

## GENERAL TERMS & CONDITIONS

This Transportation purchase Conditions (hereinafter called "TPC") shall apply for \_\_\_\_\_

\_\_\_\_\_ (Name and Full Address of Transporter) (Hereinafter called "Transporter") to **Grasim Industries Limited (Chemical) Vilayat, Epoxy unit Plant Plot 1, GIDC, Vilayat Industrial Estate, Tehsil Vagra, Dist.- Bharuch, Gujarat** (hereinafter called **GIL Epoxy**) save as varied by **express** agreement or by additional terms, if any, accepted in writing by both parties.

### **1. GENERAL**

1.1 GIL Epoxy hereby engages the Transporter, on non-exclusive basis, for the logistic services relating to products manufactured by GIL Epoxy to its customers and also for logistic services relating to raw materials from the vendors of GIL Epoxy to the Vilayat Plant of GIL Epoxy. ("**Services**")

1.2 All additional terms and conditions for Services by the Transporter shall be governed by this TPC, to which reference shall be made in the email, Service Order (SO) or hereinafter, where appropriate.

1.3 Any other special conditions of the Transporter contrary to or different from the TPC will not apply and shall not form part of the contract or SO, even if they were not rejected explicitly in any individual case, unless otherwise specifically agreed in Written Form.

### **2. RELATIONSHIP**

The relationship between the Transporter and GIL Epoxy shall be on a Principal-to-Principal basis and does not create and shall not deem to create any Principal and Agent relationship or Employer-Employee relationship. The Transporter shall not by any acts, deeds or otherwise represent to any person that the Transporter are representing or acting on behalf of GIL (Chemical) Epoxy.

### **3. RATE CONTRACT AND PAYMENT TERMS:**

3.1 GIL Epoxy shall pay the service charges, as per the agreed rates mentioned in the "Annexure-1" attached

3.2 GIL Epoxy shall make payment to the Transporter after deducting applicable taxes, if any. Necessary certificates for such deduction shall be provided by GIL Epoxy.

### **4. PERFORMANCE REVIEW:**

GIL Epoxy shall at any time carry out review of the Services performed by the Transporter. In case of any improvements/action points identified, GIL Epoxy shall intimate the same to the Transporter and the Transporter shall immediately implement the same without fail.

### **5. REPRESENTATION AND WARRANTIES:**

5.1 The Transporter represents that it possess have the necessary skill, manpower, experience, expertise, infrastructure, systems and procedures to perform the Services to the satisfaction of GIL Epoxy.

5.2 The Transporter shall always meet the required standards and specifications agreed with GIL Epoxy.

5.3 The Transporter represents that they are fully aware of all laws, regulations, orders, and other governmental requirements pertaining to performance of the Services.

5.4 The Transporter warrants those have obtained and/or will obtain all permits and licenses necessary to perform the Services and keep them valid due the term of this Agreement.

5.5 The Transporter represents that no actions have been brought or are likely to be brought against them that could prevent the Transporter from performing the Services and/or have an adverse effect on GIL Epoxy.

5.6 The Transporter represents that they are under no contractual or other restrictions or obligations which are inconsistent and/or interfere with the performance of the Services.

**5A. PERFORMANCE BANK GUARANTEE**

- a) Transporter shall provide a Bank Guarantee of INR 5 Lakh before initiation of the Services, in a format acceptable to GIL Epoxy. The Bank Guarantee shall have a validity of 15 months to start with and shall be renewed and replenished from time to time, as may be required by GIL Epoxy.
- b) The Bank Guarantee shall remain at the entire disposal of GIL Epoxy, as a security for the satisfactory execution and completion of the Services in accordance with the terms and conditions of this Agreement. GIL Epoxy shall be at liberty to deduct and appropriate from the Bank Guarantee any losses, damages, penalties and dues as may be payable by the Transporter under the Agreement and the amount by which the Bank Guarantee is reduced by such appropriation will be made good by further deduction from the Transporter's subsequent bills until the bank Guarantee is restored to its full limit mentioned above.
- c) On satisfactory performance and completion of the Agreement in all respects and upon return in good condition of any property belonging to GIL Epoxy which may have been issued to the Transporter the Bank Guarantee will be returned to the Transporter without any interest on presentation of "NO DEMAND CERTIFICATE". Such No Demand Certificate shall not be prior to 3 months of completion of Agreement.

