

## **NATIONAL INSTITUTE OF ELECTRONICS AND INFORMATION TECHNOLOGY, CALICUT**

(Autonomous Scientific Society of Ministry of Electronics & Information Technology, Govt. of India)

NIT Campus Post, CALICUT- 673 601, KERALA

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**GSTIN 32AAATD0315M1Z6**

### **Purchase Order Terms and Conditions**

#### **1. Definition**

The “Buyer” means National Institute of Electronics and Information Technology, Calicut (**NIELIT CALICUT**), an Autonomous Scientific Society of Ministry of Electronics & Information Technology, Govt. of India, NIT Campus Post, Calicut – 673601, Kerala.

The “Supplier” shall mean the Person, Firm, Company, Corporation or organization to whom/which the Purchase Order is issued.

#### **2. Confirmation of acceptance of Order**

The Supplier should acknowledge receipt of the Purchase Order and confirm his acceptance of Purchase Order issued by the Buyer, in its entirety without exceptions, in writing, within 5 days from the date of purchase order, failing which the Purchase Order is liable to be cancelled without notice. The Supplier shall be bound by the Purchase Order and its terms and conditions when he confirms his acceptance in writing or otherwise accepts the Purchase Order by commencing execution of the order, notwithstanding any failure to provide written acceptance.

#### **3. Price**

The price mentioned in the Purchase Order is:

- (a) Firm and not subject to escalation for any reason whatsoever till the execution of entire order, even though it might be necessary for the order execution to take longer than the delivery period specified in the order.
- (b) Inclusive of adequate packing and forwarding charges up to effecting delivery at the premises of Buyer.
- (c) Inclusive of **GST, Customs Duty and all other taxes/levies and charges** unless otherwise specifically agreed to by Buyer. Proof of payment of all taxes has to be submitted to the Buyer. No further claim under any account in this regard shall be entertained by the Buyer.

#### **4. Delivery**

Supply, installation, erection and commissioning of the equipment/items covered under this Purchase Order, at the premises of NIELIT CALICUT, are required to be completed in all respects as mentioned in the Purchase Order. Installation/Assembly or commissioning is a part of the purchase order and it should be done immediately on notification. The Buyer will not be liable for deliveries made beyond the stipulated date of delivery without prior concurrence. The supplier shall be responsible for any loss/damages sustained due to delay in fulfilling this responsibility. Part delivery is not allowed unless specifically agreed to by the Buyer.

## **5. Respect for Delivery Dates**

Time of delivery as mentioned above shall be the essence of the contract and no variation shall be permitted except with prior authorization in writing from the Buyer. Goods should be delivered securely packed and in good order and condition at the NIELIT CALICUT's premises at Calicut and within the time specified in the Purchase Order. The Buyer reserves the right to defer the period of delivery in writing.

## **6. Delayed Delivery**

In case of delay in execution of the order beyond the date of delivery as stipulated in this Purchase Order, the Buyer may at their option either:

- (a) Accept delayed delivery at prices reduced by a sum equivalent to one half of one per cent ( $\frac{1}{2}$  %) of the value of any goods not delivered for every week of delay or part thereof (Part of a week also will be treated as whole week) limited to maximum of 5% of the total order value. The date on which the goods are received at NIELIT CALICUT, shall be deemed to be the date of delivery. OR
- (b) Cancel the order in part or full, and purchase such cancelled quantities from elsewhere on account and at the risk of the Supplier, without prejudice to their rights under (a) above in respect of goods delivered. The extra cost incurred by the Buyer in such purchases shall be charged to the Supplier. The Security Deposit, if any, submitted by the Supplier will also be forfeited.

## **7. Acceptance of Goods**

The goods supplied against this Purchase Order shall be subjected to inspection on receipt and will be accepted only if they comply with the requirements and conform to the exact specifications of the Buyer, failing which the goods supplied shall be outrightly rejected and the Supplier shall replace the same with goods acceptable to the Buyer. The Supplier will be responsible for replacements of the defective/rejected goods without any charge whatsoever. The goods, if not accepted by the Buyer on inspection, should be taken back by the Supplier at his own risk and expense within 10 days from the date of inspection report. Otherwise, the rejected goods will be returned to the Supplier at his own risk and expense. All the expenses in respect of return/replacement of the rejected goods, such as transit/transportation costs and all other incidental expenses, shall be borne by the Supplier.

