



# **General Terms and Conditions of Purchase SMR Automotive Systems India Ltd**

Revision 3  
October 29, 2015

**General**

- 1 Our Purchase Order No. & data should be quoted in all correspondence, challan bills etc., pertaining to this order.
- 2 Commencement of supply of goods against this order will be deemed as acceptance of the order and all other terms and conditions stated by, us.
- 3 The packaging while supplying, should be followed as per standard approved by SMR Automotive System India Ltd.
- 4 Any drawing samples and other technical data made available to you for manufacturing our requirements should be treated with utmost confidence and should be returned to us on demand failure to comply with this shall make you liable for breach of trust and other action as may deemed fit by us.
- 5 Items manufactured by you from data furnished by us must not be sold or divulged by you to any other party then ourself. If you manufacture excess quantities than our order on you, you shall preserve the same for ultimate sale to us or alternatively, you will destroy the goods so manufactured by you, but on no account you will sell the goods to any other party except with our written consent. The same condition applies to supplies rejected by us.
- 6 All drawing samples, patterns tools, dies and fixtures supplied by us to you or paid for by us shall always remain our property. It is your responsibility to maintain all of them in good working order and must be sent to us on our request. They are not to be copied or given to anyone. Parts products or procured with the help of the above must be supplied to us only, and on one else unless and until you have our written consent.
- 7 We reserve the right to cancel, amend and/or alter, this order and delivery schedule without assigning any reason and without any manner incurring any liability on us.
- 8 As we are registered with both central and local sales Tax authorities, tax will be paid as applicable.
- 9 This contract shall be deemed to have been entered into at Delhi, and all proceedings (if any) shall be filed and litigated in the civil court of Delhi.

**Delivery**

- 10 Strict adherence to the delivery, schedule is absolutely essential, we reserve the right to treat the order as cancelled in the event of your non-compliance or the agreed delivery schedule and materials will be brought from open market at risk and cost.
- 11 The item code and description should shown as in our Purchase Order to avoid confusion. Failure to comply with this instruction would delay receipts and ultimate settlement of your bills, Separate delivery challan/invoice should be made for each order.
- 12 The schedule supplied for every months it expected to be received at our works on or before 25th of the respective months, unless otherwise specifically mentioned in our schedule. Supplies in excess of schedule must not be made without prior consent failing which the

excess will not be accepted by us.

- 13 Demurrage penalties etc. becoming on account of delay in receipt or proper despatch documents from the supplier will be debited to suppliers account.

**Payment**

- 14 The invoice should be submitted in duplicate along with the consignment. More than one invoice should not be made for items delivered against a single challan. Payment shall be made as per our agreed terms only for the material accepted by us.
- 15 In Case Documents are negotiated through bank, the entire bank charges will be borne by you.

**Warranty Clause**

- 16 We extend twelve months warranty for all our products for all our products and any claims accepted by us arising from defects in material supplied by you will be passed on to you for similar acceptance. Our decision in this matter shall be final and binding upon you. For the warranty parts returned to you by us, you will be debited at our current spare parts prices.

**Supply Quality Assurance**

- 17 Supplies made without your inspection Report will not be accepted.
18. The suppliers will be subject to SUPPLY QUALITY ASSURANCE which entails free access to inspections. Engineers detailed by us for the purchase of inspecting your manufacturing and inspection procedures at your site and for assisting in delivery schedules and inspection of raw material of raw material, tools, dies, jigs and fixtures or any other items in connection with the manufacturer of components for us.
- 19 This Purchase Order stands valid only after acceptance of your sample to be confirmed by us in writing, unless otherwise provided on the Purchase Order itself.

**Rejection**

- 20 The material on receipt will be inspected by us, rejections if any will be notified to you. Such rejected material must be lifted from our Stores within 2 days from the date of intimation. If may be noted that while assembling or processing. If further defects are noticed reserve the right to reject such material even if in the first instance it has been accepted by us. Our decision about such rejection at whatever time made shall be final and binding upon you and you will not object to it in any manner whatsoever Rejections should be replaced within 7 days of our intimation and all freight costs or any other rejected material will be borne by you whatsoever Rejection should be replaced within 7 days of our intimation and all freight, handling costs or any other costs of such rejected material will be borne by you.
- 21 If the rejection is not collected from our works within 7 days of the receipt of such intimation the material will be scrapped/returned at subcontractors risk and cost and the cost of material including Sales Tax and other levels, and experts incurred in packing and forwarding

as well as repacking damages to rejected material during temporary storage in our premises beyond the period of 15 specified days. We are not liable for any loss/damages to the rejected material while in transit for returning and the transit insurance of rejection will be subcontracts responsibility.

- 22 Any breakage damages and transit losses due to weak, poor and insufficient packing shall be to your account.
- 23 As soon as the goods supplied by you are rejected corresponding debits will be raised in your account with us and intimation sent to you for information. In case of acceptance of your documents through bank the documents for the rejected material will also be returned through your bank and you shall retire such documents immediately on intimation.

#### **Outside Processing**

- 24 In case of material / components supplied to you for PROCESSING i.e. on JOB WORK BASIS.
- a. You will ensure safe custody of our material with you by comprehensive insurance.
- b. Under no circumstances our material given to you for processing shall be hypothecated to any bank or financial institution. All our material will be kept absolutely free of any lien or charge.
25. You will submit material reconciliation statement before the 7th of every month giving invoice/challan wise details of receipts despatches by you for the transaction that took place in the previous month.
- 26 In case our material is not returned to us or lost

by you we will debit the cost of material at the current market rates including all taxes and Govt. levies as applicable.

#### **Force Majeure**

- 27 Our company will not be responsible for any delays of failures in taking material from you or payment. In case of problems arising due to unforeseen reasons like natural calamities, strikes lockouts and fluctuations in the market demand of our products etc.

#### **FORM-38**

- 1 Form 38 is required in case-
- a. Value of goods is more than Rs. 100/- & is carried by transport/courier
- b. Value of goods is more than Rs. 5000/-
- 2 The form 38 should be sent along with the material completely filled in all respects along with your STAMP and SIGNATURE for forms being received without stamp and signature the Excise Departments is also not allowing us to claim any MODVAT benefit on the material received by us.
- 3 The forms should be used in the order that they have been sent to you i.e. FIFO system should be followed. You are requested to follow the above rules strictly else any penalties from the Sales Tax Dept. of disallowance in claiming MODVAT due to nonadherence of the above rules will be debited to your account.