

Here, “Buyer” refers to Oriental Compressor Accessories Pvt. Ltd., who has issued the Purchase Order (PO) while “Vendor” refers to the proprietorship /company/ partnership in whose favour the PO is issued, which shall include all its legal successors in title and permitted assignees.

**1. PRICE:**

1.1 The price and the pricing basis mentioned in the PO/ STC is firm and fixed for the entire quantity of Goods mentioned in the PO for supply within the agreed delivery period.

**2. ACCEPTANCE OF PURCHASE ORDER:**

2.1 Goods shall be accepted only after final quality and quantity check procedures [inspection] carried out by Buyer, unless Buyer has waived its right to such inspection in writing. The Vendor agrees that the title to the Goods in conformance to the Specifications shall transfer to Buyer and shall always remain with Buyer immediately after delivery of the Goods as per the delivery terms mentioned in the PO.

2.2 No tolerance allowed unless specifically mentioned- tolerance is permissible range of variation in quality specifications and quantity of materials as mentioned in PO.

2.3 In case of breach of its obligations under PO by vendor, buyer should have rights to terminate PO fully or partially without any extra cost/compensation to be paid to vendor. All damages, losses, cost and expenses pertaining to the non-conforming Goods sold and delivered shall be to the Vendor’s Account.

2.4 Buyer’s decisions shall be final in disputes arising out of Purchase Orders. Buyers can adjust the amount of money recoverable from vendors as damages by providing some basis for calculations.

2.5 No variation in or modification of PO shall be made except by written agreement signed by both parties.

**3. PACKING, FORWARDING AND TRANSPORTATION:**

3.1 All charges towards packing & forwarding and transportation shall be deemed as included in the Purchase order price unless otherwise mentioned in the PO.

3.2 Any breakage, damage or pilferage in transit shall be borne by the vendor. The vendor shall have to send the Materials through the carrier suggested by the Buyer, if the Buyer so requests.

3.3 Liquidated damages will be charged at 0.5% of the basic goods value per week of delay as penalty with the maximum amount of penalty being limited to 5% of the basic value of materials, if the materials are not supplied within the specified delivery Schedule.

3.4 Any statutory penalty/liability imposed by any authority during transportation/inspection including but not limited to deficiency in licenses /permissions /approvals shall be payable by vendor.

**4. INSURANCE:**

Transit insurance to be covered under Oriental’s open insurance policy subject to vendor’s company policy. In case vendor company policy does not accept our open insurance policy, vendor shall be responsible to arrange for transit Insurance of Materials as specified in the PO up to the unloading of materials at the delivery Destination (at his/her own cost).

**5. TAXES AND LEVIES:**

5.1 Buyer to make payment of the applicable Goods and Services Tax (GST) and other levies mentioned in the PO as per the rates prevailing under the applicable laws at the time of dispatch. The Invoice must contain all the relevant statutory information required under GST, wherever applicable.

5.2 All consequences and liabilities arising due to non-availability of input tax credit by Buyer due to any default of Vendor [e.g. error/inability/delay in uploading returns in GST network(GSTN)], shall be to Vendor’s account. It is an agreed term of this PO that any claim raised by Buyer as a result of above shall be settled by the Vendor within thirty (30) days of receiving a written notice, without demurrage. E-Way Bills, where applicable will be provided by Buyer.

**6. DISPATCH DOCUMENTS:**

6.1 Invoice/Bills/Challan should contain all relevant information like Vendor Code, PO/ Item Code, Unit rate, Quantity, Value etc. including Supplier’s GST ID Number , SSI/MSME Regn. No. etc. Goods replaced (against original supply) should bear Buyer’s dispatch document reference no. (PO or RGP or MSO).

6.2 Dispatch documents should consist of the following in the case of direct payment:

List of documents	Direct Payment
Valid GST Invoice	ORIGINAL 2COPIES
E-Way bill, if applicable	REQUIRED FOR TRANSPORTER
Packing list, if applicable	NOT REQUIRED
Manufacturer’s Test/ Inspection Report, if applicable	ORIGINAL 1COPY
Original consignee copy of LR (applicable for supplies by road)	ORIGINAL Consignee COPY
Warranty / Guarantee certificates (where applicable)	ORIGINAL 1COPY
Delivery Challan (applicable for Service/Job work/Repair)	ORIGINAL 1COPY
Certificate of insurance	ORIGINAL 1COPY
Lorry receipt/AWB/DWB	ORIGINAL 1COPY
Dispatch clearance/inspection waiver/note of third party inspection agency	ORIGINAL 1COPY
Performance bank guarantee if applicable	ORIGINAL 1COPY

6.3 In case of LC, the above mentioned document type and number of copies to be decided by respective bank requirements.

#### **7. SUBMISSION OF QAP**

Vendor shall submit their manufacturing and inspection schedule, QAP and drawings (if applicable) within 7 days from the date of issue of PO. QAP shall be approved by the buyer within seven days from date of receipt from vendor and if this is delayed by buyer, the delivery period shall be adjusted accordingly. It is hereby agreed and acknowledged by the vendor that the entire process of design, fabrication, manufacturing and delivery shall be strictly adhered to as mentioned in the approved QAP.

