



འབྲུག་འཛོལ་བསྐྱེད་ཚོགས་པ།

Construction Association of Bhutan

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*****Registered Civil Society Organization*****



September 22, 2023

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MoU") outlines the terms and conditions governing the partnership and dealership arrangement between the Construction Association of Bhutan (CAB), hereinafter referred to as "CAB," and Bitumix India LLP (Bitumix), hereinafter referred to as "Bitumix," for the distribution and sale of Bitumen materials in Bhutan.

Article 1: Letter of Credit and credit facility

- 1.1 Bitumix commits to facilitating a six-month Letter of Credit (LC) for any contractors routing their purchase orders through CAB. The LC shall include an unconditional bank guarantee from a reputable financial institution within Bhutan.
- 1.2 Bitumix may extend a credit facility based on letter of payment assurance from procuring agencies and CAB. This facility will be applicable for 30-40 days following the receipt of Bitumen products at Bhutan Land Custom Port.

Article 2: Charitable Donation

- 2.1 To enhance the construction industry in Bhutan, Bitumix agrees to contribute a certain amount as a charitable donation to CAB. The specifics of this donation, including the amount and payment schedule, shall be determined through a separate agreement.

Article 3: Delivery Timeline

- 3.1 Bitumix guarantees the timely delivery of bitumen. Products will be delivered within 20 or agreed days from the date of purchase orders routed through CAB.

Article 4: Pricing and Validity

- 4.1 The quoted rate for Bitumix Products shall be Cost, Insurance and Freight (CIF) to any or all designated site agreed in the PI.
- 4.2 This quoted rate will remain valid for 30 days from the date of the confirmed purchase order.

Article 5: Testing Facility

- 5.1 Bitumix will make available testing facilities to ensure the quality of delivered goods meets the required standards. CAB members may request testing as needed.

Article 6: Defective Goods Replacement

- 6.1 Bitumix will replace defective goods and if the products are not up to the required standard.

Article 7: Payment Assurance

- 7.1 CAB assures Bitumix of timely payments as per the internal agreement signed between Bitumix and the buyers, with CAB providing assurance based on the undertaking from the procuring agencies as well as contractors purchasing.



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Article 8: Best Discount Offer

8.1 Bitumix is committed to offering the best available discounts for purchase orders routed through CAB by any buyers, thereby providing financial advantages to CAB-affiliated contractors.

Conclusion:

This MoU signifies the mutual understanding and commitment between CAB and Bitumix. Any modifications or additional agreements shall be executed in writing and require the signatures of authorized representatives from both parties.

Signatures:

For Construction Association of Bhutan (CAB):

Signature: TRASHI WANGYAL

Name:

Date: 22/9/2023

Witness:

Signature: UGYEN NAMGAY
 Name: UGYEN NAMGAY
 CID No.: 11501001651

For Bitumix India LLP

Signature: Prabhatkar Sumwar

Name:

Date: 22/9/2023

Witness:

Signature: Ganesh Mukherjee
 Name: Ganesh Mukherjee
 CID No. 11309001291