**6. DUTIES AND OBLIGATIONS:**

6.1 The Transporter agrees that they shall provide the Services as per the timelines and milestones agreed with GIL Epoxy.

6.2 The Transporter shall always comply with QHS (Quality, Health & Safety) policy of GIL Epoxy, a copy of which has been shared with Transported and understood by the Transporter. The Transporter shall at their own cost and responsibility, engage such staff/labour required for due performance of their obligations under this Agreement.

6.3 The Transporter shall be responsible for their employees deployed pursuant to this Agreement and shall comply with all applicable labour laws or transportation laws of India, maintain records that are required to be maintained under the said laws and produce the same for inspection as and when called upon by GIL Epoxy. Transporter shall, at its own cost, maintain adequate insurance for its vehicles, manpower, employees deployed for the Services and indemnify GIL Epoxy from any liability.

6.4 The Transporter shall ensure that their employees whilst engaged in the Services maintain discipline, abide by the rules and regulations of GIL Epoxy and above all do not cause any damage to GIL Epoxy's property or to the products and shall ensure safety of the products.

6.5 The Transporter shall be solely responsible and liable for any loss or damage caused to any third party during performance of the obligations due to negligence or otherwise on the part of their employees.

6.6 GIL Epoxy shall have no liability towards Salary, Wages, Provident Fund, Gratuity, Retrenchment Compensation; or any other compensation for accident, death; or any other claims whatsoever to the Transporter's employees.

6.7 In case of any insurance claims, the Transporter shall provide all necessary assistance as required by GIL Epoxy to process the claims. The Transporter shall immediately bring to GIL Epoxy's notice, arrange for necessary survey wherever insisted by GIL Epoxy/obtain damage and other required certification from concerned authorities who are custodians to GIL Epoxy's material. Any damage /pilferage due to negligence on the Transporter's part which are not acceptable as claims by insurance company shall be borne by the Transporter.

6.8 All vehicles used by the Transporter for the transportation of GIL Epoxy's Products shall conform to Government regulations and Motor Vehicles Act & Rules applicable from time to time.

6.9 The Transporter shall engage only competent and experienced drivers for driving the vehicles used for rendering the Services. The Transporter shall ensure that the drivers shall never drive the vehicles after consuming alcohol and shall at all times comply strictly with all traffic rules and regulations of the respective

States. In the event of any accident, the Transporter shall report the same immediately to GIL Epoxy and further ensure that the drivers duly comply with all requirements of law. In such an event, the Transporter shall take all necessary steps to ensure safety of GIL Epoxy's property.

6.10 The Transporter shall ensure that the property of GIL Epoxy shall not be seen or inspected by any third party other than Government Authorised Personnel during transit period. Details of all such inspections should be immediately informed to GIL Epoxy.

6.11 All goods received and held by the Transporter from GIL Epoxy, under this Agreement shall not at any time be subject to lien for moneys due to the Transporter. Transported shall not create any encumbrance on the property of GIL Epoxy, which is being transported under this Agreement.

6.12 In the event of Transporter's failure to perform any of their obligations under this Agreement, GIL Epoxy is entitled to make alternate arrangements. In such cases, all costs/expenses incurred by GIL Epoxy for such alternate arrangement shall be recovered from the Transporter by way of deduction from the Transporter's pending bills.

6.13 If any third party files any litigation against GIL Epoxy seeking any claims/damages etc., the reasons of which are attributable to Transporter, it shall be defended appropriately by GIL Epoxy at the Transporter's costs and expenses, and the same shall be deducted from the amounts payable to the Transporter.

The Transporter agrees to extend their utmost co-operation and assistance as required by GIL Epoxy for defending such litigations.

6.14 The Transporter shall not at any time use or attempt to use GIL Epoxy's Trade Mark/name or logo for any purpose, including for the purpose of this Services, unless specifically authorized by GIL Epoxy in writing.

6.15 Upon termination or expiration of this arrangement, the Transporter shall immediately cease to operate the Services and not hold themselves in any way as GIL Epoxy's Service Provider, and refrain from any action that would or may indicate any relationship between you and GIL Epoxy.

