

## 1. Definitions:

- 1.1 For all orders issued for supply & services the following terms will be applicable.
- 1.2 In these terms and conditions, the term "supplier" refers to the vendor on whom this Purchase Order has been placed and the term "Purchaser" would invariably mean CMI FPE Ltd, a company incorporated under the Companies Act, 1956 and having its registered office at "Mehta House -64, Road No 13, MIDC, Andheri (E), Mumbai-400093, India" (hereinafter CMI FPE).
2. **Applicability of terms and conditions of purchase:**
- 2.1 The terms and conditions herein - after are an integral part of Purchase Contracts concluded by CMI FPE with the suppliers and as such constitute a framework agreement for transactions between CMI FPE and the concerned supplier (collectively the "Parties") and will supersede any terms and conditions issued by the supplier, whether as part of an offer or as part of correspondence with CMI FPE, unless explicitly stated otherwise. Any proposed revisions to terms of Purchase Orders will need to be formalized as an amendment in writing (to the initial Purchase Order).
3. **Offer, Purchase Order, Order confirmations:**
- 3.1 Offers made by suppliers to CMI FPE shall be non-binding and free of charge for CMI FPE.
- 3.2 Only Orders placed in writing by CMI FPE will be binding upon CMI FPE.
- 3.3 Orders shall be confirmed by the supplier in writing within 3 working days of receipt of the Purchase Order. If CMI FPE does not receive any confirmation from the supplier within 10 days from receipt of the Purchase Order by the supplier or if the supplier commences work based upon the Purchase Order, then the Purchase Order shall be deemed to be accepted by the concerned supplier. CMI FPE's Purchase Order shall be sent to the supplier through courier. Simultaneously, a copy of the Purchase Order shall be sent through e-mail. All due care shall be taken by CMI FPE to ensure that the supplier receives CMI FPE's Purchase Order in good time & to ensure against delivery failure in transmission.
- 3.4 CMI FPE's Purchase Order no., date, item / material code of the materials ordered as stated in Purchase Order and the concerned line item numbers should be invariably quoted by the supplier in all correspondence with CMI FPE as well as in all invoices and bills. The supplier shall ensure that all invoices and bills are not stated in the supplier's offer and hence not reflected in CMI FPE's Purchase Order shall be borne by the supplier.
- 3.5 Contracts in accordance with these general terms and conditions of purchase shall be exclusively subject to and construed in accordance with Indian Law. This contract shall be deemed to have been concluded at CMI FPE's Registered Office at Mumbai and courts at Mumbai shall have exclusive jurisdiction in all matters arising out of this Purchase Order.

