



**Controllerate of Procurement**  
Material Organisation  
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## PURCHASE ORDER

Printed on : 11 Dec 2015 5:27 PM

Order No : 15V19C001 Date : 11 Dec 2015 Cost Dabitable to Head : 2077/110(a) (ii) CGDACode : 636/06

ZENITH INDUSTRIAL RUBBER PRODUCTS PVT LTD (Z9908V)  
A2 PAREKH MAHAL  
80 VEER NARIMAN ROAD  
CHURCHAGATE  
MUMBAI - 400 020  
MAHARASHTRA

1. This is to inform you that a formal Supply Order is being placed on you for supply of items/services at prices mentioned below. The Commercial terms and conditions are contained in this Supply Order (S.O. in short). The word Seller in this S.O. is meant for your organization while the word Buyer is meant for this organization acting on behalf of President of India.
2. Following documents shall be the sole repository of this transaction :-
  - (a) Our RFP number 15V19C001 dated 23 Mar 2015.
  - (b) Your Bid number ZI/JUN15/Q/COP/24 dated 17 Jun 2015.
3. Two copies of ink-signed Supply Order are being sent to you. Please acknowledge receipt within seven days of receipt of this Supply order, on your office letterhead duly signed by the authorized signatory. One copy of Supply Order duly signed and stamped on all pages should be returned to this office along with your acknowledgment letter. If such an acceptance or communication conveying any objection to certain part of this Supply Order is not received within seven days, then it would be deemed that this Supply Order is fully accepted by you and all obligations of Seller will be applicable to you under this S.O.

### TERMS AND CONDITIONS OF PURCHASE ORDER

#### Standard Conditions of Contract

1. This Purchase Order is governed by the standard conditions of contract stipulated in Appendix "C" of DPM - 09 amended from time to time which can be downloaded from [www.mod.nic.in](http://www.mod.nic.in). Some of the important clauses are as follows: -

(a) **Law:** The Contract shall be considered and made in accordance with the laws of the Republic of India. The contract shall be governed by and interpreted in accordance with the laws of the Republic of India.

(b) **Arbitration:** All disputes or differences arising out of or in connection with the Contract shall be settled by bilateral discussions. Any dispute, disagreement or question arising out of or relating to the Contract or relating to construction or performance, which cannot be settled amicably, may be resolved through arbitration. The standard clause of arbitration is as per Forms DPM-7, DPM-8 and DPM-9 (Available in MoD website and can be provided on request).

(c) **Non-disclosure of Contract documents:** Except with the written consent of the Buyer/ Seller, other party shall not disclose the contract or any provision, specification, plan, design, pattern, sample or information thereof to any third party.

(d) **Liquidated Damages:** In the event of the Seller's failure to submit the Bonds, Guarantees and Documents, supply the stores/goods and conduct trials, installation of equipment, training, etc as specified in this contract, the Buyer may, at his discretion, withhold any payment until the completion of the contract. The BUYER may also deduct from the SELLER as agreed, liquidated damages to the sum of 0.5% of the contract price of the delayed/undelivered stores/services mentioned above for every week of delay or part of a week, subject to the maximum value of the Liquidated Damages being not higher than 10% of the value

*of delayed stores.*

## 2. Taxes and Duties

(a) General. Any change in any duty/tax upward/downward as a result of any statutory variation in excise taking place within contract terms shall be allowed to the extent of actual quantum of such duty/tax paid by the supplier. Similarly, in case of downward revision in any duty/tax, the actual quantum of reduction of such duty/tax shall be reimbursed to the Buyer by the Seller. All such adjustments shall include all reliefs, exemptions, rebates, concession etc. if any obtained by the Seller.

### X (b) Customs Duty -

(i) Customs duty as actually paid will be reimbursed on production of necessary documents i.e. (aa) Triplicate copy of the bill of entry; (ab) copy of bill of lading; (ac) a copy of foreign principal's invoice. However, if the Bidder imports the stores in question against his own commercial quota Import Licences, he will also be required to submit in addition the triplicate copy of bills of entry etc. a certificate from his Internal Auditor on the bill itself, to the effect that the following items/quantity in the bill of entry related to the stores imported against Defence Buyer contract number 15V19C001 dated 11 Dec 2015.

(ii) Subsequent to the reimbursement of customs duty, the Bidder will submit to the concerned Payment Authority a certificate to the effect that he has not obtained any refund of customs duty subsequent to the payment of duty to the Customs authority by him. In addition, he shall also submit to the Paying Authority concerned a certificate immediately after a period of three months from the date of payment of the duty to customs authorities to the effect that he has not applied for refund of the customs duty subsequent to the payment of duty to the customs authorities by him.

