

GENERAL TERMS AND CONDITIONS OF PURCHASE

ELANTAS Beck India Limited (hereinafter referred to as "Owner") will, initiate the procurement of Process Chemicals, machinery, equipment, materials, other items and services, if any, for the EBIL Plant at Pimpri, Pune & Ankhleshwar, Gujarat

1.0 **DEFINITIONS**

In the Purchase Order, following terms shall be defined as herein under:

- 1.1 **PURCHASER/OWNER/BUYER:** ELANTAS Beck India Limited (EBIL) having its registered office at 147, Mumbai-Pune Road, Pimpri 411 018 including its successors and assigns.
- 1.2 **PURCHASE ORDER (PO):** means Purchase Order No. shown on the PO together with the following **documents as applicable** :
- General Terms and Conditions of Purchase
 - Special Conditions of Purchase, if any
 - Technical Specifications
 - Drawings
 - Bank Guarantee for Advance Payment, if applicable
 - Bank Guarantee for Performance, if applicable
 - Letter of Intent (LOI)
 - Amendments to the PO (if any)
 - Any other written communications with reference to the said order.
- 1.3 **SUPPLIER/SELLER/VENDOR** means the company/firm shown on the PO and its lawful assigns or successors, supplying the goods under this Purchase Order,
- 1.4 **VENDOR/BIDDER:** A firm or company or person including its/his successors and assigns who has submitted a BID against a Request For Quotation (RFQ) issued by Purchaser
- 1.5 **GOODS/MATERIAL:** Articles, machinery, equipment, supplies, drawings, data and all services including design, engineering, supply, inspection, installation, testing pre-commissioning and commissioning specified or required to complete the scope covered under the PO
- 1.7 **WORK SITE** means Plant at Pimpri, Pune & Ankhleshwar, Gujarat
- 1.8 **PLANT** means EBIL's Plant at Pimpri, Pune & Ankhleshwar, Gujarat
- 1.9 **Party/Parties:** Purchaser and Seller collectively referred as "Parties" and individually as "Party"
- 1.10 This purchase order is an offer by the company identified on the face of this purchase order (the "Buyer") for the purchase of the goods (the "Goods") or services (the "**Services**") specified, from the party to whom the purchase order is addressed (the "Seller") in accordance with and subject to these terms and conditions (the "Terms"; together with the terms and conditions on the face of the purchase order, the "Order"). This Order will be deemed accepted by the Seller upon the first of the following to occur: (a) Seller making, signing, or delivering to Buyer any letter, form, or other writing or instrument acknowledging acceptance; (b) any performance by Seller under the Order; or (c) the passage of seven (7) days after Seller's receipt of the Order without written notice to Buyer that Seller does not accept. This Order, together with any documents incorporated herein by reference, constitutes the sole and entire agreement of the parties with respect to the Order and supersedes all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral, with respect to the subject matter of the Order, unless a separate overriding written contract has been entered into and signed by the parties. The Order expressly limits Seller's acceptance to the terms of the Order. These Terms expressly exclude any of Seller's terms and conditions of sale or any other document issued by Seller in connection with this Order.

2.0 **EFFECT AND VALIDITY OF OFFER:**

- 2.1 The submission of any bid with connected documents and specifications contained under EBIL's Request for Quotation (RFQ) shall constitute a bid and the Vendor shall have no cause for action or claim against Purchaser for rejection of his bid. The Purchaser shall always be at liberty to accept or reject any or all bids at his sole discretion and any such action will not be called into question and the Vendor shall have

no claim in that regard against Purchaser.

3.0 MODIFICATION & VERIFICATION

3.1 This Order may be amended or modified in writing by PURCHASER at any stage of execution of the main order as may be mutually agreed between SUPPLIER AND PURCHASER.

3.2 Purchaser shall bear any additional cost and shall be entitled to the benefit of any reduced cost resultant upon any such change or modification.

3.3 As soon as possible after receipt of a written request from the Purchaser for change(s), the Seller shall furnish in writing to the Purchaser an estimate of the additional cost or benefit for the change(s) and/or modification(s) requested and its effect on the delivery date. On agreement with respect to the enhanced/reduced cost and modified delivery time, which shall be finalized within 7 days of the request for the modification, Purchaser shall issue an amendment to the Purchase Order, and the Seller shall promptly proceed with the change(s)/modification(s) contemplated by the amended Purchase Order.

4.0 MATERIALS

4.1 All goods or materials shall be supplied strictly in accordance with the specifications stated in the PURCHASE ORDER or AMENDMENT ORDERS issued in accordance with Clause 2.0. No substitute/alternative shall be made without prior approval of the PURCHASER/OWNER.

4.2 All goods or materials supplied or used shall be new and of the best quality. Where imported or partly imported goods or materials are offered or intended to be used, this shall be separately stated and brought to the notice of PURCHASER.

5.0 ASSIGNING AND SUBLETTING

Assigning and/or Subletting the PURCHASE ORDER or any part thereof by SUPPLIER shall not be done unless prior written permission is obtained from PURCHASER. Written permission if given shall not relieve SUPPLIER from his obligations under the PURCHASE ORDER and he shall take full responsibility for all work done by Sub Supplier/Sub Contractor. The Supplier shall, notwithstanding the consent and assignment, remain jointly and severally liable and responsible to Purchaser together with the assignee, for and in respect of the due performance of the Contract and Supplier's obligations thereunder.

Any assignment of the Purchase order or of any rights hereunder in any manner, or hypothecation of materials of construction supplied by the Purchaser, in whole or in part, by operation of law or otherwise, without the prior written consent of Purchaser, shall be void. Any such consent shall not relieve the Seller from his obligations under the Purchase order.

6.0 PURCHASER'S COMMENTS

6.1 SUPPLIER shall not be relieved of his obligations under the PURCHASE ORDER including but not limited to his warranty obligations stated herein, by incorporating PURCHASER'S design and fabrication comments into the goods ordered hereunder.

6.2 The SUPPLIER shall submit to PURCHASER one copy of the SUPPLIER'S un priced sub-orders for sub-contracted items.

7.0 REMEDY FOR BREACH

In the event that SUPPLIER unjustifiably repudiates the PURCHASE ORDER or fails to dispatch all or part of the goods ordered within the guaranteed period (s) or commits any other breach of Contract, or becomes bankrupt, PURCHASER shall have the right to cancel the PURCHASE ORDER and make substitute purchase from other sources or, if the goods are in a partial state of fabrication, PURCHASER may make alternative arrangements to complete fabrication by other means. In all such events, SUPPLIER shall be liable to PURCHASER for payment of the additional expense incurred thereby, but shall not have any claim on savings, if any. The PURCHASER shall have free access to the SUPPLIER's work and those of his sub supplier/sub-contractor's to examine/inspect the materials and fabrication status reached at time of Order cancellation and to agree a reasonable price with the SUPPLIER. Claim for adjustments in price/delivery date shall be made when revision/changes or cancellation is ordered. Such claims shall not prejudice the

PURCHASER's right to claim a refund of any amount advanced or paid to the SUPPLIER.