## **8. Discrepancy**

Any discrepancy in the goods supplied on account of shortages or external damages that are prima facie due to defective packing will be intimated to the Supplier within 14 days of receipt of goods. Internal defects, damage or shortage of any integral part which cannot ordinarily be detected on the superficial visual examination of the goods will be intimated to the Supplier within 2 months from the date of receipt of goods. In either case, the shortages, damages or defects should be made good and the defective materials replaced by the Supplier free of cost, in terms of clause 7 above.

## **9. Transit Insurance**

Transit Risk shall be insured by the Supplier at his expense. NIELIT CALICUT will not pay separately for Transit Insurance.

## **10. Payment**

Payment will be made after completion of supply, installation/assembly and commissioning of the items covered by the Order along with necessary spares supplied to the entire satisfaction of Buyer.

Payment against invoices shall normally be made within 30 days of receipt and acceptance of equipment/materials at our office. No advance payment will be made under any circumstances. The financial settlement of Supplier's invoice is liable to be withheld in the event the Supplier has not complied with submission of drawings, data and such documentation, or training etc. as called for in Purchase Order and/or as required otherwise.

#### **11. Recovery of sums due**

Whenever any claim against the Supplier for payment of a sum of money (including excess payment, if any, made to Supplier on account of this Purchase Order) made to Supplier arises out of or under the contract, the Buyer shall be entitled to recover such sums from any sum then due or which at any time thereafter may become due from the Supplier under this or any other contract with the Buyer and should this sum be not sufficient to cover the recoverable amount the Supplier shall pay to the Buyer on demand the balance remaining due.

#### **12. Part Order/Repeat Order**

The Supplier hereby agrees to accept part order at Buyer's option without any limitation whatsoever and also accept repeat order(s) during a period of six months from the date of original Purchase Order at the same unit price(s) and on the same terms and conditions as contained in the original Purchase Order.

#### **13. Amendments/Changes/Modifications**

The Buyer has the option, at any time, to amend/change/modify quantities ordered or specifications and drawings without assigning any reason. If such changes cause an increase or decrease in the price or in the time required for supply, an equitable adjustment under this provision must be finalized within 10 days from the date when the changes are ordered.

#### **14. Invoicing & Negotiation of Documents**

Invoices and other documents including Inspection Certificates/Release Notes shall be sent as hereunder:

*Original plus 2 copies to The Director, NIELIT, NIT CAMPUS POST, CALICUT 673 601, KERALA.*

#### **15. Security Deposit**

15.1 The Supplier has to furnish 3% of the value of the Purchase Order as Security Deposit towards faithful performance of the Purchase Order conditions including penalty for delayed delivery, if any. The Supplier shall deposit the Security Deposit, by NEFT in our Bank Account No. 10401158037 (IFSC: SBIN0002207) with State Bank of India, NIT Calicut Branch, CREC Campus, Chathamangalam, Calicut - 673 601 in favour of Director, NIELIT CALICUT, NIT Calicut Branch, CREC Campus, Chathamangalam, Calicut – 673 601. Proof of deposit of this amount shall be submitted to NIELIT Calicut. Security Deposit will not carry any interest till refund. Alternatively, the Supplier may furnish a Bank Guarantee on State Bank of India for an equivalent value for the entire period of the performance guarantee plus sixty days. The Bank Guarantee should be forwarded to the Buyer directly by the Bank only. It is mandatory that for bank Guarantee to be acted upon must be routed through Structured Financial Messaging System (SFMS) from issuing Bank to the Buyer's Bank by sending IFN 760 COV Bank Guarantee Advice Message. Thereafter, only physical Bank Guarantee will be taken as submitted and become operational. The Buyer's Bank details for this purpose are

1	Beneficiary Name & Address	National Institute of Electronics & Information Technology(NIELIT), Calicut PB No.5 NIT Campus Branch Chathamangalam, Calicut – 673601, Kerala
2	Name of Bank	State Bank of India
3	Bank Branch & Address	NITC Branch Chathamangalam Calicut – 673601, Kerala
4	Beneficiary Account Number	10401158037
5	IFSC Code	SBIN0002207

15.2 The Security Deposit has to be paid by the Supplier within one week from the date of purchase order. Security Deposit will not be waived under any circumstances. The Security Deposit will be released only after the completion of the period of performance guarantee, and on receipt of request from the Supplier in writing.