## 4. Prices, Payment, Invoicing:

- 4.1 The prices shall be determined on the basis of a comprehensive calculation, to be carried out by the supplier. On demand, the calculation documentation shall be provided to CMI FPE.
- 4.2 It is important that there is joint clarity between CMI FPE and the concerned supplier on the roll-up of all costs relating to supplies / services, inclusive of applicable taxes, duties etc. customs duties, taxes, legal fees, expenses for packing, transportation & the cost of insurance or other costs which are not stated in the supplier's offer and hence not reflected in CMI FPE's Purchase Order shall be borne by the supplier.
- 4.3 The prices stated in the Purchase Order shall be firm and shall be deemed maximum prices. Price reductions due to changes on the procurement market for inputs of the supplier shall be passed on to CMI FPE to the full extent. The supplier shall be obliged to notify CMI FPE of any such changes without delay.
- 4.4 For the purpose of joint clarity, the supplier will make every effort to provide details of "Tariff Item Number" as per the Central Excise Tariff Act 1985 in respect of excise levy and Schedule number / entry in case of VAT levy under the relevant VAT Act or CST Act as applicable - in the offer itself in respect of material supplies.
- 4.5 The applicable INCOTERM will be invariably specified in all Purchase Orders concluded by CMI FPE with suppliers and will have the same connotation as prescribed in Incoterms 2010 released by International Chamber of Commerce.
- 4.6 The supplier undertakes to use exclusively environmentally sound packaging materials and keep the costs that may arise for CMI FPE in connection with the disposal of such materials as low as possible to CMI FPE.
- 4.7 Vendors will affix distinctive identification marks on all supplies effected by them, in consultation with CMI FPE. Also, all supplies should be suitably packed to adequately withstand transit damage.
- 4.8 No reimbursement of expenses by CMI FPE to suppliers would be admissible for visits by representatives of the supplier to CMI FPE. All product presentations, test operations and test runs - even before the contract is signed - shall be free of charge for CMI FPE.
- 4.9 Discrepant Invoices i.e., where there are material discrepancies between particulars in the supplier Invoice vis-à-vis CMI FPE's Purchase Order terms and conditions, shall not be deemed received by CMI FPE until the date such invoices are corrected. The statutory accounting provisions as well as current provisions in VAT legislation, Service Tax legislation, other statutes having a bearing on vendor invoicing, as applicable from time to time, shall be observed without exception. The supplier shall be liable for any additional costs arising due to incorrect or incomplete invoicing.
- 4.10 CMI FPE shall settle Invoices on expiry of the agreed credit period between the Parties and subject to complete and faultless fulfillment of the Order. Payment period commences not earlier than on the date on which the goods arrive in the premises of CMI FPE or at the agreed destination.
- 4.11 The mere acceptance (oral or in writing) of goods or services, or payments effected shall neither constitute an acceptance nor a waiver of rights of whatever kind. If the delivery is not fulfilled by the supplier according to the contract, CMI FPE shall be entitled to retention of the total purchase price until performance in accordance with the contract.
- 4.12 CMI FPE's Purchase Orders would invariably be construed as "Firm Price Contracts", unless explicitly stated otherwise.
- 4.13 Price mentioned in Purchase Order/ Service Order/ Work Order/ LOI shall remain firm & no price escalation shall be accepted till successful completion of delivery/ Installation/ Commissioning of Equipment & completion of job.

## 5. Shipment:

- 5.1 CMI FPE shall be informed of every shipment immediately after it has been despatched by means of a despatch note which shall be broken down precisely into Purchase Order line item reference, material code, quantity and weight where relevant. In so far as certificates on test of materials have been agreed upon, these shall form an essential part of the delivery and shall be enclosed with the delivery documentation.
6. **Delivery, delay in delivery, place of performance, force majeure:**
- 6.1 Delivery schedules will be explicitly stipulated in all Purchase Orders. Strict adherence to the delivery schedule is absolutely essential. CMI FPE reserves the right to treat the Purchase Order as cancelled in the event of non-compliance of the delivery schedule by the supplier.
- 6.2 Delivery period shall commence on the date of the Purchase Order.
- 6.3 Delivery challans in duplicate should invariably accompany all supplies. The drawing / part no. / item code no. / SAP no. and description should be incorporated in supplier's delivery challans as well as Supplier's invoices exactly as shown in CMI FPE's Purchase Order, to avoid confusion. Failure to comply with these instructions could delay ultimate settlement of vendor invoices.
- 6.4 Delivery documents should be created by the vendor separately for each Purchase Order. Invoices should be submitted in duplicate. More than one Invoice should not be submitted against a single challan.
- 6.5 Payment by CMI FPE to the supplier shall be made only for material/ service accepted by CMI FPE.
- 6.6 CMI FPE reserves the right to amend or cancel this Purchase Order and delivery schedule without assigning any reason and without, in any manner, incurring any liability.
- 6.7 Upon knowledge of the supplier that an agreed date cannot be met for whatever reason, the supplier shall immediately inform CMI FPE thereof in writing and state the reasons and the probable duration of the delay. Acceptance of the delayed delivery by CMI FPE shall not imply a waiver of claims for compensation, on grounds of delayed delivery.
- 6.8 Unless otherwise expressly agreed upon, the place of performance of delivery obligations shall be the delivery address stated in the Order by CMI FPE.
- 6.9 Force Majeure including but not limited to acts of God, fire, flood, war, government regulations, strikes, lockouts, inability to obtain necessary raw materials, equipment or transportation etc. shall release the Parties from their obligations for the duration of the disruption and to the extent of its effect. The Parties shall be obliged, within the scope of reasonable behavior to immediately provide all necessary information and to adjust their obligations to the changed circumstances in good faith. CMI FPE shall be fully or partially released from its obligation to accept the goods / services ordered & shall even be entitled to rescind the contract, if the goods / services can - taking account of commercial aspects - no longer be used by CMI FPE due to the delay caused by force majeure or the labour dispute.
- 6.10 CMI FPE will not accept partial deliveries unless specifically and expressly agreed upon by CMI FPE in advance.
- 6.11 In cases of changes in CMI FPE's production targets, the supplier may have to change their delivery schedule accordingly to meet CMI FPE's demand.