8.0 GUARANTEES

8.1 To this end, the Seller guarantees that:

- (i) All materials used in the execution of the Contract and all Material(s) used in performance thereof shall be in strict compliance and conformity to the characteristics, requirements and specifications of the Contract and suitable for the purpose for which such Material(s) are intended to be used if such purpose has been disclosed or is/are suitable for use to which such Material(s) are ordinarily put to use, if such purpose has not been disclosed.
- (ii) In the case of machinery, plant or equipment with rated capacities, outputs or other characteristics, that the machinery, plant or equipment as the case may be, shall function to such capacities and/or outputs and shall meet the other characteristics required in respect thereof.

8.2 The Seller further undertakes to replace any Material(s) if found not to conform to the guarantees aforesaid at any time during the defect liability period applicable thereto. Purchaser shall give written notice of the defect to the Seller and of the rejection of the defective Material(s).

8.3 If the defect can be rectified or repaired without diminishing the quality, utility, efficiency or life of the Material(s) (of which Purchaser shall be the sole judge), instead of outright rejection of the Material(s) Purchaser may at its discretion permit the Seller to rectify the defect(s) within a period to be specified by the Purchaser in this behalf in the notice. Should the Seller fail to take action satisfactory to the Purchaser to rectify the defect(s) within the period specified, Purchaser may at its option, at the risk and cost of the Seller in all respects, rectify or repair or cause to be rectified or repaired the defect(s) either by itself or through any other source or agency, or to reject the defective Material(s).

8.4 Should Purchaser, notwithstanding the endeavour to do so, be unable to rectify or repair or get rectified or repaired the defect(s) within a reasonable time, Purchaser may, notwithstanding such endeavour reject the defective Material(s).

8.5 The Seller shall repair, rectify and/or replace, as the case may be, the defective and rejected Material(s) without entitlement to any extra payment. INCOTERMS 2010 shall apply for such replacement parts or components or Material(s) at Project Site with respect to imported parts or components or materials.

8.6 The Seller shall at its own risk and cost remove any rejected Material(s) from the Project Site, and in case of plant, machinery, equipment, parts or components which have been installed, cause the same to be dismantled and removed from the Project Site, subject to the Seller in all cases prior to the removal of the rejected Material(s) from the Project site:

- (i) Furnishing a bank guarantee to the Purchaser from a Scheduled bank in India (including an Indian branch of a foreign bank acceptable to the Purchaser) for the value paid by the Purchaser on the Material(s) rejected; and
- (ii) Undertaking to replace the rejected Material(s) with other Material(s) conforming to the Seller's guarantees aforesaid applicable thereto.

8.7 The Seller shall not without the prior written consent of the Purchaser utilize any rejected Material(s) in the re-supply.

8.8 The Defect Liability Period with respect to any Material(s) replaced, repaired and/or rectified shall be reckoned from the date of such replacement, repair and/or rectification as the case may be.

8.9 Should the Seller fail to dismantle and/or remove any rejected Material(s) from the Project Site within the time specified in the notice of rejection, the Purchaser may without prejudice to any other right or remedy, at the risk and cost of the Seller cause the rejected Material(s) to be dismantled and sold by public auction or private treaty as it deems fit and hold or adjust the sale proceeds for the recovery of the cost of dismantling, sale and removal of the rejected Material(s) and any amount paid by the Purchaser towards the price of the rejected Material(s). In so doing, the Purchaser shall not act as a trustee or constructive trustee of the Seller and shall be entitled to act solely on the basis of its best judgment without being accountable or liable to the Seller in any manner except for the proceeds of the sale.

8.10 The time taken for the repair, rectification or replacement of Material(s) will not be added to the stipulated

Delivery date for the purpose of calculating price discount, and delivery of such Material(s) shall be the date of Delivery of the repaired, rectified or replaced Material(s).

8.11 As security for the due performance of its obligations and the due discharge of its liabilities under the Contract, the Seller shall within 15 (fifteen) days of the issue of the Purchase Order furnish to the Purchaser a Bank Guarantee issued by a Scheduled Bank in India acceptable to the Company, in the format set forth hereto and marked Annexure "III" hereinbefore. The Bank guarantee shall remain in force for the entire period required for the performance of the contract and the defect liability period plus a 3 (three) months claim period thereafter. Any shortfall in the value of the Bank Guarantee, as a result of encashment by the Purchaser either in full or in part, shall be made good by the Seller within 7 (seven) days of notice by the Purchaser to the Seller in this behalf. Any failure by the Seller to furnish the Bank Guarantee or to enhance the Value of the Bank guarantee as stated above shall constitute a default by the Seller for which the Purchaser shall, without prejudice to any other right or remedy available to it, be entitled to terminate the Contract with consequences as indicated in clause 23.5, the provisions whereof shall mutatis mutandis apply.

8.12 In the event of SUPPLIER's failure to attend to the defects as stipulated herein above, PURCHASER reserves its rights to invoke the Performance Bank Guarantee or other securities held by the PURCHASER without making reference to the SUPPLIER.

9.0 PACKING

Packing and marking shall be carried out by SUPPLIER as per Packing and Marking Procedure's attached to Annexure I.

The cost of all special packing, boxing, crating or cartage is included in the price specified on the face of this order unless otherwise specifically agreed to in the order.

All packing boxing crating and cartage shall conform to the specifications or requirements detailed in respective attachment to the order. Seller shall be held liable for damage or breakage to the goods due to defective or insufficient packing and protection.

10.0 DISPATCH

SUPPLIER shall effect complete delivery of material in one/many lots as indicated in Purchase order. However, if necessary SUPPLIER may effect partial dispatch of goods with PURCHASER'S prior approval. Notwithstanding that the goods are sent in lots, the PURCHASE ORDER shall be considered as a whole. Challan and packing slip must accompany each consignment. However, the payment shall be made only on execution of the PURCHASE ORDER in full unless agreed otherwise in writing.

11.0 DISPATCH DOCUMENTS

Dispatch instructions given in the PURCHASE ORDER shall be strictly followed. Failure to comply with instructions of the PURCHASE ORDER will result in payment of invoices being withheld till such compliance.

The invoice for all domestic supplies should mention GSTN of supply location, HSN of the product/SAC of the services. The invoice should be loaded on GST portal as per the GST rules & regulation. If credit do not appear within stipulated time as per the GST act company will shall liable for the payment of GSTN amount.

