereafter for further period if agreed to in writing by both parties.

7.3 Either party may terminate this Agreement with at least three months' notice in writing. Notwithstanding such termination, the Parties agree to honour their respective commitments and obligations made prior to such termination and to execute Contract/s resulting from them in accordance with this Agreement. No such termination shall relieve the Party of its obligations, which will be renewed prior to such termination, excluding the cases where code of ethics is violated.

7.4 All notices hereunder shall be served by one PARTY to the other by Registered mail, Return Receipt requested to the address herein below and shall be considered as having been received fourteen (14) days after date of posting and Transmission by Fax / Email herein below stated

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IOL

AGREEMENT Between IOL & M/s.....

M/s.....



AGENT/CHANNEL PARTNER	PRINCIPAL
M/s .....	INDIA OPTEL LIMITED.
Name: .....	Designation: Director(Operations), IOL (Kind Attn. Export Division)
Designation:.....	Phone: +91.....
Phone: .....	Fax: +91.....
Fax : .....	Email :.....
Email: .....	

7.6. The Termination of this agreement can be by either party if the other party is convicted or pleads to a crime or an act of fraud that materially impacts on its performance or its fiduciary duties hereunder, in which event termination may be immediate upon notice.

7.7. Return of Materials: All Confidential Information and other property belonging to the Principal shall remain the property of the Principal and will be immediately returned by Channel partner upon termination. Channel Partner shall not make or retain any copies of any Confidential Information that may have been entrusted to it.

#### 8. FORCE MAJEURE,

8.1. Neither party shall be liable for any damages or losses suffered by the other on account of happenings of any event on which the said parties have no control and which prevent such parties from executing the contractual obligations, such events being not limited to war, hostilities, revolution, civil commotion, strikes, lockouts, closures, epidemics, pandemics, accidents, fire, winds, floods, shortage of power or raw materials or because any law, order proclamation regulation, ordinance of any Government or any subdivisions thereof, acts of God or any other clause whether of similar or dissimilar nature beyond the reasonable control of the party affected.

8.2. Should one or both the parties be prevented from fulfilling their contractual obligations by a state of force majeure continuously for a period of three months, the two parties should consult each other regarding the future implementation of this Agreement.

8.3. Should IOL become liable to the buyer for having to pay penalty for delayed delivery of products, IOL may appeal to the end user for waiver of the said penalty/charges, with necessary documentary evidence, explaining the reason, and any award made in pursuance thereof by the end user shall be final and binding on IOL. M/s..... will render

IOL

AGREEMENT Between IOL & M/s.....

M/s.....



all possible assistance to IOL for processing of their waiver appeals. IOL will not penalize or make any deductions on its commissions agreed on this account provided no delay is attributable to M/s..... However, for short-shipments and deviations from contract conditions due to reasons beyond IOL's control or Force Majeure conditions, the commission payment will be proportionate to the amount received by IOL.

## 9. APPLICABLE LAW

The present Agreement shall be governed by and interpreted in accordance with the laws of the Republic of India.

## 10. DISPUTE RESOLUTION

Any disputes arising between the Parties hereto out of or in connection with this agreement shall be amicably settled between the Parties. Where the Parties hereto fail to settle the disputes amicably, within ninety (90) days of the written notice of its existence given by either Party to the other, then such dispute shall be settled by arbitration in accordance with the rules of Arbitration of the International Centre of Alternate Dispute Resolution (ICADR), New Delhi, and the award made in pursuance thereof shall be final and binding on the Parties. The arbitration proceedings shall take place in Bangalore and be conducted in the English Language. The arbitration proceedings will be administered by the ICADR. The award may be entered into a court of competent jurisdiction for its execution forthwith.

## 11. MISCELLANEOUS

11.1. It is agreed that in performing the acts contemplated in this Agreement M/s..... shall act on its own account only and it shall not make any charges or incur expenses to be paid by IOL or act in the name of IOL or sign documents in the name of IOL or issue visiting card in the name of IOL or in any manner other than purpose set forth in this Agreement.

11.3. It is agreed that neither party to this Agreement shall assign or transfer this Agreement to any third party without the prior approval of the other party to this Agreement in writing.

11.4. It is agreed that this Agreement is the final and general terms of understanding between the parties and hence all other previous correspondences and discussions are to be treated as null and void.

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IOL

AGREEMENT Between IOL & M/S.....

M/S.....



11.5. It is agreed that amendments if any to this Agreement or to the schedule may be carried on if both parties so agree in writing.

11.6. It is agreed to that in the event of any total or partial ban/restraint imposed by the Government with regard to export of the material in relation to areas/countries, sources, agencies and organizations, quality, quantity and period of export for any reason whatsoever, whether statutory or otherwise, or as a result of a policy decision, exports being prevented on account of any Force Majeure circumstance beyond IOL's control, IOL shall be entitled to cancel the whole contract or partially suspend without being in any manner liable for such cancellation or suspension and parties shall be discharged of their obligations under the contract.

11.7. In case the channel partner uses any undue influence to secure the agency agreement or any violation of Code of Ethics is proved, IOL will have the right to CANCEL the said agreement without any notice.

For and on behalf of <b>THE AGENT/CHANNEL PARTNER</b>	For and on behalf of <b>THE PRINCIPAL</b>
<b>M/s .....</b>	<b>INDIA OPTEL LTD</b>
Name: .....	Name: .....
Title: CEO	Title: .....
Date : .....	Date : .....

In witness whereof, the parties above named have affixed their respective signatures on this.

Both signatories are competent to enter this Agreement.

IOL

AGREEMENT Between IOL & M/s.....

M/s.....



इंडिया ऑप्टेल लिमिटेड

भारत सरकार का उद्यम  
रक्षा मंत्रालय  
कॉर्पोरेट मुख्यालय  
रायपुर, देहरादून- 248008



CIN-U31909UR2021GOI012802

India Optel Limited

A GOVT. OF INDIA ENTERPRISE  
MINISTRY OF DEFENCE  
Corporate Headquarters  
Raipur, Dehradun-248008

No.

Date:

**CERTIFICATE OF AUTHORIZATION**

To,

M/s.....

Address...,

.....,

.....

Email: .....

Kind Attn:.....

India Optel Limited (IOL), India hereby authorizes M/s ..... having office at..... (Country) to promote the product/products manufactured by IOL in..... (Country).

This authorisation is on non-exclusive basis and is provided for period of a ..... from the date of issue of the letter, and may be renewed/terminated at the sole discretion of IOL following the provisions contained in the above-refereed agreement.

In case of materialisation of any contract for supply of stores during the period of authorisation. IOL shall honour the contractual terms till its complete execution.

(SHAMBHU SHARMA)  
JOINT GENERAL MANAGER /OPERATIONS

पत्राचार पता :

कॉर्पोरेट मुख्यालय, इंडिया ऑप्टेल लिमिटेड  
ओफिल कैंपस, रायपुर, देहरादून- 248008 (यू.के.)

Correspondence Address:

Corporate HQ, India Optel Limited  
OFIL Campus, Raipur, Dehradun-248008 (U.K)

दूरभाष संख्या/Ph. No. 0135-2780427, फ़ैक्स संख्या/Fax No. 0135-2787305, e-mail [cmd@indiaoptel.in](mailto:cmd@indiaoptel.in)