## 7. Inspection and Acceptance:

- 7.1 If the products or services have been supplied in a condition in accordance with the contract and free from defects, the products or services shall be accepted by CMI FPE. If a test or operation has been provided for, acceptance shall take place after specification parameters have been reached and maintained during the entire test period agreed.
- 7.2 The supplier represents and warrants that only brand new products will be supplied to CMI FPE.
- 7.3 It will be incumbent on the supplier to forward their internal specification reports / test reports along with the material despatched by them. The final inspection shall be carried out by CMI FPE's Quality Assurance personnel at CMI FPE Workshops (in addition to pre shipment inspection at vendor premises) or a third party inspection agency nominated by CMI FPE and deployed at the vendor's premises, as deemed appropriate by CMI FPE.
- 7.4 On completion of inspection, rejections will be notified by CMI FPE to the supplier; such rejected material must be lifted from CMI FPE Stores within 10 days from the date of intimation. Unless otherwise agreed to by CMI FPE, it may be noted that while assembling or processing, if further defects are noticed, CMI FPE reserves the right to reject such material, even if in the first instance it has been accepted by CMI FPE and / or paid for. CMI FPE's decision about such rejections, at whatever time made, shall be final and binding upon the supplier and the supplier will not raise any objections in any manner whatsoever. Packing, Cto, Freight, Handling costs and / or any other cost of such rejected material will be borne by the supplier.
- 7.5 The supplier shall replace the rejected material within 3 days from the date of receipt of CMI FPE's rejection intimation, failing which the shortfall in supplier's supply equivalent to the material rejected would be purchased from the open market by CMI FPE on the supplier's account and will be recovered from the supplier's outstanding invoices or debited to the supplier's account.
- 7.6 In case of an order for components wherein all input materials / specific input materials are provided by CMI FPE, the supply of components must be produced and effected keeping in view the input - output norms mutually agreed between CMI FPE and the concerned supplier - any excess consumption / rejections vis a vis agreed input - output norms will be recovered from the supplier.
- 7.7 For input materials/ free issue supplied by CMI FPE, the supplier will provide a stock statement on a quarterly basis giving material-wise details of Opening Stock, Receipts, Consumption & Closing Stock and will also provide access and active facilitation to CMI FPE's personnel towards verification of CMI FPE's inventory in the custody of the supplier as of the close of quarter.
- 7.8 Where relevant, the supplier will provide services relating to installation, testing and commissioning of equipment covered by this Purchase Order.
- 7.9 The supplier will, at the discretion of CMI FPE, arrange for training of Purchaser Engineers at supplier's / purchaser's site, for which timelines will be written in the Purchase Order.

## 8. Transportation:

- 8.1 The materials on Order shall be shipped through a supplier approved transporter / transporter nominated by CMI FPE.
9. **Transit Insurance:**
- 9.1 Transit insurance shall be invariably arranged by supplier unless or otherwise specifically agreed by CMI FPE Ltd.
10. **Liquidated damages:**
- 10.1 Time is the essence of contract and it will be necessary for suppliers to effect deliveries strictly in accordance with the delivery schedules stipulated by CMI FPE.
- 10.2 Delayed deliveries will attract liquidated damages at 0.5% of the contract value of the undelivered / unfulfilled portion of contract per week of delay subject to a maximum of 5% of the complete contractual value. This clause could vary from one purchase order to another as per agreement.
- 10.3 Terms mentioned in Purchase order shall supersede this clause mentioned in General Terms & Condition.
- 10.4 Service Tax will be charged, as applicable, on Liquidated Damages amount under section 66(E) e of the Finance Act, 1944.