Material shall be supplied along with the following set of documents as per the classification below:

- i) Local Material:
 - a) Invoice Copies in triplicate
 - b) Packing List
 - c) Delivery Challan
 - d) Certificate of Analysis, if applicable
 - e) LR Copy
- ii) Imported:
 - a) Bill of Lading

- b) Packing List
- c) Invoice
- d) Country of Origin Certificate
- e) Certificate of Analysis, if applicable

iii) Indirect/engineering goods:

- a) Invoice Copies in triplicate
- b) Packing List
- c) Delivery Challan
- d) Drawings/design calculations
- e) LR Copy
- f) Manuals as well 'As Built' drawings duly certified by Inspection Agency
- g) Guarantee certificate if applicable

SUPPLIER shall also submit copies of drawings/design calculations, manuals as well 'As Built' drawings duly certified by Inspection Agency required parts and manuals to PURCHASER without any cost, charges. The number of sets of the above will be as per the numbers stated in engineering specification/purchase order.

Details for Supplies to be made to

	MAHARASHTRA (PIMPRI WORKS)	GUJARAT (ANKLESHWARWORKS)
a) Central Excise Range :	Central Excise and Service Tax Large Tax Payers Unit (LTU) Mumbai -400 005.	Central Excise and Service Tax Large Tax Payers Unit (LTU) Mumbai -400 005.
b) Divisional and Office :		
c) Commissionerate :		
d) GSTN Number	: 27AAACD0538M1ZN	24AAACD0538M1ZT
e) Permanent Income Tax No.	: AAACD0538M	AAACD0538M
f) New ECC No.	: AAACD0538MXM001	AAACD0538MXM002
g) CIN	: L24222PN1956PLC134746	

12.0 INSPECTION

13.1 Inspection for ordered material shall be carried out at SUPPLIER's workshop/factory as per description of Activity mentioned in Inspection and TEST plan (ITP) and special requirement if any, by PURCHASER and/or OWNER and/or their authorized representative before Dispatch as per requirements given in Shop Inspection and Testing Procedure' attached as per Appendix II and detailed inspection procedure for the material as per the Data Sheet and specification, Inspection and Test Plan (ITP) enclosed Inspection of bought out items shall be carried out on receipt of the said items at SUPPLIER's shop

12.1 Inspection shall be carried out as per Inspection and Test Plan/ Quality Assurance Plan (QAP) submitted by SUPPLIER and approved by PURCHASER.

12.2 All costs for arranging such inspection work including but not limited to consumables, manpower, measurement tools, testing apparatus/equipment etc shall be borne by SUPPLIER unless agreed upon otherwise.

12.3 Additional cost incurred by PURCHASER/ OWNER/ OTHER INSPECTION AGENCY due to SUPPLIER's failure/default in compliance of Inspection plan shall be to SUPPLIER's account.

13.0 FREE ISSUE OF MATERIAL

13.1 All free issue material shall be properly stored and handled by the SUPPLIER and kept entirely separate for easy identification. The SUPPLIER shall be required to keep a proper record, which shall show details of the materials as issued from the storage area for desired purposes and the balance remaining available for use. The PURCHASER reserves the right to check such material and records and to call for the return of any or all of the free issue material at any time.

13.2 The SUPPLIER shall be responsible for safekeeping and safe custody of all free issue materials.

14.0 INSURANCE

The goods covered by the PURCHASE ORDER shall be covered against all risks and perils, governed by the Incoterms as mentioned in the Purchase order. In case of Ex-works Supply, Copy of comprehensive insurance policy shall accompany Bilty (lorry receipt - LR). SUPPLIER shall immediately inform PURCHASER/OWNER the Dispatch details. SUPPLIER shall also furnish all required information and take appropriate action including filling of declarations, report etc to assist the PURCHASER in the matter of settlement of any claim, if it so arises.

15.0 SPARE PARTS, MAINTENANCE TOOLS, LUBRICANTS

SUPPLIER shall provide

(a) Itemized list with value of each item for spare parts for erection/commissioning and special tools, gauges, where required for erection/maintenance.

(b) Spare parts for two years operation as per SUPPLIER's recommendation or as per list provided by the PURCHASER.

(c) Lubricants wherever required, the first fill/charge shall be provided by the SUPPLIER. The SUPPLIER shall provide technical details of types of recommended lubricants along with quantity of first fill, quality for one year operation and frequency of changing.

16.0 ERECTION/COMMISSIONING

SUPPLIER shall provide erection/commissioning/ test run/trial run/ supervision if required on the terms mutually agreed.

17.0 PRICE

17.1 BASIS OF PRICE

17.2 The bidders shall quote their prices on the basis of DAP (Incoterms 2010) at Ankhleshwar, Gujarat / Pimpri, Pune inclusive of packing, forwarding & loading.

Unless otherwise specified in the order, the order price shall remain firm and fixed subject to no variation of any description during the operation of the order, notwithstanding any change in the cost of materials, labour and/or variations in taxes, duties and other levies on raw materials and components that may take place while the order is under execution, even if the execution of the order is delayed beyond the completion date specified in the order for any reason whatsoever.

17.3 All the raw materials and components, including those required to be imported for manufacture & supply of items will be procured by the supplier at his risk and cost.

17.4 The total price of goods covered under the PURCHASE ORDER shall remain firm during the whole period of manufacturing and until the goods are delivered.

17.5 The firm price does not include any taxes and duties, which are in force or may be levied by the Central/State Governments from time to time, on the sale of the finished goods. PURCHASER shall pay these taxes and duties extra at actuals at the rate as applicable within stipulated delivery schedule on documentary evidence. SUPPLIER shall adjust taxes, duties, or levies wherever required if the PURCHASER furnishes exemption certificates, even retrospectively.

17.6 SUPPLIER hereby accepts exclusive liability for and agrees to identify PURCHASER against liability for the payment of any and all contributions or taxes for unemployment insurance, old age pensions

and annuities or other imposts now or hereafter imposed by Government of India or any political unit, sub-division or authority thereof, which are in whole or in part measured by and/or based upon the wages, salaries or other remuneration paid to persons employed by SUPPLIER on work in connection with this PURCHASE ORDER. Where field assembly of equipment is necessitated all expenses including those of third party inspection shall be borne by the SUPPLIER. Templates and foundation bolts (where required) shall be supplied by the SUPPLIER as per construction schedule unless agreed by the PURCHASER to the contrary in writing.

17.7 In the event of delayed delivery, if duties and taxes are increased, the incidence of such increase shall be to the SUPPLIER's account.

18 **BANK GUARANTEES**

18.1 Bank Guarantee for Advance Payment as applicable as per the Purchase Order
In case SUPPLIER envisages any advance payment and the PURCHASER accepts the same, the SUPPLIER shall at his own cost furnish to PURCHASER bank guarantee from a Scheduled/ Nationalized Bank as per the format (annexure –II) for an amount equivalent to the advance receivable by SUPPLIER. The validity of such guarantee shall be for a period till the full recovery is adjusted against supplies or Performance Bank Guarantee is furnished by the SUPPLIER as per annexure – III whichever is later.