### 16. Forfeiture Security Deposit

Security Deposit will be forfeited:

- i) if the Supplier refuses/fails
  - a) to execute the order/work after placement of order/award of work;
  - b) to enter into a contract after the award of contract/work/order;
  - c) to comply with any of the terms and conditions of the Purchase Order after placement of the Purchase Order;
- iii) in terms of Clause 6(b) *ibid*;
- iv) in terms of Clause 33 *ibid*.

### 17. Warranty

The Supplier warrants to the Buyer that each and every equipment, its accessories etc. supplied by the Supplier to the Buyer is free from all defects in material and workmanship and that components/parts/units which prove to suffer from manufacturing or any other defects will be repaired or replaced immediately free of any charge (material, labour, transit or any other incidental costs) by the Supplier within the warranty period. The Supplier also declares that the goods sold to the Buyer under this Purchase Order are of the best quality and workmanship and are strictly in accordance with the specifications. Supplier should provide Warranty Certificate duly signed and sealed to NIELIT, CALICUT along with goods.

### 18. Reference for documentation

Purchase Order Number and date must appear on order confirmation correspondence, drawings, invoices, shipping notes, packing and on any documents or papers connected with the order.

### 19. Sales Conditions

With the Supplier's acceptance of the provisions of this Purchase Order, he waives and considers as cancelled any of his general sales conditions.

### 20. Complete Agreement

The terms and conditions of this Purchase Order shall constitute the entire agreement between the parties hereto. Amendment(s), if any, of the terms and conditions will be binding only if such

amendment(s) is/are made in writing and signed by an authorized representative of NIELIT CALICUT.

## **21. Inspection, Checking, Testing**

- 21.1 The materials covered by the Purchase Order shall be subject to inspection and testing at any time prior to shipment and/or despatch and to final inspection within a reasonable time after arrival at site. NIELIT, CALICUT shall have the right to carry out the inspection and testing which will include the material at manufacturer's shop, at fabricator's shop and at the time of actual despatch before and after completion of packing.
- 21.2 All tests, mechanical and others particularly those required by codes will be performed at Supplier's expenses and in accordance with NIELIT CALICUT's instructions. The Supplier shall ensure tests by Inspectorate concerned or such other statutory testing agencies as per instructions made by NIELIT, CALICUT, as may be required.
- 21.3 The charges and fees of Inspectors and their travelling, lodging and boarding expenses shall be born by the Supplier. If required, before despatch, the equipment and/or materials will have to be checked and stamped by Inspectors who are authorised also to forbid the use and despatch of any equipment and/or materials which during tests and inspections fail to comply with the specifications, codes and testing requirements.
- 21.4 The Supplier will have to provide free access to Inspectors during normal working hours to Supplier's or his/its sub-Supplier's works and place at their disposal all useful means of performing, checking, marking, testing, inspection and final stamping.
- 21.5 Even if the inspections and testing are fully carried out, Supplier is not absolved to any degree from his responsibilities to ensure that all equipment and materials supplied comply strictly with requirements as per agreement both during manufacture, at the time of delivery, inspection or arrival at site and after its erection or start-up and guarantee period as stipulated in the purchase order.
- 21.6 In any case, the materials must be strictly in accordance with the Purchase Order and/or its attachments failing which the Buyer shall have the right to reject the goods and holding the Supplier liable for non-performance of contract.

## **22. Official Institutional Testing**

The Supplier shall ensure that all procedure for preparation and performance of tests prescribed by such institutions shall be completed scrupulously while producing test certificate from outside agencies as directed by NIELIT CALICUT. The Supplier shall be responsible for any delay in submission of necessary certificates.

