

# General Purchasing Terms and Conditions



## 1. Conclusion of Contract:

Only orders which are placed or confirmed in writing are valid. Please acknowledge receipt of order, confirming delivery dates, prices etc. within one week, failing which it will be assumed that all conditions as per this order are acceptable to you. . Changes and additions included in the order acknowledgement are only recognized if we subsequently consent thereto in writing. The fact that we accept delivery or make payments does not imply any recognition of the seller's/supplier's general terms and conditions of business. On the contrary we regard the performance of the delivery to our order by the seller/supplier as recognition of these General Purchasing Terms and Conditions.

All the goods and services covered against the order are subject to our acceptance both in regard to quantity and quality at the respective factories where the goods are supplied or dispatched or the work is carried out. The goods must conform to the quantity, quality and description specified in the order. If the goods supplied do not conform to the standard specifications or samples approved by us, the same shall be liable to be rejected at the supplier's cost and risk. Our decision in this matter shall be final and binding on the supplier. Upon intimation of any such rejection, due to its being defective or faulty, the same will have to be collected from our factory at your cost within one week, from the date of intimation either written or verbal. In case of failure to do so, we shall not be held responsible for any damage or loss and the suppliers will be liable to pay storage charge depending on the quantity, volume and the delay in collection of the material.

Manufacturers specifications / test report must accompany each consignment.

Date of Expiry and any special storage requirements must be indicated on the packages and delivery challan.

The Title to the goods supplied according to the contract will pass on to us after they have been delivered at the place of performance or if applicable, at the destination.

## 2. Time is the Essence of this Order:

All materials must be delivered within the stipulated time. We reserve the right to cancel this order without liability or waiver of any other remedies, and deem that the supplier / seller has wrongfully neglected to deliver the goods according to contract, if deliveries are not effected as specified therein or within delivery schedule furnished by us or for unsatisfactory performance of this order. All such written delivery instruction shall be deemed to be incorporated herein and form a part thereof. We shall in that event at our discretion, be entitled to purchase goods / services from any other source on supplier's account in which case the supplier / seller shall be liable to pay us any difference between the price as set out in this order or to accept such late deliveries, on the supplier / seller agreeing to pay to us such amount as will be decided by way of liquidated damages.

If the materials covered against the order are received before the stipulated period prescribed in the contract than we have the right to either reject delivery or the same will be stored at the expense of the supplier/seller.

## 3. Transport:

Only through our approved transporter. The supplier is obliged to insure the goods until they are handed over at the place of performance or destination.

## 4. Damage or Loss in Transit:

The goods shall be packed properly to ensure safety / security during transit and care shall be taken to avoid any damages / losses. The seller will replace or repair free of charge any goods damaged or lost in transit, whenever the goods are delivered at our factory by the supplier at his own cost and risk. Whenever this is not applicable or specified the goods are covered by us under company's block Insurance policy and only in such cases goods are to be dispatched at the buyer's risk for which period telegraphic intimation must be given to us immediately after the dispatch of goods indicating the L/R or R/R number, carrier's name etc.

## 5. Price Escalation:

The Prices shall remain absolutely firm till the entire execution of the Order and Price Escalation shall not be entertained under any circumstances.

## 6. Defective Goods:

All defective goods must be collected by the seller from our factory to whom the goods have been supplied / dispatched within one week of receipt of intimation failing which the goods will be held by us at the supplier's/ sellers risk and cost. In such an event we shall not be liable for any deterioration or further loss and / or damage to the supplier's/ sellers goods.

## 7. Delivery Challan / delivery note:

Each consignment must be dispatched against supplier's/sellers challan in duplicate, which must quote our order No. and date, full description of the material. It must indicate the Gross weight and Net weight of the material supplied wherever applicable.

## 8. Bills:

The bills / invoices relating to each supply must be submitted along with the challan to the accounts department of the factory in triplicate and must mention:

- Our order No. and date
- Supplier's / sellers challan no. and date under which the goods were supplied.
- Carrier's lorry receipt or consignment note no. and date.
- Gross weight, tare weight and net weight of the material supplied.