18.2 Performance Bank Guarantee (PBG) as applicable as per the Purchase Order
The SUPPLIER shall at his own cost furnish to the PURCHASER a Bank Guarantee from a Scheduled/Nationalized Bank as per the format (annexure – III) for an amount equivalent to 10% of the total price under the PURCHASE ORDER. The validity period of such bank guarantee shall be up to the date of expiration of SUPPLIER's guarantee against defects under Clause 8.4

19 **PENALTY FOR DELAY**

Time at every stage of activities for the goods covered under the scope of Purchase order shall be the essence of the Purchase Order.

Except otherwise provided in the purchase order the delivery of the goods shall not be deemed to be complete until all items / components of the purchase order have been delivered.

19.1 In the event of delay beyond the agreed delivery/ completion date for reasons not attributable to the Purchaser, and not constituting force majeure conditions, it will be at Purchaser's discretion to accept delayed delivery of goods but at the prices reduced prorata at the rate of ½ % percent of the value of delayed goods per week of delay or part there of subject to a maximum of 5 (five) percent of the total value of the order.

19.2 If the specified delivery schedule is not adhered to or the progress of manufacture or supply of the goods is not satisfactory or not in accordance with the progress schedule, the Purchaser has the right to:

19.3 HIRE for period of delay from elsewhere goods which in Consultant's/ Purchaser's opinion would meet the same purpose as the goods which are delayed and seller shall be liable without limitation for the hire charges.

19.4 Cancel the purchase order in whole or in part without liability for cancellation charges. In such an event the purchaser may procure from elsewhere goods which in Purchaser's opinion would meet the same purpose as the goods for which order is cancelled and Seller shall be liable without limitation for the difference between the cost of such substitution and the price, set forth in the order for the goods involved or

19.5 HIRE the substitute goods vide 21.4 above and if the ordered goods continue to remain undelivered thereafter, CANCEL the order in part or in full vide 21.5 above.

19.6 In the event of rejection of non-conforming goods, Seller shall be allowed, without any extension of delivery time to rectify the non- conformities should, however, Seller fail to do so within the stipulated time, the purchaser may cancel the order as to the non – conforming goods and retain the same rights with respect to substitution as are set out in the preceding paragraph and in addition recover actual expenses incurred by the Purchaser, installing and removing the non-conforming goods. Alternatively, Purchaser may at his option have or cause the non- conformity to be rectified at Seller's risk and cost.

If Seller fails to perform any of his obligations, the Purchaser shall be entitled to all remedies provided by law and recover all damages caused to the Purchaser by delay or non- supply of the goods or supply of non-conforming goods and to obtain adequate compensation thereof.

Purchaser reserves the right to claim damages for use of defective or substandard goods supplied by the seller irrespective of the fact whether goods were inspected prior to receipt at project site by the purchaser or not.

20.0 TECHNICAL INFORMATION

All drawings, specifications and details furnished by the Purchaser to the Seller shall be the property of the Purchaser and shall be returned by the Seller on demand. The Seller's shall not make any use of drawings, specifications for any purpose at any time save and except for the purpose of Purchaser. Seller shall not disclose the technical information furnished to or gained by him under or by virtue of or as a result of the implementation of the Purchase Order to any person, firm body corporate or authority and shall use all endeavor to ensure that the technical information is kept CONFIDENTIAL. The technical information imparted and supplied to the Seller by the Consultant /Purchaser shall at all times remain the absolute property of the Purchaser.

21.0 INFLUENCING THE PROCUREMENT

21.1 SUPPLIER represents and warrants that neither it nor any of its Affiliates nor any of its or their respective officers, directors, employees or agents have made, received, provided or offered anything directly or indirectly to the buyer for the purpose of influencing the procurement of any particular Equipment and Materials or Supplier's Equipment

21.2 Seller agrees to uphold Buyer's policy which prohibits the giving or receiving of gifts or personal favors (other than normal business courtesies) to or from anyone in connection with Buyer's business.

21.3 Seller agrees to abide by Buyer's Code of Conduct in its dealings with Buyer. The Buyer's Code of Conduct is available for review by accessing www.airproducts.com/codeofconduct.

22.0 INDEMNITY

22.1 SUPPLIER shall at all times indemnify and keep indemnified the PURCHASER against all claims or suits which may be made against the PURCHASER in respect of any infringement of any rights protected by patent, registration of design of trademark resulting from the use of goods or technical information furnished pursuant to the PURCHASE ORDER.

22.2 Alternatively to the provision of Clause 29.1 SUPPLIER may at any time after such claim or suit has arisen, cause the goods to be replaced or so modified at Supplier's cost, so that further use and/or operation of goods will not continue the infringement alleged in such replacement/modification does not result in the reduction of capacity, quality or any other characteristics or performance of the goods.

23.0 LIABILITY AGREEMENT

a) SUPPLIER shall defend and keep PURCHASER harmless from all claims and liability for injuries to and/or death of any and all persons, and for loss of and/or damage to property caused in whole or in part by the negligence or willful acts of the SUPPLIER in connection with the materials furnished hereunder, including without limitations the installation, erection, repair, adjustment or operation thereof. In addition, SUPPLIER shall if he selects to utilize materials, tools, equipment of facilities made available to him by the PURCHASER for use by the SUPPLIER and not to be incorporated in the works as additional consideration thereof, defend and save the PURCHASER harmless from all claims and liability for injuries to and/or damage to property resulting from or by reason of the Supplier's utilization thereof whether or not caused partially or employees, Sub-Contractors, agents or representatives.

b) Where it is necessary for employees or representatives of SUPPLIER to go upon the premises of PURCHASER/Project site. SUPPLIER agrees to assume full responsibility for the proper conduct of the such

employees & representatives, while on said premises & to comply with all applicable Workmen's Compensation Laws, other applicable government regulations & ordinances & all plant rules & regulations, particularly as to Health, safety precautions & fire hazard. If this PURCHASE ORDER requires SUPPLIER shall furnish PURCHASER indicating that such labour is adequately covered by Workmen's Compensation Insurance & Employer's Liability insurance with limits acceptable to PURCHASER.

24.0 CANCELLATION

At anytime after the acceptance of this PURCHASE ORDER, PURCHASER shall have the right to cancel the entire PURCHASE ORDER upon payment to SUPPLIER for all disbursement, or expenses which SUPPLIER has incurred or become liable for, prior to the date of notice of cancellation less the reasonable resale value of material and equipment which shall have been obtained or ordered to become an integral part of the work. However, such payments shall be proportionate to the progress achieved by the Supplier as certified by the PURCHASER and as mutually agreed upon between SUPPLIER and OWNER. In case the Purchase Order is cancelled due to faults solely attributable to SUPPLIER; PURCHASER will not allow any profit on the cancelled items.

25.0 CONFIDENTIAL INFORMATION

The technical information, drawings, specifications and other related documents forming part of the PURCHASE ORDER are the property of PURCHASER and shall not be used by SUPPLIER for any other purposes, except for execution of the PURCHASE ORDER. All rights, including rights in the event of grant of a patent and registration of design are reserved. The technical information, drawings specification records and other documents shall not be copied, transcribed, traced or reproduced in any other form or otherwise in whole or in part and/or duplicated, modified, divulged and/or disclosed to a third party nor misused in any other form whatsoever without PURCHASER's prior consent in writing, except to the extent required for the execution of this PURCHASE ORDER. Third parties in question shall undertake a similar obligation of confidence.