## **23. Expediting**

The Buyer's representatives/Inspectors have been assigned to expedite both manufacture and shipment of equipment and testing materials covered by the Purchase Order. They shall have free access to Supplier's shop and/or sub-supplier's shop at any time and they shall be provided all the necessary assistance and help to perform their job.

## **24. Weights and Measurements**

- 24.1 The despatch documents, invoice, packing lists and all other relevant documents shall contain the same units of weights, measurements and numbers as given in the Buyer's Purchase Order.
- 24.2 All weights, measurements and numbers recorded by Buyer/Inspectors on receipt of goods at NIELIT CALICUT's premises will be treated as final.

## 25. Packing

- 25.1 Packing shall withstand the hazards normally encountered with the means of transport for the goods of this purchase order including loading and unloading operation both by crane and by pushing off. Fragile articles should be packed with special packing materials depending on the type of materials.
- 25.2 All package requiring handling by care should have sufficient space at appropriate place to put sling of suitable dia (strength). Iron/Steel angle, should be provided at the place where sling markings are made to avoid damage to package/equipment while lifting.
- 25.3 Items despatched in bundles must be securely tied with steel wire or strapping. Steel reinforcing rods, bars, pipes, structural members etc. shall be bundled in uniform lengths and weight shall be within the breaking strength of the securing wire or strapping.
- 25.4 All delicate surfaces on equipment/materials should be carefully protected and printed with protective paint/compound and wrapped to prevent rusting and damage.
- 25.5 All mechanical and electrical equipment and other heavy articles shall be securely fastened to the case bottom and shall be blocked and braced to avoid any displacement/shifting during transit.
- 25.6 Attachments and spare parts of equipment and all small pieces shall be packed separately in wooden cases with adequate protection inside the case and wherever possible should be sent along with the main equipment. Each item shall be suitably tagged with identification of main equipment, item denomination and reference number of respective assembly drawing. Each item of steel structure and furnaces shall be identified with two erection markings with minimum lettering height of 15 mm. Such markings will be followed by the collection numbers in indelible ink/paint. A copy of the list shall accompany the materials in each package.
- 25.7. All protrusions shall be suitably protected by providing a cover comprising of a tightly bolted wooden disc on the flanges.
- 25.8 The Supplier shall be held liable for all damages or breakages to the goods due to the defective or in-sufficient packing as well as for corrosion due to insufficient protection.
- 25.9 Packaged equipment or materials showing damages resulting from improper packaging materials or packing procedures or having concealed damages or shortages, at the time of unpacking, shall be to Supplier's account.

## 26. Marking

- 26.1 Each package shall be marked on three sides with clearly visible and in indelible paint and at Supplier's care and expense:  
  
From : [Supplier]  
To : The Director, National Institute of Electronics and Information Technology,  
NIT CAMPUS Post, CALICUT- 673 601  
Purchase Order No..... Rev. No .....  
Item Description :.....  
Gross Weight: ..... Kgs.  
Net. Weight: ..... Kgs.  
Package No.: ..... of .....Total Packages
- 26.2 Additional marking such as "HANDLE WITH CARE", "THIS SIDE UP", "FRAGILE" or any other additional indications for protection and safe handling shall be added depending on the type of materials.
- 26.3 Specific marking with white paint for "SLING" and "CENTRE OF GRAVITY" should be provided for all heavy lifts weighing 5 tons and above.
- 26.4 Letters, figures, mark etc. used for marking shall be stencil printed. Handwriting should be avoided as far as possible. Size of letters shall be optimum for each package dimensions.

- 26.5 In case of bundles/bags or other packages, where marking cannot be stencilled, the same shall be embossed on metal or similar tag and wired securely at two convenient points at each end and both shall be protected/covered with gunny bags.

## **27. Despatch Instructions**

- 27.1 Unless otherwise specifically advised in writing, goods shall not be despatched without prior inspection, testing and Release Orders/Material(s) Acceptance Certificates issued by Inspectors.
- 27.2 Supplier shall exercise due care and ensure that the consignments are booked under appropriate railway classifications, failing which any additional freight incurred by Buyer due to Supplier booking the material under a wrong classification shall be to Supplier's account.
- 27.3 Goods shall be consigned in the name of the consignee, viz., Director, NIELIT, NIT Campus Post, Calicut - 673 601, Kerala.
- 27.4 Buyer reserves the right to advise any change in despatching point/destination and/or mode of transport, as may be required.