The payment of the bill will be made within the agreed period after receipt of the complete and defect free delivery in accordance with the order and the relevant invoice.

## 9. Vis Major:

The seller shall be under no liability for failure to deliver and the buyer shall be

under no liability for failure to accept deliveries of the supplies hereunder where such failure is due to:

- The Act of God or of a Public enemy or
- Fire, earthquake, floods, explosion or other catastrophe or
- Transportation embargoes or
- Strikes, lockout or closure.

## 10. Warranty:

The seller /supplier shall grant us full legal and material warranty.

The seller/Supplier is liable for the faultless condition and fitness of the contractual products both for their customary use and also for other uses described to the seller/supplier and for warranted properties of the contractual products. The seller/supplier guarantees in particular that all deliveries correspond in all properties to the product approved by us and to general technical rules. The properties listed in the specification are deemed to be warranted. The seller/supplier guarantees that the contractual products conform to the standard with which they must comply for global use. The contractual products to be supplied must be faultless in quality and free of defects.

Based on 24 hours/day operation on 365 days a year, the warranty period is two (2) years and commences with the delivery of the contractual products by the supplier/seller. The period between the delivery date and the manufacturing code must not exceed three months.

We are not obliged to inspect the goods for defects, even by random samples, upon delivery by the supplier/seller. Defects in the contractual products can be notified at any time during the entire warranty period, before and/or after processing and/or resale, but they must be notified upon discovery. The plea of delayed notification of defects is precluded.

In warranty cases due to defects in the contractual products, we are free to choose between cancellation, reduction, refinishing by the seller/supplier itself or by another party, or delivery of other contractual products conforming to the order, either with or without compensation in each case. We can apply these claims uniformly to an entire order or apply each to a specific part of the order. If refinishing is performed or a replacement delivery made, the two (2) year warranty period for the refinished or replaced part will recommence anew.

Requested replacement or refinishing must be performed by the seller/supplier immediately after it has received the notification of defect, without waiting for us to return the contractual product which is the subject of the complaint.

We must be compensated for any loss arising in connection with the defect.

The period of limitation for all the aforementioned claims is two years from the discovery or cognizance of the defect in question in the contractual products supplied, or the loss incurred by us.

We are entitled to debit the seller/supplier for all its expenses incurred vis-a-vis its customers arising from warranty of damaged or defective contractual products.

## 11. Recourse in respect of warranty claims by third parties

We are entitled to pass to the supplier all expenses we incur vis-à-vis our customers from warranties for defective goods of the supplier.

## 12. Product liability

The Supplier will indemnify us for all claims for damages made by third parties, especially for claims arising from product liability legislation, which are asserted against us in connection with the goods delivered.

During the time he supplies us, the supplier maintains a product liability insurance, which appropriately covers the risks arising from liability as well as our indemnity, and fulfills the following conditions:

- local validity worldwide, incl. USA/Canada
- installation and dismantling costs included.

Evidence of insurance cover must be provided to us on request.

## 13. Intellectual property rights

The supplier will indemnify us in respect of the goods delivered or parts thereof against claims arising from the intellectual property rights of third parties, such as patents, copyrights, trademarks and suchlike. The supplier undertakes to intervene at our request in any legal proceedings brought against us, or to conduct the action in place of us at his own expense and/or to bear the cost and compensation consequences arising from the action.

## 14. Copyright and documentary material

Drawings, calculations, models, dies, moulds, samples and all other documentary material placed at the supplier's disposal remain our property. They may not be disclosed to third parties in any form without our written consent. Tools, gauges, apparatus, models, etc., which we have paid for remain our property, and must be properly stored and insured against all damage. They may neither be modified, destroyed, nor used for third parties without our written consent

## 15. Place of performance and jurisdiction

The contract is subject to Indian laws. Our registered office is the place of performance. The courts exercising jurisdiction at our registered office are stipulated as the legal venue.