The Seller shall be required to sign a Non-Disclosure Agreement (NDA) for certain proprietary items of equipment which will be specified by Purchaser later.

26.0 INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS, ETC.

Seller/ Supplier shall warrant that the sale or use of goods supplied under the order, whether designed and manufactured so as to comply with Purchaser's specifications or otherwise shall be free of any claim, whether rightful or otherwise of any person by way of infringement of any intellectual property rights, copy-right, trademark or industrial design or the like, and shall hold purchaser harmless and indemnify Purchaser and his Consultants and their authorized representatives at his own cost from any and all such claims and legal proceeding. Purchaser makes no warranty that the production sale or use of goods designed and manufactured so as to comply with Purchaser's specification will not give rise to the claim whether rightful or otherwise, of any third person by way of infringement of any patent, copy right, trade mark or industrial design or like and in no event shall Purchaser or his consultant be liable to Seller for indemnification in the event of any action being brought against Seller in connection with any such claim.

27.0 STATUTORY REGULATIONS

27.1 SUPPLIER warrants that the goods covered under the PO are in strict compliance and conformity with the appropriate standards, statutory codes, laws, labour agreements, working conditions and regulations in force and applicable from time to time in the Republic of India. In case any changes/ modifications are required by the relevant authority and/or Statutory Regulations Supplier shall carry out the same at his own cost. SUPPLIER shall also obtain the necessary approvals at his own cost from the concerned authorities wherever/whenever required.

In case, PURCHASER has to obtain statutory approvals, other than above, Supplier shall provide required documents and necessary assistance free of cost to the PURCHASER.

All packing, boxing, crating or cartage shall be carried out in conformity with the packing and environmental

law of India.

28.0 COMPLIANCE OF REGULATIONS

Seller shall warrant that all goods and services covered by these conditions shall have been produced, sold, supplied, dispatched, delivered and furnished in strict compliance with all applicable laws, regulations, labour agreements working conditions & technical codes & requirement as applicable from time to time. Seller shall execute & deliver such documents as may be required to effect or to evidence such compliance. All laws and regulation required to be incorporated in Agreement of this character are hereby deemed to be incorporated by the reference.

The Purchaser and/or Consultant and/or their authorized representatives disowns any responsibility, for any irregularity, contravention of infringement of any statutory regulations on manufacture or supply of goods covered by the order.

29.0 Waiver and Release of Liens

Upon Seller receipt of amounts properly invoiced, Seller waives and releases all rights to, for itself and its subcontractors, and at its sole cost shall obtain prompt removal of any lien fixed against Buyer, for Goods or Services performed under this Purchase Order.

30.0 FORCE MAJEURE

30.1 If SUPPLIER is delayed or impeded in the execution of the PURCHASE ORDER by any circumstances of Force Majeure as defined hereunder, then SUPPLIER shall within seven days, give notice in writing to PURCHASER together with evidence relied upon and PURCHASER shall grant to SUPPLIER such a postponement of the date of completion as may be in all circumstances be considered reasonable.

30.2 For the purpose of this PURCHASE ORDER, Force Majeure shall mean and be limited to the following:

- a) Any war, invasion, act of foreign enemies, rebellion or hostilities.
- b) Any riot of civil commotion
- c) Any Acts of God such as severe earthquake, typhoon or cyclone flood, tempest, epidemic or other natural physical disaster but excluding monsoon
- d) Any accident, fire or explosion
- e) Strikes and lock-outs beyond 14 consecutive calendar days and beyond the reasonable control of the parties affected.
- f) Any act of Terrorism

30.3 Should one or both the parties be prevented from fulfilling their contractual obligations by a Date of Force Majeure lasting continuously for a period of one month, both the parties should consult with each other regarding future implementation of the PURCHASER ORDER. The Supplier shall cooperate fully with PURCHASER to decide upon alternatives for meeting delivery commitments/course of action.

31.0 DELAYS DUE TO FORCE MAJEURE

31.1 If a force majeure event as defined in clause 37.2, affecting the Seller, arises prior to the expiry of the stipulated Delivery period in respect of any Material(s) and the Seller intends to claim extension of the stipulated date of delivery in respect of such Material(s) or any of them, the Seller must advise the Purchaser by notice in writing of such event by means of communication which secures undisputed service of the notice not later than 10 (ten) days of the occurrence of the event. Such occurrence shall be duly certified by a local Chamber of Commerce or statutory authority. The Seller shall within 10 (ten) days of the end of the Force Majeure event similarly notify the Purchaser of such cessation, and of the period and Material(s) for which an extension of Delivery date(s) is consequently claimed. Such notification shall be a mandatory pre-condition to a claim for such extension.

31.2 In the event of Force Majeure, each party shall bear any costs incurred by it resulting therefrom. The party affected by Force Majeure shall use all reasonable efforts to prevent and reduce to a minimum and mitigate the effect of delays occasioned by such Force Majeure.

31.3 Subject to receipt of notices under Clause 38.1 above, the stipulated Delivery date(s) may be extended by

the Purchaser. The decision of the Purchaser on the Seller's claim for extension of time and the time of extension and Material(s) on which extension is given shall be final and binding on the Seller. On the grant of such extension, the extended date shall be deemed to be the stipulated Delivery date for the purpose of calculating price discount under Clause 23.2 hereinabove.

31.4 If the Seller is prevented from fulfilling its contractual obligations for a continuous period of three (3) months because of Force Majeure, then the Seller and the Purchaser shall consult with each other with a view to agreeing on the action to be taken under the circumstances, and failing such agreement, Purchaser shall be entitled to terminate the contract in whole or to the extent that its performance is prevented by Force Majeure.

32.0 GOVERNING LAW AND JURISDICTION

All matters arising out of or relating to this Order shall be governed by and construed in accordance with the internal laws of the state, province or territory identified in the address for the Buyer on the Order, excluding its choice or conflict of law rules. Each party irrevocably and unconditionally submits to the exclusive jurisdiction of the federal and/or state, provincial or territorial courts in the state, province or territory identified in the address for the Buyer on the Order and the courts of appeal from them.

In case of any disputes arising between parties relating to the construction, meaning and operation of this agreement or breach thereof shall be subject to **Indian Laws and the courts in Pune only shall have exclusive jurisdiction.**

33.0 WEIGHTS AND MEASUREMENTS

All weights and measurements recorded by Purchaser on receipt of goods at site will be treated and final.