6.16 The Transporter shall perform the Services on their own and shall not assign, transfer or sub-contract the primary obligation, except with the prior written permission of GIL Epoxy. However, GIL Epoxy shall be entitled to assign/transfer its rights and benefits to any other person.

## **7. TERMINATION**

7.1 GIL Epoxy shall terminate the Agreement immediately without any further notice or payment in lieu of such notice, if the Transporter fails or neglects to observe or commits or allows to be committed any breach of the terms, conditions provision or stipulations of the contract and this TPC.

7.2 However, notwithstanding the above, either party may terminate this Agreement for convenience by giving one months' [30days] notice in writing to the other party.

7.3 Upon termination of this arrangement, the Transporter shall not withdraw their Services abruptly and shall ensure that the work or assignment undertaken by them shall be completed and there is no work pending which shall cause loss or inconvenience to GIL Epoxy.

7.4 The expiration or termination of this Agreement order shall be without prejudice to the accrued rights of GIL Epoxy.

7.5 In the event of termination of this Agreement for any cause whatsoever, the Transporter shall have no claim against GIL Epoxy of any sum by way of compensation damages or otherwise.

## **8. WAIVER:**

Any waiver by GIL Epoxy of any breach by the Transporter shall not operate or be construed as a waiver of any subsequent breach or any other provisions.

## **9. Loss of Excise Documents**

The Transporter shall be fully responsible for delivering the excise documents related to CENVAT and others dispatch documents to the respective consignee. The Transporter shall be liable for non-realization of CENVAT benefits due to loss of VSF documents and such amount shall be deducted from the Transporter's bill. If no bill is outstanding, it shall be paid by Transporter immediately on demand or shall be recovered by invocation of Bank Guarantee.

#### **10. Shortage, Accident, Insurance, Pilferage**

- A. If there is any shortage (number of bags / drums count) in transit, the shortage amount shall be debited to the respective Transporter's account.
- B. In case of theft, pilferage, adulteration etc. no shortage will be allowed and total cost of the material will be recovered from the Transporter's freight bills.
- C. If material is damaged due to water, rain or any other condition then the cost of damaged material will be recovered from the Transporter's freight bills.
- D. In case of in transit accident of vehicle, Transporter will inform GIL Epoxy immediately and will not move the said vehicle along with material until GIL Epoxy gives their permission for the same. Transporter will lodge Police FIR immediately at the same day of accident and arrange original FIR along with photographs of accident spot without any delay to GIL Epoxy.
- E. In case of any insurance claims, the Transporter shall provide all necessary assistance as required by GIL Epoxy to process the claims. The Transporter shall immediately arrange for necessary survey wherever insisted by GIL Epoxy /obtain damage and other required certification from concerned authorities who are custodians to GIL Epoxy's material. Any damage /pilferage due to negligence on the Transporter's part which are not acceptable as claims by insurance company shall be borne by the Transporter.
- F. The recoveries under this clause shall be made from Transporter's pending bills. If no bill is outstanding, the recoverable amount shall be paid by Transporter immediately on demand or shall be recovered by invocation of Bank Guarantee.

#### **11. Transshipment**

Transshipment will not be allowed in FTL (full truck load) order. However, in exceptional situation the goods can be transhipped into another vehicle/Warehouse after taking prior approval from the GIL Epoxy. Due care should be taken while transferring the material in another vehicle without any damage to the material or mixing with each other.

#### **12. INDEMNITY**

Without prejudice to any other provisions in these conditions, the Transporter shall be bound to keep GIL Epoxy or any representative or employee of GIL Epoxy fully indemnified against any action, claim or proceedings under the provisions of any rules, regulations, bye-laws, notifications, directions or order having the force of law. The Transporter in contravention of such provisions etc., for the infringement or violation thereof in the course of the execution or completion of the work under the Agreement and if, as a result of any such action, claim or proceedings, the Transporter or such representative of the Transporter, as the case may be, adjudged to be liable to any penalties or to pay any penalties or to pay any compensation, such liability, the Transporter and if, GIL Epoxy has to take-over the liability, GIL Epoxy shall deduct all amounts arising out of such liabilities from the Bank Guarantee of the Transporter or from any other amount due and able by GIL Epoxy to the Transporter under this Agreement or any other agreement and without prejudice to any other legal remedy available to GIL Epoxy.

