

GENERAL TERMS & CONDITIONS

1. Definitions :

1.1 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 JOHN COCKERILL INDIA Ltd. (JOHN COCKERILL INDIA hereinafter).

1.2 Purchase Orders will be signed and issued by the Purchaser and on confirmation / acceptance of this document by the supplier, shall be deemed to be a contract between JOHN COCKERILL INDIA and the supplier.

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 JOHN COCKERILL INDIA Ltd. with its suppliers and as such constitute a framework agreement for transactions between JOHN COCKERILL INDIA 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 JOHN COCKERILL INDIA, unless explicitly stated otherwise. Any proposed revisions to terms in JOHN COCKERILL INDIA's Purchase Orders will need to be formalized as an Amendment (to the initial Purchase Order) .

3. Offer, Purchase Order, Order confirmations :

3.1 Offers made by suppliers to JOHN COCKERILL INDIA shall be non-binding and free of charge for JOHN COCKERILL INDIA.

3.2 Only Orders placed in writing by JOHN COCKERILL INDIA would be binding upon JOHN COCKERILL INDIA. Oral orders and orders placed via telephone or by email may only be executed by the supplier if this has been expressly agreed with JOHN COCKERILL INDIA in advance, on case-to-case basis.

3.3 Orders shall be confirmed by the supplier in writing within 3 working days of receipt of the Order. If JOHN COCKERILL INDIA does not receive any confirmation from the supplier within 10 days from receipt of the Order by the supplier, acceptance of JOHN COCKERILL INDIA's Order by the concerned supplier will be taken for granted. JOHN COCKERILL INDIA'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 JOHN COCKERILL INDIA to ensure that the supplier receives JOHN COCKERILL INDIA's Purchase Order in good time & to ensure against delivery failure in transmission.

3.4 JOHN COCKERILL INDIA's Purchase Order no. and date, item / material code of the materials on order as stated in JOHN COCKERILL INDIA's Purchase Order and the concerned line item numbers in JOHN COCKERILL INDIA's Purchase Order should be invariably quoted by the supplier in all correspondence with JOHN COCKERILL INDIA as well as in all Invoices and Challans / Delivery Documents in respect of supplies effected to JOHN COCKERILL INDIA.

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 JOHN COCKERILL INDIA's Registered Office at Mumbai and courts at Mumbai shall have exclusive jurisdiction in all matters arising out of this Order.

4. Prices, Payment, Invoicing :

4.1 The prices shall be determined on the basis of a comprehensible calculation, to be carried out by the supplier. On demand, the calculation documentation shall be provided to JOHN COCKERILL INDIA.

4.2 It is important that there is joint clarity between JOHN COCKERILL INDIA 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 costs, transit insurance or other costs which are not stated in the supplier's offer and hence not reflected in JOHN COCKERILL INDIA's Purchase Order shall be borne by the supplier.

4.3 The prices stated in the 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 JOHN COCKERILL INDIA to the full extent. The supplier shall be obliged to notify JOHN COCKERILL INDIA of any such changes without delay.

4.4 For the purpose of joint clarity, the vendor 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 Prices reflected in this Purchase Order are governed by "price conditions", which could vary from Order to Order.

4.6 The applicable Incoterm will be invariably specified in all Purchase Orders concluded by JOHN COCKERILL INDIA with suppliers and will have the same connotation as prescribed in Incoterms 2000 released by International Chamber of Commerce.

4.7 The supplier undertakes to use exclusively environmentally sound packaging materials and keep the costs that may arise for JOHN COCKERILL INDIA in connection with the disposal of such materials as low as possible.

4.8 Vendors will affix distinctive identification marks on all supplies effected by them, in consultation with JOHN COCKERILL INDIA. Also, all supplies should be suitably packed to adequately withstand transit damage.

4.9 No reimbursement of expenses by JOHN COCKERILL INDIA to suppliers would be admissible for visits by representatives of the supplier to JOHN COCKERILL INDIA. All product presentations, test operations and test runs – even before the contract is signed – shall be free of charge for JOHN COCKERILL INDIA.

4.10 Discrepant Invoices i.e., where there are material discrepancies between particulars in the Supplier Invoice vis-à-vis JOHN COCKERILL INDIA's Purchase Order terms and conditions, shall not be deemed received by JOHN COCKERILL INDIA 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.

4.11 JOHN COCKERILL INDIA 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 JOHN COCKERILL INDIA or at the agreed destination.

4.12 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, JOHN COCKERILL INDIA shall be entitled to retention of the total purchase price until performance in accordance with the contract.

4.13 JOHN COCKERILL INDIA's Purchase Orders would invariably be construed as "Firm Price Contracts", unless explicitly stated otherwise. In case of any price revision / change due to change in basic raw material, Labour, overheads etc., this will have to be justified by submitting necessary documentary evidence in substantiation thereof. The decision on any revision / change in price will be finalized after discussion between JOHN COCKERILL INDIA and the concerned vendor.

4.14 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 JOHN COCKERILL INDIA 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. JOHN COCKERILL INDIA reserves the right to treat the 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 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 vendor delivery challans as well as vendor invoices exactly as shown in JOHN COCKERILL INDIA'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 Order. Invoices should be submitted in duplicate. More than one Invoice should not be submitted against a single challan.

6.5 Payment by JOHN COCKERILL INDIA to the supplier shall be made only for material accepted by JOHN COCKERILL INDIA.

6.6 JOHN COCKERILL INDIA reserves the right to amend or cancel this 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 JOHN COCKERILL INDIA thereof in writing and state the reasons and the probable duration of the delay. Acceptance of the delayed delivery by JOHN COCKERILL INDIA 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 JOHN COCKERILL INDIA.