34.0 ARBITRATION

If at any time any question, dispute or difference whatsoever shall arise, between Purchaser and the Seller upon or in relation to or in connection with the order, the parties hereto shall endeavor to settle the same amicably, failing which either party may forthwith give to the other notice in writing on the existence of such question, dispute or difference and the same shall be referred to the adjudication of a sole arbitrator to be appointed/ nominated by the Chief Executive Officer (CEO) of the Purchaser/Owner Company. The award of the arbitrator, shall be final and binding on the parties. **The provisions of Arbitration and Conciliation Act, 1996 and the Rules there under and any statutory modification** thereof shall be applicable in this regard . The venue of such Arbitration shall be Pune.

Upon every such reference, the costs of and incidental to the reference and award respectively shall be at the discretion of the Arbitrator, as the case may be, who may determine the amount thereof and direct the same to be divided/shared as between solicitor and client, or as between party and party, and shall direct by whom and to whom and in what manner the same shall be borne and paid.

Work under the order shall be continued by the seller during the Arbitration proceedings, unless otherwise directed in writing by Purchaser or unless the matter is such that the work can not possibly be continued until the decision of the arbitrator, . Save as those, which are otherwise expressly provided in the order, no payment due to or payable by purchaser shall be withheld on account of such arbitration proceedings unless it is subject matter thereof.

35.0 PUBLICITY AND ADVERTISING

SUPPLIER shall not publish/advertise or makes a reference to Purchaser or any company affiliate with purchaser or to the destination or the description of the goods or services supplied under the PO in any publication, publicity or advertising media without the written permission of the PURCHASER.

36.0 SPECIAL CONDITION

Supplier to furnish no claim certificate after fulfillment of contract terms & conditions.

37.0 RESPONSIBILITY OF COMPLETENESS

All equipment, mounting, fittings, accessories or apparatus which may not have been specifically mentioned but which are usual or necessary in the equipment of for the efficient working of the goods supplied shall be deemed to have been included in the order value and to be provided by the Seller without any extra cost. All Plant/ Machinery/Equipment/ Instruments shall be complete in all details whether such details are mentioned in the order or not.

38.0 ORDER OF PRECEDENCE

In case of any conflict between these (printed general terms and conditions of the order and the special conditions agreed to for a particular order the latter shall prevail to the extent applicable.

39.0 RECOVERY OF SUMS DUE

Whenever there is any claim against the Seller for payment of sums of money arising out of or under the execution of the Purchase Order, Purchaser may, without prejudice to any other mode or source of recovery available, recover the same from any sum(s) then due or which at any time thereafter may become due to the Seller under this or any other contract with Purchaser and/or by recourse to any bank guarantee available to Purchaser for this purpose, and should these sum(s) be not sufficient to cover the recoverable amount, the Seller shall pay Purchaser on demand, the balance.

40.0 NON-WAIVER

Failure of Purchaser/Purchaser's Representative(s) to insist upon adherence to any of the terms or conditions incorporated in the Contract or failure or delay to exercise any rights or remedies herein or by law accruing, or failure to promptly notify the Seller in the event of breach or the acceptance of or the payment for any Material(s) hereunder or approval of any design or Material(s) shall not release the Seller and shall not be deemed a waiver of any right of the Purchaser to insist upon the strict performance thereof or of any of its rights or remedies as to any such Material(s) regardless of when the Material(s) are shipped, received or accepted nor shall any purported oral modifications or revisions of the Contract by the Purchaser/Purchaser's Representative(s) to act as a waiver of the terms hereof.

41.0 TRANSFER OF TITLE AND RISK OF LOSS

Unless otherwise specified in the Order, risk of loss of the Goods remains with Seller and title will not pass to Buyer until the Goods are delivered to and accepted by Buyer at the Delivery Location

42.0 TERMINATION

42.1 Without prejudice to Purchaser's right to price adjustment by way of discount or any other right or remedy available to the Purchaser, Purchaser may terminate the Contract or any part thereof by a written notice to the Seller, if:

- i) The Seller fails to comply with any material term of the Contract.
- ii) The Seller informs Purchaser of its inability to deliver the Material(s) or any part thereof within the stipulated Delivery Period or such inability otherwise becomes apparent.
- iii) The Seller fails to deliver the Material(s) or any part thereof within the stipulated Delivery Period and/or to replace/rectify any rejected or defective Material(s) promptly.
- iv) The Seller becomes bankrupt or goes into liquidation.
- v) The Seller makes a general assignment for the benefit of creditors.
- vi) A receiver is appointed for any substantial property owned by the Seller
- vii) The Seller has misrepresented to Purchaser, acting on which misrepresentation Purchaser has placed the Purchase Order on the Vendor.

42.2 Upon receipt of said termination notice, the Seller shall discontinue the work on the Contract so far as terminated, and matters connected therewith.

42.3 On termination of the Contract, without prejudice to any other right or remedy available to Purchaser under the contract, in the event of Purchaser suffering any loss on account of delayed delivery or non-delivery, Purchaser reserves the right to claim and recover damages from the Seller in respect thereof.

42.4 Notwithstanding anything to the contrary herein contained, Purchaser will be at liberty to take independent administrative action to place the Seller under 'holiday list' for delay or non-performance of its contractual obligations or any of them.

43.0 SEVERABILITY

If any provision of the Contract is rendered invalid, illegal or unenforceable, the Parties shall negotiate in good faith to amend the Contract so as to substitute a valid, legal and enforceable provision which preserves the Parties intent to the maximum extent permitted by the governing law of the Contract. Such invalidity, illegality, or incapability shall not affect any other provision of the Contract provided that it substantially does not alter the economic interests of either party in the continued performance of the Contract. Rather, such invalid, illegal or incapable provision shall be excluded from the Contract, and the remainder of the Contract shall not in any way be affected or impaired thereby and shall be enforced. Such occurrence in one jurisdiction shall not render the provision in question invalid or exclude the same in any jurisdiction where it is valid and enforceable,

44.0 LANGUAGE OF CONTRACT AND COMMUNICATION

The language of the Contract shall be English and all the communications, drawings, design, data, information, codes specifications and other document whatsoever supporting the bid or otherwise exchanged under the contract shall be in English. In the event, that any technical documentation is in any language other than English, the document should be translated and presented to the Owner in English and the English document/translated document shall be regarded as the only authentic document.

45.0 EBIL EHS Related Requirements:

Vendor/Contractor shall have to follow all the Environment related rules and regulations followed by EBIL. EBIL Environment Policy is to Protect, Utilize and manage our Natural resources in order to prevent Pollution and to continually improve the air breathe, the water we drink, and the earth we inhabit. Protect the health, safety and welfare of all those involved in business activities. Conduct business in such a way that minimizes the environmental impact. Comply with local law and regulations in the country where the business is conducted. Be Proactive in their approach to EHS and anticipate our needs.

GUIDING FACTORS FOR ENVIRONMENT:

- Sustainable development
- Monitor, control and upgrade technology to prevent pollution and conserve resources.
- All projects and processes shall be designed keeping in view environmental protection as an integral part to achieve sustainable development.
- Maximum possible recycling.
- Reduction in use of regular water consumption.
- Maximum recovery from waste material.
- Use of treated water inside the factory premises to maintain the plantation of various plants and particularly eucalyptus plants.