## **28. Despatch & Despatch Notices**

- 28.1 The Supplier shall despatch the material only after prior approval by inspectors whenever specifically mentioned. In the event of Supplier having been advised to hold despatch for any reason whatsoever the Supplier shall hold the materials in his/its warehouse for at least 30 days without any compensation or without prejudice to any reduction in price already accrued on account of delays.
- 28.2 Immediately after shipment, Supplier shall inform despatch particulars to Buyer by Fax followed by 2 copies of despatch/shipment documents including Inspection Release Note/Certificate.

## **29. Control Regulation**

The supply, despatch and delivery of goods shall be arranged by the Supplier in strict conformity with the statutory regulations including the provisions of Industries (Development and Regulations) Act, 1951 and any amendment thereof as applicable from time to time. The Buyer disowns any responsibility for any irregularity or contravention of any of the statutory regulations in manufacture or supply of the stores covered by this order.

## **30. Delays due to Force Majeure**

In the event of Force Majeure occurring within the agreed delivery terms, the delivery dates can be extended by the Buyer on receipt of application from the Supplier without imposition of the penalty. Only those causes which depend on natural calamities, civil wars and national strikes which have a duration of more than seven consecutive calendar days, causes like strike/lockout at Supplier's works for more than ten consecutive days and Government acts such as major power cuts for a consecutive minimum period of 30 days and other direct legislative enforcements are considered the causes of Force Majeure. The decision of Buyer in this regard shall be final and binding on Supplier. The Supplier must advise the Buyer by a Registered letter duly certified by local Chamber of Commerce or statutory authorities, the beginning and the end of the cause of delay immediately, but in no case later than 10 days from the beginning and end of the cause.

## **31. Rejection, Removal of Rejected Goods and Replacement**

In case the testing and inspection of any stage by Inspectors reveal that the equipment, materials and workmanship do not comply with the specification and requirement of the Buyer, the same shall be removed by the Supplier at his/its own expense and risk within the time allowed by the Buyer. The Buyer shall be at liberty to dispose of such rejected goods in such manner as he may think

appropriate. In the event of Supplier failing to remove the rejected goods within the period as aforesaid, all expenses incurred by the Buyer for such disposal shall be to the account of the Supplier. The freight paid by the Buyer, if any, on the inward journey of the rejected materials are to be borne by the Supplier. The Supplier will have to proceed with the replacement of that or part of equipment without claiming any extra payment if so required by the Buyer. The time taken for replacement in such event will not be added to the contractual delivery period.

### **32. Transfer of Property from Supplier to Buyer**

The transfer of property shall be deemed to have taken place as follows subject to the provisions here in contained:-

- (a) Delivery at NIELIT CALICUT, Calicut: On taking delivery of the materials in condition satisfactory to NIELIT CALICUT.
- (b) Equipment commissioned by the Supplier: On taking over by the Buyer for regular operation after test runs at maximum capacity for specified period are satisfactorily performed.

### **33. Cancellation**

The Buyer reserves the right to cancel this Purchase Order or any part(s) thereof and shall be entitled to rescind their contract wholly or in part of this Purchase Order if –

- (i) The Supplier fails to comply with the terms of this Purchase Order.
- (ii) The Supplier fails to deliver the goods on time and/or replace the rejected goods promptly.
- (iii) The Supplier becomes bankrupt or goes into liquidation.
- (iv) The Supplier makes a general assignment for the benefit of creditors.
- (v) A receiver is appointed for any of the property owned by the Supplier.
- (vi) The Supplier has misrepresented to Buyer, acting on which misrepresentation the Buyer has placed the Purchase Order on the Supplier.

Upon receipt of the said cancellation notice, the Supplier shall discontinue all work on the Purchase Order and matters connected with it. The Buyer in that event will be entitled to procure the requirement in the open market and recover the excess payment over the Supplier's agreed price, if any, from the Supplier reserving to itself the right to forfeit the Security Deposit/EMD, if any, made by the Supplier against the contract.