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 behaviour to immediately provide all necessary information and to adjust their obligations to the changed circumstances in good faith. JOHN COCKERILL INDIA 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 JOHN COCKERILL INDIA due to the delay caused by force majeure or the labour dispute.

6.10 JOHN COCKERILL INDIA will not accept partial deliveries unless specifically and expressly agreed upon by JOHN COCKERILL INDIA in advance

6.11 In cases of changes in JOHN COCKERILL INDIA's production targets, the supplier may have to change their delivery schedule accordingly to meet JOHN COCKERILL INDIA'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 JOHN COCKERILL INDIA. 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 JOHN COCKERILL INDIA.

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 JOHN COCKERILL INDIA's Quality Assurance personnel at JOHN COCKERILL INDIA Workshops (in addition to pre shipment inspection at vendor premises) or a third party inspection agency nominated by JOHN COCKERILL INDIA and deployed at the vendor's premises, as deemed appropriate by JOHN COCKERILL INDIA.

7.4 On completion of inspection, rejections will be notified by JOHN COCKERILL INDIA to the supplier; such rejected material must be lifted from JOHN COCKERILL INDIA Stores within 10 days from the date of intimation. Unless otherwise agreed to by JOHN COCKERILL INDIA, it may be noted that while assembling or processing, if further defects are noticed, JOHN COCKERILL INDIA reserves the right to reject such material, even if in the first instance it has been accepted by JOHN COCKERILL INDIA and / or paid for. JOHN COCKERILL INDIA'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, Octroi, 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 JOHN COCKERILL INDIA's rejection intimation, failing which the shortfall in vendor supply equivalent to the material rejected would be purchased in the open market by JOHN COCKERILL INDIA 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 JOHN COCKERILL INDIA, the supply of components must be produced and effected keeping in view the input – output norms mutually agreed between JOHN COCKERILL INDIA 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 supplied by JOHN COCKERILL INDIA, 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 JOHN COCKERILL INDIA's personnel towards verification of JOHN COCKERILL INDIA'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 JOHN COCKERILL INDIA, arrange for training of Purchaser Engineers at supplier's / purchaser's site, for which timelines will be written in to the Purchase Order.

8. Transportation :

8.1 The materials on Order shall be shipped through a vendor approved transporter / transporter nominated by JOHN COCKERILL INDIA.

9. Transit Insurance :

9.1 Transit insurance shall be invariably arranged by JOHN COCKERILL INDIA.

10. Quality Assurance :

10.1 The supplier shall comply with all relevant and applicable quality standards as amended from time to time and at least with ISO : 9001 - 2000. 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.

10.2 The supplier shall allow JOHN COCKERILL INDIA or a person authorised by JOHN COCKERILL INDIA 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.

10.3 The supplier will fully co-operate and comply with JOHN COCKERILL INDIA's vendor development process mandated under ISO : 9001 – 2000.

10.4 It is desirable that initial lots from new vendors 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.

10.5 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.

11. Risk Purchase

If the Supplier fails to deliver the Goods/ Services either in full or in part, within the prescribed delivery period, the Buyer shall proceed for risk purchases and shall be entitled at his option to take alternate procurement action, at the risk & cost of the supplier for the unsupplied portion of the goods / items for which delivery has expired without cancelling the contract in respect of the Goods/ Services not yet due for delivery, or to cancel the contract based on progress of work, including Goods/ Services not due for delivery, and, if thought fit/necessary, to Buyer the stores at the risk and cost of the Supplier. The price differential in case of higher cost to Buyer, if any, shall have to be borne by the defaulting supplier.

Moreover the defaulting supplier shall have no claim over the quantity, which they failed to supply.

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 JOHN COCKERILL INDIA harmless from and against any infringement claims (including legal costs) raised against JOHN COCKERILL INDIA by third parties. JOHN COCKERILL INDIA 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 JOHN COCKERILL INDIA as confidential and shall only make reference to business connections / relations with JOHN COCKERILL INDIA in advertising material and lists of references after receiving written consent from JOHN COCKERILL INDIA. 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 Designs, Drawing, Samples, Technical data etc., given by JOHN COCKERILL INDIA to the supplier are the exclusive property of JOHN COCKERILL INDIA 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 as covered under secrecy & Intellectual Property Right of contract.

All the equipment shall be manufactured strictly as per JOHN COCKERILL INDIA 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 your 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 JOHN COCKERILL INDIA 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.

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 JOHN COCKERILL INDIA 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 JOHN COCKERILL INDIA on the vendor. Any dispute, which in course of time, cannot be resolved between JOHN COCKERILL INDIA 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 rules prescribed by 'The International Chamber of Commerce'. Reference to Arbitration shall be subject to the provisions of the Indian Arbitration Act, 1996, as amended. The place of Arbitration shall be Mumbai, India. Arbitration shall be conducted in English language.

16. Statutory requirements :

16.1 VAT : 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) :

Where the vendor is an SSI unit, 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 JOHN COCKERILL INDIA to ensure compliance with disclosure requirements under Schedule VI of the Companies Act 1956, as amended.

16.3 PAN :

In respect of contracts other than supply contracts, i.e. in respect of works contracts and service contracts, vendors will invariably endorse their PAN numbers on Invoices raised on JOHN COCKERILL INDIA (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 JOHN COCKERILL INDIA's reference. Failure to do so could delay issue of TDS Certificates in respect of TDS deductions effected by JOHN COCKERILL INDIA pursuant to relevant provisions of the Income Tax Act, 1961.

17. Termination of Contract:

JOHN COCKERILL INDIA 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 JOHN COCKERILL INDIA 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 JOHN COCKERILL INDIA to third parties without the prior written consent of JOHN COCKERILL INDIA.

For JOHN COCKERILL INDIA Ltd.

Authorised Signatory