GUIDING FACTORS FOR HEALTH:

- Medical checkup before appointing any member and regular medical check - up after admission and maintenance of record thereof.

ANNEXURE I

PACKGING AND MARKING PROCEDURE

1.1 PACKGING

1.2 The equipment/material shall be protected for inland transportation, handing at site and outdoor storage during transit and at site, strictly in accordance with the instruction given in the specification.

1.3 SUPPLIER shall be responsible for any damage to the equipment/material during transit because of inadequate and improper packing.

1.4 Packing shall be constructed of sound materials and the dimensions shall be proportionate to the size and weight of equipment/material. All packing cover and packing material shall become the property of the PURCHASER unless agreed upon to the contrary.

1.5 The equipment/material shall be protected for the entire period of dispatch, storage and erection, against corrosion, incidental damage due to vermin, sunlight, rain, high temperature, humid atmosphere, rough handling in transit and storage in open including possible delays in transit. All machines and plated parts shall be protected with antirust grease.

Precautions shall be taken to protect shafts and journals where they rest on wooden or other supports likely to contain moisture.

Spare parts for two years operation shall be adequately packed for two years storage.

1.6 All perishable Items to be made available to the PURCHASER in refrigerated containers. Items, which require to be supplied in pressurized containers, shall be made available to the purchaser in such special type of containers.

1.7 All fragile items and items which are susceptible of shocks shall be packed and marked accordingly.

1.8 SUPPLIER shall be responsible for ascertaining transport limitations for large and bulky equipment/material shall be supplied in minimum number of components or sub-assemblies within the framework of transportation limitations.

1.6 Wherever necessary proper arrangements for attaching slings for lifting shall be provided. Adequate provision of skids or pallets shall be made to keep the packages above the collecting drains. Crates and other large containers should have drain holes in the bottom to prevent collection of water within the packing.

1.7 Loose material such as bolts etc shall be packed in Polyethylene bags and then sealed in gunny bags with proper tags. Bundled materials shall be strapped rigidly with steel band over the protective covering.

1.8 Flanges etc., which are prone to scratching, shall be provided with suitable metal/wooden caps bolted in place.

1.9 All openings in the equipment shall be tightly covered, plugged or capped to prevent foreign material from entering.

1.10 Each crate/package shall contain a packing list in waterproof envelopes. Copies of the packing list, in triplicate shall be forwarded to PURCHASER prior to dispatch. All items shall be clearly marked for easy identification against the packing lists.

1.11 Any material found short inside the packing cases shall be supplied by SUPPLIER at no extra cost to PURCHASER.

1.12 Switchgear shall be packed and transported in convenient shipping sections. All components like connecting bolts etc. shall be shipped in separate packages.

Operating mechanisms of relays shall be arrested for transportation.

1.13 Batteries shall be shipped in dry non-returnable drums, adequately braced and with Cable ends adequately sealed to prevent ingress of moisture.

1.14 Cables shall be shipped in non-returnable drums, adequately braced and with Cable ends adequately sealed to prevent ingress of moisture.

1.15 Packing for any other items not covered above and requiring special packing care should be as per instructions of PURCHASER to be requested by the supplier as required.

1.16 Packing in drums to be properly stacked on the pallet. The drums shall clearly carry the following instruction printed and pasted over it.

- i) LOT Number
- ii) Batch Number
- iii) Shelf Life
- iv) Material Code
- v) Material Description
- vi) Weight
- vii) Safety / Hazardous logo

2.1 MARKING

2.2 All markings shall be legible, and packages clearly marked with uniform block letters (preferable with waterproof paint) on at least three sides.

- a) Destination address as indicated
- b) Item No.
- c) Dimensions in centimeters.
- d) Weights (Net and Gross) shall be in kilograms
- e) Sign showing 'Side Up' and/or 'fragile' in case of delicate equipment, sling positions.
- f) Handling and unpacking instructions, as considered necessary.
- g) Care Mark shall be indicated as considered necessary

2.3 On each EQUIPMENT, a nameplate indicating basic details, pressure rating, wherever applicable, code number of Equipment, Electrical characteristics in case of electrical Equipment. Name of instrument with tag no. manufacturer's name and other such details shall be fixed at proper place.

ANNEXURE II

BANK GUARANTEE FOR ADVANCE

ELANTAS Beck India Limited (EBIL)
Corporate Office,
147, Mumbai Pune Road,
Pimpri, Pune 411 018, India

Dear Sir,

Guarantee No. _____ **dated** _____

Amount of Guarantee: _____

Guarantee covers from _____

to Last date for lodgement of claim: _____

This Deed of Guarantee executed by(Name of the Bank) having its Principal Office at and amongst other places a Branch at (hereinafter referred to as "The Bank") in favour of ELANTAS Beck India Limited (EBIL) having its Registered office at 147, Mumbai Pune Road, Pimpri, Pune 411 018, India (hereinafter referred to as the "PURCHASER/OWNER") for an amount not exceeding Rs./- (Rupees only) at the request of M/s (hereinafter referred to as the "SUPPLIER/SELLER")

We understand that PURCHASER/OWNER has issued a PURCHASE ORDER in favour of the SUPPLIER/SELLER (hereinafter referred to as "PO/ Agreement") for providing, as defined in the said PO and a Bank Guarantee for Rs./- (Rupees only) towards advance is now required to be established in your favour valid until in connection therewith.

And whereas PURCHASER/OWNER has agreed to make a down payment of Rs./- (Rupees only) being percent value of the PO/Agreement fees (hereinafter referred to as "the said advance") to SUPPLIER/SELLER carrying no interest.

This Guarantee is issued subject to the condition that the liability of the Guarantor under this Guarantee is limited to a maximum of Rs./- (Rupees only) and the Guarantee shall remain in full force upto and cannot be revoked under any circumstances whatsoever, without the written consent of PURCHASER/OWNER.

In the event PURCHASER/OWNER, in its absolute discretion, gives notice to us at any time of the failure of SUPPLIER/SELLER to perform or fulfill any of the acts or obligations referred to in the Contract, we hereby unconditionally and irrevocably undertake and guarantee to PURCHASER/OWNER, without any right to set off, demur or counter claim whether on our behalf or on behalf of SUPPLIER/SELLER to pay to PURCHASER/OWNER the sum not exceeding Rs./- (Rupees. only) being an amount equal to percent value of the fees recorded in the Agreement plus interest at such rates as may be demanded by the PURCHASER/OWNER from the date of receipt of first demand till date of payment. Such written notice of PURCHASER/OWNER shall be conclusive and binding on us for all purposes.

We agree and undertake to extend this Guarantee for further period at the joint insistence of PURCHASER/OWNER and SUPPLIER/SELLER during the currency of the Guarantee.

We further agree that we shall not be discharged or released from this Guarantee by any arrangement made between SUPPLIER/SELLER and PURCHASER/OWNER or without our assent or by any alteration in the obligations undertaken by SUPPLIER/SELLER or by any forbearance whether as to payment, time, performance or otherwise.