#### **8. MATERIAL ACCEPTANCE AND REJECTION:**

8.1 All Materials are subject to buyer's in-house inspections regarding quality and quantity specifications & final approval of the Buyer. The Buyer reserves the right to reject the said Material if further defects are noticed during its usages even if in the first instance the materials have been accepted by the buyer and are paid for - vendor shall not object to it in any manner.

8.2 If defects are found, the vendor needs to take immediate steps to replace the material at their own cost. The cost of re-inspection by buyer or third party to be borne by vendor in this case.

8.3 The Vendor shall replace the rejected material within 15 days from the date of receipt of the buyer report of rejection. If the buyer has approved a sample prior to supply, the material supplied shall be according to the sample previously approved by buyer. Any deviation of the same will lead to non-payment of the material and all related costs (Holding, Packing, Freight or any other cost) shall be borne by the vendor.

8.4 Vendor must comply with all specifications and standards of quality as mentioned in the PO and the normal industry standards as well. Buyer's representative should be allowed to visit vendor facility to inspect manufacturing at any time and at time of dispatch.

#### **9. PAYMENT TERMS:**

9.1 In case of advance payments:

a. Orders under INR 5 Lacs: Advance payment will only be made once goods are ready to be dispatched within 7 days.

b. Orders above INR 5 Lacs: Advance payment will only be made against advance bank guarantee for the same amount. Advance bank guarantee will be valid for 30 days beyond date of last delivery. Advance bank guarantee shall be submitted by vendor within 7 days from date of issue of PO and buyer should make payment within 15 days from the date of receipt of the advance bank guarantee.

c. The vendor shall initiate the transfer of a set of non-negotiable documents (by mail/fax) to the buyer within 24 hours of dispatch of materials. Specified payments against Proforma invoice shall be made subject to receipt of tests certificate and inspection release note of third party inspection/buyer as applicable.

d. Any balance payment shall be released within 30 days from

- Date of receipt & acceptance of materials at delivery address mentioned in PO
- On receipt of all relevant dispatch documents as mentioned above, whichever is later.

9.2 In case of LC (Letter of Credit):

a. LC will only be sent once goods are ready to be dispatched within 15-30 days.

b. The vendor shall initiate the transfer of a set of non-negotiable documents (by mail/fax) to the buyer within 24 hours of dispatch of materials. Specified payments against LC shall be made subject to receipt of tests certificate and inspection release note of third party inspection/buyer as applicable.

c. Any delay in confirming acceptance of LC by opening bank of buyer due to non-receipt of non-negotiable documents is on the Vendor's account.

9.3 Specified payments against Proforma invoice shall be made subject to receipt of tests certificate and inspection release note of third party inspection/buyer as applicable.

9.4 The vendor shall mention the reference PO in all relevant documents and or correspondence including each invoice and delivery challan.

#### **10. WARRANTY:**

Unless otherwise stated in the PO, vendor guarantees that the items supplied under this purchase order are free from manufacturing defects or workmanship up to a period of 18 months from the date of dispatch of the material or 12 months from the date of commissioning of the materials as supplied by vendor to buyer, whichever is earlier. The vendor shall submit warranty certificate to buyer.

#### **11. FORCE MAJEURE**

The vendor must give notice of a force majeure event in writing within 3 days of its occurrence. The buyer may adjust delivery period on receipt of such notice and has the right to cancel the order without any financial obligation to vendor.

#### **12. RETURN OF BUYER DRAWING, TOOLS & SAMPLES and CONFIDENTIALITY:**

12.1 All drawings, tools and samples if any, provided by the buyer to the vendor with respect to the PO shall be the buyer's exclusive property and shall be returned to buyer immediately after completion of PO. If there is any damage or loss to any of the material, cost of the same shall be recovered by the vendor.

12.2 Vendor cannot disclose the information contained in the drawings, tools and samples to any third party without prior consent from the buyer.

#### **13. NO -RECEIPT OF ACCEPTANCE OF PO**

In case the PO acknowledgement copy is not returned by the vendor duly signed and stamped by its authorized signatory within 7 days from the date of receipt of the PO, the purchase order is deemed to be accepted by the vendor.

#### **14. GOVERNING LAW**

The PO shall be governed by the laws of India and the Honorable courts of Kolkata (India) shall have exclusive jurisdiction.