#### **13. Service Tax & T.D.S.**

The Transporter shall ensure that GIL Epoxy should be able to take full credit of the indirect taxes paid by it to Transporter for the Services. In case GIL Epoxy is not able to take any credit, for any reason attributable to Transporter, GIL Epoxy shall be entitled to recover such amount from the pending bills/ future bill/ bank guarantee of Transporter.

TDS will be deducted as per Income Tax Act, if applicable.

#### **14. Matter finally determined by GIL Epoxy**

All disputes or differences of any kind whatever arising out of or in connection with the Agreement, whether during the progress of the Services or after the completion and whether before or after. The determination

of the Agreement, shall be referred by the Transporter to GIL Epoxy and GIL Epoxy shall within a reasonable time after presentation, make and notify decisions thereon in writing. The decisions, directions and certificates with respect to any matters, decisions, on which is specially provided for by these conditions given and made by GIL Epoxy or by the Logistic In charge on behalf of GIL Epoxy which matters are referred to hereinafter as accepted matters shall be final conclusive and binding upon the Transporter and shall not be set aside or be attempted to be set aside on account of any informality, omissions, delay or error in proceedings in or about the same or on any other reason and shall be without any appeal.

**15. Dispute Resolution**

All disputes and questions, claims, rights, matters or things whatsoever in any way arising out of or relating to the Agreement are to be referred to the Sole Arbitrator to be nominated by GIL Epoxy. The award shall be reasoned and shall be binding on both the parties and the jurisdiction shall be under Arbitration and Conciliation Act, 1996.

**16. Force Majeure**

Neither GIL Epoxy nor the Transporter shall be considered in default in performance of its/his obligations under this Agreement, if such performance is prevented / delayed due to war, hostilities, revolution, civil commotion, lock-out, strike, go-slow, labour disturbance, epidemic, fire, wind or any act of God such as flood, tempest, earthquake or because of any levy, order, proclamation, regulation, ordinance of any Govt. or any statutory authorities.

## Annexure I

(Forms part of the Agreement dated 01.01.2019)

**Rate Agreement**

Rate contract will be supplemented with service contract, mentioning estimated period and lump sum amount for which equipment (s) (Equipment details as per annexure) will be hired for that specific requirement. However billing will be based on actual deployment of vehicles and period.

1. The given rates are per trip rates for the given vehicle types.
2. Vehicle Rate will based on the per ton basis on the given route and type of vehicle.
3. Rate contract agreement will be valid for the 1 Year. Renewal process will be start from last month of the year.
4. Rate will be finalized based on the route attached as per annexure II.
5. Transporter contract will be valid for a year. Transportation rate will be fixed for calendar year, and the same will be derived based on prevailing base fuel price.

There will be no change in transportation rate till 5% increase/decrease in diesel price. And effect of fuel increase/decrease will be applicable to FTL transporters only.

Effect of the overall diesel prices change will consider in period of 4<sup>th</sup> to 3<sup>rd</sup> cycle of every month and proportionate adjustment will be applicable from 4<sup>th</sup> of the month as per below formula.

$$\text{Freight increase/Decrease PMT} = \frac{\text{Diesel price increase or decrease} \times \text{Distance}}{\text{Truck Load weight} \times \text{Diesel Consumption rate per KM}}$$

Where: I) Diesel price increase/decrease = (Existing Diesel price at Ahmedabad)-

(Revised Diesel price at Ahmedabad)

II) Distance in KM as per destination

III) Existing Diesel Price at Ahmedabad per litre ([www.mypetrolprice.com](http://www.mypetrolprice.com))

IV) Truck Load weight = As per Annexure II

V) Diesel consumption rate = as agreed (3.25 Km/litre)

6. Diesel rate will be effective from 1 Jan 2019 till 31 Dec 2019 and auction rate will be considered as base rate from 1 Jan 2019 for any diesel escalation.
7. All vehicles will be used for solo transportation of GIL Epoxy, products and raw materials.
8. There could be certain circumstances when the hired vehicle may be cancelled. In such scenario the cancellation charges will be INR 2000/- per vehicle payable by GIL Epoxy.
9. In the Transporter is no able to place vehicle within 36 hours after placing the requisition by GIL Epoxy, than such requisition will open for the market rates and difference, if any, shall be debited to the Transporter.