(iii) In case the Bidder obtains any refund of customs duty, subsequently to the payment of the same by him to the customs authorities and reimbursement of the customs duty to him by the Payment Authority, he should forthwith furnish the details of the refund obtained and afford full credit of the same to the Buyer.

### X (c) Excise Duty

(i) Bidders should note that in case any refund of excise duty is granted to them by Excise authorities in respect of Stores supplied under the contract, they will pass on the credit to the Buyer immediately along with a certificate that the credit so passed on relates to the Excise Duty, originally paid for the stores supplied under the contract. In case of their failure to do so, within 10 days of the issue of the excise duty refund orders to them by the Excise Authorities the Buyer would be empowered to deduct a sum equivalent to the amount refunded by the Excise Authorities without any further reference to them from any of their outstanding bills against the contract or any other pending Government Contract and that no disputes on this account would be raised by them.

(ii) Unless otherwise specifically agreed to in terms of the contract, the Buyer shall not be liable for any claim on account of fresh imposition and/or increase of Excise Duty on raw materials and/or components used directly in the manufacture of the contracted stores taking place during the pendency of the contract.

(d) Sales Tax / VAT. VAT will be paid to the Seller at the rate at which it is liable to be assessed or has actually been assessed provided the transaction of sale is legally liable to sales tax and the same is payable as per the terms of the contract.

(e) Octroi Duty & Local Taxes. Seller should ensure that stores ordered against contracts placed by this office are exempted from levy of Town Duty/Octroi Duty, Terminal Tax or other local taxes and duties. Wherever required, they should obtain the exemption certificate from the Buyer, to avoid payment of such local taxes or duties. In case where the Municipality or other local body insists upon payment of these duties or taxes the same should be paid by the Seller to avoid delay in supplies and possible demurrage charges. The receipt obtained for such payment should be forwarded to the Buyer without delay together with a copy of the relevant act or by-laws/notifications of the Municipality of the local body concerned to enable him to take up the question of refund with the concerned bodies if admissible under the said acts or rules.

**Special Conditions of Contract**

3. **Performance Guarantee :-** The Bidder will be required to furnish a Performance Guarantee by way of Bank Guarantee through a public sector bank or a private sector bank authorized to conduct government business (ICICI Bank Ltd., Axis Bank Ltd or HDFC Bank Ltd.) for a sum equal to 10% of the contract value within 30 days of receipt of the confirmed order. Performance Bank Guarantee should be valid up to 60 days beyond the date of warranty. The specimen of PBG is given in Form DPM-15 (Available in MoD website and can be provided on request).
4. **Option Clause:** The contract will have an Option Clause, wherein the Buyer can exercise an option to procure an additional 50% of the original contracted quantity in accordance with the same terms & conditions of the present contract. This will be applicable within the currency of contract. The Bidder is to confirm the acceptance of the same for inclusion in the contract. It will be entirely the discretion of the Buyer to exercise this option or not.
5. **Repeat Order Clause** – The contract will have a Repeat Order Clause, wherein the Buyer can order upto 50% quantity of the items under the present contract within six months from the date of supply/successful completion of this contract, the cost, terms & conditions remaining the same. The Bidder is to confirm acceptance of this clause. It will be entirely the discretion of the Buyer to place the Repeat order or not.
6. **Fall clause - The Purchase Order will be governed by Fall Clause**
7. **Risk & Expense clause –**
- (a) Should the stores or any instalment thereof not be delivered within the time or times specified in the contract documents, or if defective delivery is made in respect of the stores or any instalment thereof, the Buyer shall after granting the Seller 45 days to cure the breach, be at liberty, without prejudice to the right to recover liquidated damages as a remedy for breach of contract, to declare the contract as cancelled either wholly or to the extent of such default.
  - (b) Should the stores or any instalment thereof not perform in accordance with the specifications / parameters provided by the SELLER during the check proof tests to be done in the BUYER's country, the BUYER shall be at liberty, without prejudice to any other remedies for breach of contract, to cancel the contract wholly or to the extent of such default.
  - (c) In case of a material breach that was not remedied within 45 days, the BUYER shall, having given the right of first refusal to the SELLER be at liberty to purchase, manufacture, or procure from any other source as he thinks fit, other stores of the same or similar description to make good:-
    - (i) Such default.
    - (ii) In the event of the contract being wholly determined the balance of the stores remaining to be delivered there under.
  - (d) Any excess of the purchase price, cost of manufacturer, or value of any stores procured from any other supplier as the case may be, over the contract price appropriate to such default or balance shall be recoverable from the SELLER. Such recoveries shall not exceed 100 % of the value of the contract.
8. **Delivery and Transportation** –The delivery shall be affected on door delivery basis by Road at the Consignee Premises. The date of delivery will shall be the date on which the delivery is made at the consignee's site mentioned in the contract. The Delivery shall be accompanied by the following documents:-
- (a) Copy of Purchase Order/Contract.
  - (b) Delivery Challan and Transporters Documents
  - (c) Inspection Note (copy 1, 2, 4 and 5) where applicable or Warranty/Guarantee Certificate.
  - (d) Packing List