## 11. Quality Assurance:

- 11.1 The supplier shall comply with all relevant and applicable quality standards as amended from time to time and at least with ISO: 9001: 2008. For the purpose of quality assurance, the supplier undertakes to systematically plan, determine, conduct and supervise measures ensuring a uniform and acceptable degree of quality, on a consistent basis.
- 11.2 The supplier shall allow CMI FPE or a person authorised by CMI FPE unrestricted access to its business premises / plant facilities at any time, even without prior notice, to inform itself about the supplier's quality management system in the plants and on the premises of the supplier and to satisfy itself about compliance with and effectiveness of the said measures. These obligations / rights shall also extend to subcontractors and suppliers of the supplier, if any, who shall be suitably advised by the supplier in good time.
- 11.3 The supplier will fully co-operate and comply with CMI FPE's vendor development process mandated under ISO : 9001: 2008.
- 11.4 It is desirable that input materials are tested in a laboratory accredited by 'NABL' (National Accreditation Board for Testing and Calibration Laboratories, Department of Science and Technology, Government of India) which may be either in - house or external, to reliably confirm compliance with IS specifications.
- 11.5 In respect of equipment supplies and material supplies, where relevant, the supplier will, as part of the contractual obligations, provide comprehensive technical documentation viz. user manuals, installation manuals and maintenance manuals.
12. **Proprietary rights:**
- The supplier guarantees that all deliveries are free from proprietary rights of third parties, in particular, that delivery and contractual use of the delivered products do not infringe patents, licences or other proprietary rights of third parties. The supplier shall, at its own cost, indemnify and hold CMI FPE harmless from and against any infringement claims (including legal costs) raised against CMI FPE by third parties. CMI FPE shall, if need be, be entitled to obtain permission from authorised persons to use the delivery items and services concerned, at the expense of the supplier.

## 13. Confidentiality / Non Disclosure:

- 13.1 The supplier shall treat conclusion of a contract with CMI FPE as confidential and shall only make reference to business connections / relations with CMI FPE in advertising material and lists of references after receiving written consent from CMI FPE. The Parties undertake to treat all commercial or technical details which are not public knowledge and of which they become aware in course of the business relationship as a business secret. The supplier shall impose the same obligation on its suppliers.
- 13.2 Design, Drawing, Samples, Technical data, pattern etc., given by CMI FPE to the supplier are the exclusive property of CMI FPE and shall be retained by the supplier in safe custody and in the strictest confidence. It shall not be copied, duplicated, modified, passed on or revealed in any manner to any unauthorized person. These drawings/ BOM/ Data in Original, Xerox or in any electronic form shall not be retained by supplier & shall be returned to Purchaser immediately on completion/ termination of the contract. All the equipment shall be manufactured strictly as per CMI FPE approved drawings/ BOM/ Data. All the drawings/ BOM/ Data shall be exchanged by either side through a transmittal note and the latest revision of drawings/ BOM/ Data shall be followed for manufacturing at supplier's end, it will be supplier's responsibility to return the previous obsolete version of drawings and documents. The items manufactured by the supplier from data furnished by CMI FPE must not be sold nor should details on the same be divulged by the supplier to any other party. This obligation will survive the completion of other obligations under this contract.
- 13.3 Enquiries received from customers other than CMI & having drawings/ specifications of CMI must be brought to CMI's notice.

## 14. Consequential damages:

- 14.1 The rights and obligations of the parties are finally and conclusively limited to those expressly provided for in the contract. It is expressly agreed and understood that under no circumstances shall either of the Parties be liable for economic loss or consequential or indirect damages of any kind suffered by the other party, including but not limited to, loss of anticipated profit, loss of contract or any other type of loss.

## 15. Arbitration:

- 15.1 CMI FPE and the supplier shall make every attempt to resolve, in an amicable manner, any dispute concerning the interpretation of the terms of purchase order placed by CMI FPE on the supplier. Any dispute, which in course of time, cannot be resolved between CMI FPE and the supplier or for that matter any claim otherwise arising in connection with this Purchase Order or breach thereof shall be finally settled by Arbitration according to the provisions of the Indian Arbitration Act, 1996, as amended. The arbitration shall be conducted by a sole arbitrator to be appointed by CMI FPE. The place of Arbitration shall be Mumbai, India. Arbitration shall be conducted in English language.