### **Detention Charges:**

1. Detention Charges
  - If vehicle will report after 2:00 PM then Free Period (Same day no detention will be pay) start from the next day.

### **2. Detention charges :**

<b><u>Vehicle</u></b>	<b><u>Detention charges (INR)</u></b>
Up to 2 days	1200/-
Above 2 days (Applicable from 1 <sup>st</sup> day of detention)	2000/-

3. Detention charges will not be applicable for weekend, public holidays, GIL Epoxy Holidays and off days of GIL Epoxy
4. Holidays and off days of GIL Epoxy shall be notified in advance Transporter
5. Based on the agreed transit time all vehicle or container payment will be paid to the Transporter.
  - a. If any delayed on delivery of cargo to customer which lead to additional cost in such cases GIL epoxy will not liable to pay the freight amount to the Transporter.
  - b. Vehicle should be properly checked by Transporter as per shared GIL Epoxy Checklist. If vehicle is not fit as per GIL Epoxy Safety checklist, GIL Epoxy GIL Epoxy can reject the vehicle.
  - c. Quarterly review will be done with Transporter based on the service performance and if the Services of the Transporter are not good than Gil Epoxy GIL Epoxy is free to reallocate the same location to other transporter.

### **Scope of Services:**

1. Loading / Unloading – GIL Epoxy Scope
2. Collecting delivery confirmation from customer -Transporter Scope
3. Toll Entry Charges and other road expenses- Transporter Scope
4. Understanding the MSDS (Material safety data sheet), Term cards and hazards pertaining to the material being handled - Transporter Scope
5. Training of drivers, labour law compliances, other legal compliances (such as driver licenses, vehicle documents, road permits etc.) – Transporter Scope
6. RTO/Cross Border penalty regarding Material Weight – Transporter Scope
7. Vehicle allotment based on the range of load decided in annexure II – Transporter Scope.

8. In case of any diversion on vehicle route due to natural calamity and any other reasons, payments of freight difference will payable to Transporter.
9. All cross border related issue will be resolved by the Transporter. Transporter will do the advance intimation to GIL Epoxy with all respective procedure and documentation required for cross border shipment.
10. Flame arrestor along with each vehicles – Transporter Scope
11. Provide required PPE's (personal protection equipment like Helmet, safety shoes) to their crew members and ensure that PPE's are to be wear by their driver and cleaner inside GIL Epoxy premises – Transporter Scope.
12. Ensure the medical fitness of drivers engaged in Services – Transporter Scope.

### **Termination Clause**

The Service Order shall be deemed to be closed under the following conditions:

- If the contract is completed and or terminated.
- If the orders value is consumed with nil balance.
- The order validity period i.e. the end date has expired.

### **Payment Terms & Payment:**

1. Payment terms will be the "30 days from the date of invoice receipt to GIL Epoxy".
2. Transporter freight invoice should be computerized and should meet all statutory requirements.
3. Transporter will be handover the invoice copy along with acknowledged delivery Challan/ invoice by customer within 7 days of receipt of the materials.
4. The invoice should clearly mention the Service contract reference (Date of service contract). Invoices which are without this information will be sent back to Transporter.
5. Invoice should be received per shipment wise. The entire invoice should be received at the beginning of the month till 15<sup>th</sup> of each month. If Transporter handover the invoice after 15<sup>th</sup> of each month then the payment of such invoices will be processed in next month schedule.
6. Transporter will ensure to submit all relevant documents along with the bill (i.e. Transport Requisition Original, Consignment Note, Delivery Challan, detention communication, weighing slip & Material invoice copy). The bills without necessary supporting will be sent back to the Transporter.
7. Transporter has to submit the physical copy of invoice within 2 month of delivery of the consignment. GIL Epoxy is not liable to pay the invoice which is received and submitted to GIL Epoxy after 6 month of invoicing date.