NOA

9. **Payment Terms for Indigenous Sellers** - Seller to indicate their bank account numbers and other relevant e-payment details so that payments could be made through ECS/EFT mechanism instead of payment through cheques, wherever feasible. A copy of the model mandate form prescribed by RBI to be submitted by Bidders for receiving payments through ECS is at Form DPM-11 (Available in MoD website and can be given on request). The payment will be made as per the following terms, on production of the requisite documents:

Srl	Percentage	Terms
1	100	100% on Supply, Deliv

**Paying Authority :**  
~~FATQMSV, FA to MS(V)~~ SAO, AO, MO(V)  
Material Organisation , Eastern Naval Command  
Visakhapatnam - 530008

10. Documents for Processing Bills. The documents that are required for processing the bills are as follows:

- (a) **Payment Terms 100% against delivery.**
- (i) Ink-signed copy of Contingent bill.
  - (ii) Ink-signed copy of Commercial invoice / Seller's bill. In case of computer generated invoices, the Invoice should be prepared as per the extant rules.
  - (iii) Copy of Supply Order with U.O. number and date of IFA's concurrence, where required under delegation of powers.
  - (iv) CRVs in duplicate.
  - (v) Inspection Note (Copy no.1,2 & 5) or Photostat copy of Guarantee / Warranty certificate as applicable.
  - (vi) Claim for statutory and other levies to be supported with requisite documents / proof of payment such as Excise duty challan, Customs duty clearance certificate, etc as applicable.
  - (vii) Exemption certificate for Excise duty / Customs duty, if applicable.
  - (viii) Photostat Copy of Performance Bank guarantee / Indemnity bond where applicable.
  - (ix) DP extension letter with CFA's sanction, U.O. number and date of IFA's concurrence, where required under delegation of powers, indicating whether extension is with or without LD.
  - (x) Details for electronic payment viz Account holder's name, Bank name, Branch name and address, Account type, Account number, IFSC code, MICR code (if these details are not incorporated in supply order and only once for each vendor).
  - (xi) Any other document / certificate that may be provided for in the Supply order.

(Note – From the above list, the documents that may be required depending upon the peculiarities of the procurement being undertaken, may be included in RFP)

(b) **For 95% Payment**

- (i) Ink-signed copy of Contingent bill.
- (ii) Ink-signed copy of Commercial invoice / Seller's bill. In case of computer generated invoices, the Invoice should be prepared as per the extant rules.
- (iii) Copy of Supply Order with U.O. number and date of IFA's concurrence, where required under delegation of powers.
- (iv) Inspection note Copy No 1 or Photostat copy of Guarantee / Warranty certificate as applicable.
- (v) Photostat Copy of Performance Bank guarantee / Indemnity bond where applicable.
- (vi) Details for electronic payment viz Account holder's name, Bank name, Branch name and address, Account type, Account number, IFSC code, MICR code (if these details are not incorporated in supply order and only once for each vendor).
- (vii) Any other document / certificate that may be provided for in the Supply order.

(c) **For Balance 5% Payment.**

- (i) Ink-signed copy of Contingent bill.
- (ii) Ink-signed copy of Commercial invoice / Seller's bill. In case of computer generated invoices, the Invoice should be prepared as per the extant rules.
- (iii) CRVs/SRV in duplicate.
- (iv) Inspection note Copy No 2 and 5 or Photostat copy of Guarantee / Warranty certificate as applicable.
- (v) Claim for statutory and other levies to be supported with requisite documents / proof of payment such as Excise duty challan, Customs duty clearance certificate, etc as applicable.
- (vi) Exemption certificate for Excise duty / Customs duty, if applicable.
- (vii) DP extension letter with CFA's sanction, U.O. number and date of IFA's concurrence, where required under delegation of powers, indicating whether extension is with or without LD.

11. **Specification:** The Seller guarantees to meet the specifications as per the items ordered as indicated below and to incorporate the modifications to the existing design configuration to meet the specific as per modifications/requirements recommended after the Maintenance Evaluation Trials. All technical literature and drawings shall be amended as the modifications by the Seller before supply to the Buyer. The Seller, in consultation with the Buyer, may carry out technical upgradation/alterations in the design, drawings and specifications due to change in manufacturing procedures, indigenisation or obsolescence. This will, however, not in any way, adversely affect the end specifications of the equipment. Charges in technical details, drawings repair and maintenance techniques alongwith necessary tools as a result of upgradation/alterations will be provided to the Buyer free of cost within (\_\_\_) days of affecting such upgradation/alterations.