The Supplier is aware that the said goods are required by the Buyer for the ultimate purpose of performance of its objectives and that non-delivery may cause loss of revenue to the Buyer. In this event of the Buyer exercising the option to claim damages for non-delivery other than by way of difference between the market price and the contract price, the Supplier shall pay to the Buyer the fair compensation to be agreed upon between the Buyer and the Supplier. The provision of this clause shall not prejudice the right of the Buyer to invoke the provisions of clause 'Delayed Delivery' as aforesaid.

### **34. Patents and Royalties**

On acceptance of this order, the Supplier will be deemed to have entirely indemnified the Buyer from any legal action or claims regarding compensation for breach of rights, which the Supplier deems necessary to apply for manufacturing the ordered equipment and or material or which can, in any way, be connected with the manufacture.

### **35. Performance Guarantee**

- 35.1 The Supplier shall guarantee that any and all materials used in execution of the Purchase Order shall be in strict compliance with characteristics, requirements and specifications agreed upon and that the same shall be free from any defects. Checking of Supplier's drawings by Buyer/Inspectors and their approval and permission to despatch the materials



granted by inspectors shall not relieve the Supplier of any part of his/its responsibilities of proper fulfillment of the requirements.

- 35.2 The Supplier will guarantee that all materials shall be repaired or replaced as the case may be at his own expense in case the same have been found to be defective in respect of materials, workmanship or smooth and rated operation within the warranty period.
- 35.3 The guarantee period for the replacement part shall be the same as the warranty period mentioned in the Purchase Order, starting from the date on which the replacements are put in service. Acceptance by the Buyer or Inspectors of any materials or their replacement will not relieve the Supplier of his/its responsibility concerning the above guarantee.

### **36. Non-Waiver**

Failure of the Buyer/Buyer's representatives to insist upon any of the terms or conditions incorporated in the Purchase Order or failure or delay to exercise any rights or remedies herein or by law or failure to properly notify Supplier in the event of breach, or the acceptance of, or the payment for any goods hereunder or approval of design shall not release the Supplier and shall not be deemed a waiver of any right of the Buyer or Buyer's representatives to insist upon the strict performance thereof or of any of his or their rights or remedies as to any such goods regardless of when the goods are despatched, received or accepted nor shall any purported oral modification or revisions of the order by Buyer's representatives act as waiver of the terms hereof.

### **37. No Assignment**

- 37.1 The Purchase Order shall not be assigned, in whole or part, to any other agency by the Supplier without obtaining prior written consent of Buyer.
- 37.2 The Supplier shall, notwithstanding the consent and assignment, remain jointly and severally liable and responsible to Buyer together with the assignee, for and in respect of the due performance of the Contract and the Supplier's obligations there under.

### **38. Technical Information**

Drawings, specifications and details shall be the property of Buyer and shall be returned by the Supplier on demand. The Supplier shall not make use of drawing and specifications for any purpose at any time except for the purpose of the Buyer. The Supplier shall not disclose the technical information furnished to or gained by the Supplier under or by virtue of or as a result of the implementation of this Purchase Order to any person, firm or body or corporate authority and shall make all endeavours to ensure that the technical information is kept CONFIDENTIAL. The technical information imparted and supplied to the Supplier by the Buyer shall at all times remain the absolute property of the Buyer.

### **39. Demurrage**

Demurrage charges, if any, will be charged to the Supplier.

### **40. Breach of Contract**

In the event of the Supplier failing to execute the Purchase Order or failing to comply with any of the terms and conditions of the Purchase Order after placement of the Purchase Order, the EMD/Security Deposit made by the Supplier shall be forfeited. Loss/damage, if any, incurred by the Buyer on account of the non-execution of the Purchase Order/non-compliance of the terms and conditions by the Supplier shall also be recovered from the Supplier.

#### **41. Jurisdiction**

All disputes or differences arising out of or in connection with the breach of contract pertaining to this Purchase Order shall be subject to jurisdiction of the competent courts at Calicut, Kerala State only, to the exclusion of all other courts.

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