## 16. Statutory requirements:

- 16.1 **VAT and Issuance of Tax Invoice:** The supplier will ensure strict compliance with the requirements for issue of tax invoice including the declaration to be given as per the applicable VAT Act.
- 16.2 **Small scale industry (SSI Registration):** If the supplier is registered as SSI unit, it will be supplier's responsibility to register CMI FPE under the same to ensure compliance with disclosure requirements under the Companies Act 2013. The vendor's registration number will be invariably endorsed on all invoices and a copy of the vendor's SSI registration certificate will be provided to CMI FPE to ensure compliance with disclosure requirements under the Companies Act 2013.
- 16.3 **PAN:** In respect of contracts other than supply contracts, i.e. in respect of works contracts and service contracts, supplier/service provider will invariably endorse their PAN numbers on Invoices raised on CMI FPE (c.f. provisions of Section 203 A of the Income Tax Act, 1961 as amended) and provide a self - attested copy of their PAN certificate for CMI FPE's reference. Failure to do so could delay issue of TDS Certificates in respect of TDS deductions effected by CMI FPE pursuant to relevant provisions of the Income Tax Act, 1961.

## 17. Termination of Contract:

- CMI FPE may rescind a contract entered into with the supplier, in whole or in part, at any time. In such a case, the supplier shall only be entitled to receive consideration equivalent to material / services provided by the supplier and accepted by CMI FPE as per contractual specifications. Claims of the supplier going beyond the above shall be excluded.

## 18. Prohibition to assign:

- The supplier shall not be entitled to assign its rights and obligations to third parties or to assign its claims vis-à-vis CMI FPE to third parties without the prior written consent of CMI FPE.

19. **Statutory Compliance:** The contractor/ vendor is expected to comply with necessary statutory requirements as applicable to them & also shall make every effort to eliminate all unsafe actions and unsafe conditions within their premises. Supplier will take adequate measures to minimize adverse impacts on environment due to their activities like manufacturing, transportation and comply with all associated legal requirements. If goods include hazardous materials, the supplier represents and warrants that the supplier understands the nature of any hazards associated with the manufacture, handling, and transportation of such hazardous materials and has instituted desired controls which are operating effectively at all times.

## 20. Warrantys:

- Supplier expressly warrants that all products and services ordered or provided hereunder shall conform in all aspects to any specification, quality, drawings, samples and other descriptions furnished to or by CMI FPE and will be merchantable and free from defects, in material, design, quality and workmanship. If CMI FPE has furnished performance requirements for the products purchased hereunder, Supplier further warrants that such products shall be fit and sufficient for the purposes for which CMI FPE intends them. Supplier further warrants that no law, rule, regulation, ordinance, executive order of India, a state or local government, or any other governmental agency, including without limitation all laws, rules, regulations, ordinance and orders relative to price, price discrimination, wages, safety and compensation have been violated in the manufacture or sale of products or in the performance of the services covered by the Purchase Order. Supplier agrees that the foregoing warranties shall survive delivery of acceptance of, and payment for the products or services provided hereunder and shall inure to the benefit of CMI FPE and its customers.

## 21. Vendor Details:

- The details of the supplier including, name address, telephone number, e-mail address, bank account and details of its representatives are held by CMI FPE for account and order administration, for purchasing, to facilitate better communication, and for security purposes. It is the responsibility of the supplier to ensure that the vendor master data is accurate and updated and to inform CMI FPE of any material changes to be made therein.

## 22. Gratuities:

- Supplier has not and will not offer or give to any employees, agent or representatives of CMI FPE any gratuity with a view to securing business by influencing such person with respect to the terms, conditions or performance of any contract with or under the CMI FPE. Any breach of this clause will be a material breach of each and every contract between CMI FPE and SUPPLIER.

## 23. Limitation of CMI FPE's Liability:

- In no event shall CMI FPE be liable for anticipated profits or for incidental or consequential damages relating to orders placed on its vendor.

For CMI FPE Ltd.

Authorised Signatory