12. **OEM Certificate:** The agreement certificate with the OEM for sourcing the spares shall be mandatory. However, where OEMs do not exist, minor aggregates and spares can be sourced from authorized vendors subject to quality certification.

13. **Earliest Acceptable Year of Manufacture:** 2015-16 Quality / Life certificate will need to be enclosed with the Bill.

14. **Quality:** The quality of the stores delivered according to the present Contract shall correspond to the technical conditions and standards valid for the deliveries of the same stores for in Seller's country or specifications enumerated as per RFP and shall also include therein modification to the stores suggested by the Buyer. Such modifications will be mutually agreed to. The Seller confirms that the stores to be supplied under this Contract shall be new i.e. not manufactured before (Year of Contract), and shall incorporate all the latest improvements and modifications thereto and spares of improved and modified equipment are backward integrated and interchangeable with same equipment supplied by the Seller in the past if any. The Seller shall supply an interchangeability certificate along with the changed part numbers wherein it should be mentioned that item would provide as much life as the original item.

15. **Quality Assurance:** Seller would provide the Standard Acceptance Test Procedure (ATP) within \_\_\_ month of this date of contract. Buyer reserves the right to modify the ATP. Seller would be required to provide all test facilities at his premises for acceptance and inspection by Buyer. The details in this regard will be coordinated during the negotiation of the contract. The item should be of the latest manufacture, conforming to the current production standard and having 100% defined life at the time of delivery.

16. **Inspection Authority:** The mode of Inspection will be Departmental Inspection / User Inspection / Joint Inspection / Self-certification.

Additional Inspection Instruction : ITEM TO BE ACCEPTED AGAINST UAC BY HQENC / CCDT (V) AND FIRM'S W/G CERTIFICATE  
The inspection will be carried out by :-

**Inspecting Officer :**

NA

906

NO INSPECTION FOR THIS ITEM

CWH TO TAKE THE ITEM ON

CHARGE

AGAINST FIRMS GUARANTEE

AND WARRANTY

NA - NA

NA

**Inspection Site :**

Vendor's Premises

17. **Warranty** - Except as otherwise provided in the invitation tender, the Seller hereby declares that the goods, stores articles sold/supplied to the Buyer under this contract shall be of the best quality and workmanship and new in all respects and shall be strictly in accordance with the specification and particulars contained/mentioned in contract. The Seller hereby guarantees that the said goods/stores/articles would continue to conform to the description and quality aforesaid for a period of 12 months from the date of delivery of the said goods stores/articles to the Buyer or 15 months from the date of shipment/despatch from the Seller's works whichever is earlier.

18. Following details are given to enable internal audit to admit payments in connection with this Supply Order: -

(a) Head of Account for this Supply Order, as indicated above.

(b) CFA for this Supply Order MS

(c) Schedule of Powers applicable for this Supply Order - SI-1A read in conjunction with the SI-6A of

(d) It is confirmed that concurrence of IFA has been taken. This is with reference to IFA's

concurrence accorded vide U.O. number 976/2015-16 dated 03 Dec 15

Annexure-II of NI of SI

**SCHEDULE OF ITEMS**

<u>S.No</u>	<u>Part No/Description/Cost</u>	<u>Denomination</u>
(1)	N1940-000162 GEMINI CRAFT	no

<u>OLNo</u>	<u>ILNo</u>	<u>Consignee</u>	<u>Quantity</u>
1	1	CWH(V)	38.000

No of Items Ordered : 1

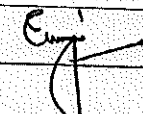
Packaging Instruction : EACH ROLL WILL BE PACKED IN HDPE POLYETHYLENE

Remarks : VAT @5%, EXCISE INPUT @6% AND INSURANCE @5.5% INCLUDED IN UNIT COST. OCTROI CERTIFICATE TO BE ISSUED. PSPP-03 LOTS. FIRM TO SUBMIT PBG FOR A SUM OR EQUAL TO 10% OF TOV. FIRM TO SUPPLY 10 NOS. GEMINI CRAFTS BY 15 JAN 16 AND BALANCE 28 NOS BY 30 APR 16.

**SCHEDULE OF ITEMS EQUIPMENT, SPECIFICATION AND CHARACTERSTIC**

<u>ORDLNo</u>	<u>ItemCode</u>	<u>ItemDesc</u>
1	N1940-000162	GEMINI CRAFT

Specification :  
NCD - 4006 : ISSUE 3 : YEAR MAR 2014

Signature :   
Name : LS Suriaraj  
Rank : Cmde  
Date : 11 Dec 2016 05:27:00 PM  
(Raahur Mahajan)  
Captain  
Controller of Procurement  
for Material Superintendent