The Guarantee is not transferable in any form whatsoever. If there is any change in the Constitution of the Bank by absorption with any other body or corporation or otherwise, the Guarantee would be enforceable on such body or Corporation.

In order to give effect to this Guarantee, PURCHASER/OWNER will be entitled to act as if Bank were the principal debtor.

Notwithstanding anything stated hereinabove, our liability under this Guarantee is Rs.-/- (Rupees only) plus interest at such rates as may be demanded by the PURCHASER/OWNER from the date of receipt of first demand till date of payment. This Guarantee shall remain in force until Unless a demand or claim under this Guarantee is received by us in writing on or before, we shall be discharged from all liability under this Guarantee thereafter.

This Guarantee is to be returned to us within 15 days from the date of its expiry. If this Guarantee is not received back by us within the aforesaid period, it shall be deemed to be automatically cancelled.

Bank hereby declares that it has the power to issue this Guarantee and the undersigned has full power to do so.

IN WITNESS WHEREOF Bank has executed these presents the day and year written hereunder.

Dated, at the day of 2005

BANKER'S NAME

Signature

Name:

Designation:

**ANNEXURE III
PERFORMANCE GUARANTEE**

Guarantee No. _____ **dated** _____
Amount of Guarantee: _____
Guarantee covers from _____ **to** _____
Last date for lodgment of claim _____

THIS GUARANTEE made this _____ day of _____ between _____ having its office _____ (hereinafter called "BANK") which expression shall, unless repugnant to the context or contrary to the meaning thereof, include its successors and assigns on the one part and ELANTAS Beck India Limited, (EBIL), a Company registered under the Companies Act, 1956 and having its Registered Office at 147, Mumbai Pune Road, Pimpri, Pune 411 018, India (hereinafter called "OWNER/PURCHASER") which expression shall unless repugnant to the context or contrary to the meaning thereof, includes its successors and assigns of the other part.

WHEREAS PURCHASER/OWNER has issued Purchase Order No. _____ dated _____ for _____ (hereinafter called "PO") at a total value of Rs. _____ (Rupees _____) on M/s _____, a Company/Partnership/Sole Proprietorship and having its Registered Office at _____ (hereinafter called "SUPPLIER/SELLER") which expression shall unless repugnant to the context or contrary to the meaning thereof, includes its successors and assigns.

AND WHEREAS the PURCHASER / OWNER has made the full payment of Rs. _____ to the SUPPLIER/SELLER in advance under the PO.

AND WHEREAS the SUPPLIER/SELLER is yet to perform the terms and conditions of the above PO and therefore, at the request of the PURCHASER/OWNER, the SUPPLIER/SELLER has agreed to furnish to PURCHASER/OWNER a Guarantee for a sum equal to the value of the PO which shall be valid till all obligations of the SUPPLIER/SELLER under the PO are fulfilled and for 30 calendar days beyond the expiration of the initial _____ Warranty period.

AND WHEREAS THE BANK has at the request of SUPPLIER/SELLER, agreed to give in favour of OWNER a Guarantee in the manner hereinafter appearing which OWNER has agreed to accept.

NOW THIS GUARANTEE WITNESSETH as follows:

1. In pursuance of the said PO and in consideration of the above premises, BANK hereby unconditionally and irrevocably undertake and guarantee to PURCHASER/OWNER due observance and fulfillment by SUPPLIER/SELLER of performance of Work and the warranty obligations under the PO and agrees and undertakes that if fulfill warranty obligations under the PO and agrees and undertakes that if SUPPLIER/SELLER fails in performance of the work and to observe and fulfill warranty obligations under the PO and/or the performance or Work, the Bank shall immediately pay PURCHASER/OWNER on demand such sum or sums of money to the extent of Rs. _____/- (Rupees _____ only) being _____% of the value of PO plus interest at such rates as may be demanded by the PURCHASER/OWNER from the date of receipt of first demand till date of payment on account of losses and damages suffered by PURCHASER/OWNER by reasons of such non-observance and non-fulfillment and non-compliance of any of the terms, conditions and covenants of the PO by SUPPLIER/SELLER as aforesaid. BANK shall pay the said amount without protest or demur or counterclaim on its behalf or on behalf of SUPPLIER/SELLER merely on demand in writing from PURCHASER/OWNER and without recourse to SUPPLIER/SELLER.
2. This Guarantee is a continuing guarantee and not revocable except with the previous written consent of PURCHASER/OWNER and save as aforesaid it will continue in force till all the obligations of th



SUPPLIER/SELLER under the PO are fulfilled and for 30 calendar days beyond the expiration of the Warranty period.

3. The BANK shall not be discharged or released from this Guarantee by any arrangement made between the PURCHASER/OWNER and SUPPLIER/SELLER or by any alteration in the obligations undertaken by PURCHASER's/OWNER's forbearance whether as to payment, time, performance or otherwise.
4. This GUARANTEE shall not be affected by any change in the constitution either of SUPPLIER/SELLER or the BANK or the PURCHASER/OWNER by absorption with any other body or corporation or otherwise and this GUARANTEE will be available to or enforceable by such body corporation. If there is any change in the constitution of the BANK by absorption with any other body or corporation or otherwise, the GUARANTEE would be enforceable on such body or corporation.
5. In order to give effect to this Guarantee, PURCHASER/OWNER will be entitled to act as if BANK were the principal debtor.
6. This GUARANTEE shall continue to be in force notwithstanding the discharge of SUPPLIER/SELLER by operation of Law and shall cease only on payment of full amount by BANK to PURCHASER/OWNER of the amount hereby secured and on the claim of PURCHASER/OWNER against the SUPPLIER/SELLER in respect of the said PO being satisfied.
7. Subject to Clause 2 hereof, this GUARANTEE shall remain in force up to _____ unless extended beyond this period for any reason whatsoever.
8. Unless demand or claim under the Guarantee is made on or before (i.e. actual date which will be 30 calendar days beyond the Warranty period) as per clause 2 hereof, all the rights of PURCHASER/OWNER hereunder shall be forfeited and BANK shall be relieved and discharged of all liabilities hereunder.
9. Any notice by way of request demand or otherwise hereunder may be sent by registered post/speed post/courier to BANK addressed as aforesaid and, if sent by registered post/speed post/courier it shall be deemed to have been given at the time when it would be delivered in due course by registered post/speed post/courier.
10. In the event of force majeure, according to PO, the validity of the present GUARANTEE shall be extended for a further period as mutually agreed upon.
11. These presents shall be governed by and constructed in accordance with the Indian Law and Courts at Pune alone shall have exclusive jurisdiction.
12. BANK hereby declares that it has the power to issue this Guarantee and the undersigned has full power to do so.

IN WITNESS whereof BANK has executed these presents the day and year first above written.

BANKER'S NAME

Signature

Name:

Designation: