

Terms and Conditions of Purchase

Please notice that the word "Company" mentioned in the following shall mean "Covestro (India) Private Limited" unless otherwise specified. Also the word "Vendor" used hereunder shall mean an association/person/firm/limited company or legal entity that has offered to sell their goods and services to the Company.

1. We do not accept any responsibility for any order unless issued on our official Purchase Order form and duly signed.
2. Unless otherwise agreed all materials ordered are to be supplied, carriage paid to our factory or the receiving depot/ location specified in the Purchase Order and no changes towards packing, boxing or crating will be accepted unless authorized by this Purchase Order.
3. All goods or materials are to be strictly in accordance with the specifications mentioned in the Purchase Order and must have the quality and grade asked for. No departure from specification is permitted without prior agreement in writing. If rejected shall be held at the Supplier's Risk and must be removed by the Supplier entirely at his expenses. Any additions, alternations, amendments and deletions in terms and conditions of this Purchase Order shall be in writing and deemed to be incorporated herein and made part of this Purchase Order.
4. Prices quoted by the Vendor and accepted by the Company are final and no deviation there from will be accepted without our specific agreement in writing. We reserve the right at any time to make changes in drawings or specifications of the material and/ or work covered by this Purchase Order and in such an event if increase or decrease is caused in the cost of production, the price mentioned in this Purchase Order shall be equitably adjusted.
5. The Company has a right to inspect the work in progress and on completion, but such inspection does not relieve the Vendor of his responsibility for defects in the materials and /or workmanship and for the delivery of the material in accordance with the specifications given. The Vendor at his own expenses shall remove goods rejected and our authorized representative(s) shall be allowed to inspect the material ordered at any stage of their manufacture.
6. Where applicable, all the materials are to be suitably protected against corrosion arising from tropical conditions during the transits and possible storage. All material parts are to be coated with good preventive anti-rust. Where packing is required all packing case must be carefully and properly prepared, secured and packed in manner suitable to ensure adequate protection till delivered.
7. The time quoted for completion is to be strictly adhered to. This Purchase Order is liable to be cancelled if delivery is not made by the specific date.
8. In the case of the goods to be collected from the transporter, intimation should be sent immediately to the Company. Any demurrage paid on account of lack of such intimation or late dispatch of document shall be recovered from the Vendor.
9. The Company reserves the right to suspend or cancel the Purchase Order with immediate effect in the event of strikes, lockouts, fires, break downs, accidents, riots, floods, any natural calamities, act of GOD, any insurrections, restrains or any cases beyond the control or from any cause or causes due to acts or demands of the Government or as a consequence of war or our break of hostilities.
10. In case of declaration given in the form of 'Any exemption form' and if the Vendor fails to supply the material, the tax amount will be recovered along with extra cost incurred, from the Vendor.

11. In case of nonperformance of contract or non-delivery of goods in time, the Company shall be free to purchase goods from elsewhere and recover the extra cost from the Vendor.
12. All Tax documents should bear the name and address of the Company's works where the material is to be delivered along with the relevant GST number, failing which the Company shall have the right to return material or recover the cost incurred for such noncompliance.
13. Unless otherwise agreed in writing the weight declared by Weigh Bridge nominated by the Company or weight and measures taken at Company's premises shall be final to ascertain the quantity of material received.
14. Challan in duplicate should be submitted on delivery of material or sent along with RR/Weigh bill. One copy will be returned after acknowledgement of receipt of material and consignee will retain other.
15. The Vendor's employees and associates shall not use/misuse, duplicate, disclose, divulge or part with, directly or indirectly in writing or verbally any information, data designs that it or they may come to know during the process of its/their working on the basis of this Purchase Order, whether technical or commercial related to the project or otherwise, about Company or any of Company's employees, however insignificant it may be to any of the person at any point of time in future for consideration or otherwise without the written permission from Company.
16. Vendor shall submit all relevant data like technical specifications, drawings, performance guarantee, operational and maintenance manual, test certificate etc. along with the supply of material. Vendor will return to us all original and copies of information data, drawing or any other documents they might have received from us or any other sources, including contractors or vendors which may have been generated or prepared for purpose of execution of the Purchase Order.
17. In case of any inconsistency between any clause of this Purchase Order and that of any agreement or contract executed between the parties on the subject matter hereof, then the relevant clause of the said agreement / contract shall prevail and supersede over the concerned inconsistent clause of this Purchase Order.
18. In consideration of the payment made hereunder, you hereby assign the entire copyright and all other rights in and to all the results of your services provided under this Purchase Order to Covestro and/or its affiliates to utilise and exploit the same in perpetuity and throughout the world in any medium and you agree and acknowledge the same by acceptance of this Purchase Order.
19. This Purchase Order should be acknowledged by return of mail confirming the acceptance of rate and all conditions of supply. If the Order Acknowledgement is not received within 10 working days from the date of Purchase Order, we will consider the Purchase Order is accepted by you.
20. Additional charges such as packing, forwarding, Taxes, insurance, postal, will not be paid unless specifically mentioned in the Purchase Order.
21. Any increase in price is not valid unless, approved and confirmed in writing by Company.
22. Tax document (duplicate for transporter should be sent along with LR), wherever applicable, must accompany the consignment. In case of non-receipt of the same, Tax amount will be deducted from your payment.
23. Supplies will be accepted at our Factory / Depot / Location on working days between 9 am to 4 pm.
24. Materials delivered in excess of the quantities ordered will not be accepted and all additional charges resulting from such delivery will be on Supplier's account.

25. Materials are to be unloaded by the Supplier' and to be stacked at the right place as directed by our storekeeper.
26. Any breakage, damage and pilferage in transit due to faulty packing or any other reason shall be borne by the Supplier.
27. Printed packaging material, if rejected and cannot be rectified, will be defaced, crushed or rendered unusable before returning to the Supplier.
28. The Supplier guarantees that the sale or use of his products/ materials will not infringe an Indian or Foreign patent, design or trade mark and undertakes to indemnify and keep us indemnified against any actions, judgments, decrees, costs, claims, demands and expense to defend or assist in the defense of any suit or action which may be brought in this connection.
29. Materials rejected for any reason in terms of this Purchase Order will remain at our premises at Supplier's risk and cost. In case of local supplier, he will have to remove the rejected material within three days of our intimation and/or receipt of the rejection memo. In case of Foreign Supplier and for goods supplied from outstation the Company should be given disposal advice by the Supplier within seven days on receipt of the rejection memo. After the due dates of the rejection the goods will be lying at Supplier's risk and cost. Rejected goods bearing our trademark or emblems etc. would not be returned to the Supplier and would be destroyed at our end to avoid misuse.
30. The Lorry Receipts and other documents must be consigned to us and not to self. Any extra charge that may be incurred by us in taking delivery of the consignment due to a Lorry Receipt being consigned to self will be recovered from the Supplier. Supplier should collect way bills/entry pass/road permits etc. from the Company for the states where the goods can only be delivered by producing way bills/entry pass/road permits etc. at various check posts. The bills/entry pass/road permits etc. should be properly filled by the Supplier and any liability arising on account of incorrect/incomplete details mentioned on the way bill/entry pass/road permits will be paid/recovered by/from Supplier.
31. A Challan/Tax Invoice, in duplicate, giving full details of each consignment and Company's Purchase Order No. together with the Lorry Receipt of carrier's receipt or parcel should be sent to the receiving location of the Company when the consignment is dispatched by the Supplier along with necessary GST details of our place of business. In case of taxable goods, please ensure Transporter copy of Tax Invoice accompanies each consignment. In the event Tax credit is denied to us for any reason attributable to the Supplier or non-receipt of valid Tax documents at our receiving location, then the same will be recovered from the Supplier's bill at the time of Payment.
32. Materials covered by this order shall be duly insured by the Supplier.
33. The Supplier shall strictly adhere to the provisions of the Child Labour (Prohibition and Regulation Act), 1986 and shall not engage any child labour for any purposes whatever in fulfilling his obligations.
34. The Supplier is fully informed and aware of the fact that it is a criminal offence to bribe a public official in order to obtain business or other improper advantages in the conduct of business and therefore the Supplier undertakes not to use bribing in order to obtain said business or other improper advantages.
35. Commercial invoices (original only) wherein bill to ship to details, delivering plant of the company with full address, clearly indicating whether supply is against declaration forms should be mentioned, along with delivery challans, lorry receipts, copy of Tax invoice and must be sent by the Supplier to the CIRD (Central Invoice Receipting Department) within 10 days from the dispatch of the Materials. Suppliers should comply with respective state/federal laws to issue proper invoice which enables Company to take Input Tax Credit.

36. In the event of any breach of terms and conditions of this Purchase Order, the Supplier agrees to compensate in such manner as may be reasonably determined. Also in case of any liability arising to Company on account of GST non-compliance by Supplier, Company will be compensated by the Supplier to the extent of such liability.
37. Supplier is forbidden to offer any commission, brokerage or other gratification to any of our employees. The Supplier is bound by terms and conditions mentioned in "[Covestro Supplier Code of Conduct](https://www.covestro.com/en/company/profile/procurement/sustainability-in-procurement/supplier-code-of-conduct)" applicable to the Supplier. (<https://www.covestro.com/en/company/profile/procurement/sustainability-in-procurement/supplier-code-of-conduct>)
38. Payment made for supplies received as per this Purchase Order prior to inspection shall not constitute an acceptance thereof.
39. It is mutually agreed by the Company and the Supplier that all disputes or differences whatsoever arising between the parties hereto out of or relating to the construction, meaning or operation, effect or breach of this Purchase Order that may not be resolved between the parties through negotiation shall be settled by arbitration in accordance with the Rules of Arbitration and Conciliation of the Bombay Chamber of Commerce and Industry, Mumbai, and the award made in pursuance thereof shall be final & binding on the parties. The arbitration shall be conducted in English and the venue of arbitration shall be Mumbai. The cost of the arbitral proceedings shall be borne equally by both the parties.
40. PDF/electronic copy of this Purchase Order received by the Supplier through e-mail is an authentic and legally enforceable document and hard copy of Purchase Order will not be sent separately.

Requirements for Invoices:

You are expected to send across the original tax invoice to a Central Invoice receipting unit as stated on our Purchase Order. The Tax invoice documents should be sent to the plant or site.

The address for processing of tax invoice, receipt and all other non-financial documents such as order confirmation, certificates and transportation documents remains unchanged.

Please note that if your invoices pertain to projects (invoices requiring certification from, including but not restricted to, architects / Company engineers and where payments are made against running bills/performance bank guarantees/retentions, etc.), hospitality, freight/transportation or you are a Clearing & Forwarding Agent, you are required to continue sending the invoices to your Company contact person as it is done today.

In order to ensure efficiency in rendering your payments, please mention the following on the face of your invoices while submission:

- Purchase Order number should be referenced on the first page of the invoice
- Purchase Order line item number needs to be referenced on each invoice line item
- The invoice should match the Purchase Order (e.g., if Purchase Order is broken into separate line items; the invoice should also be broken into separate line items)
- Ensure correct company name is used
- Only one Purchase Order per invoice should be billed
- The total amount due must be on the first page of the invoice

- Use the Unit Prices and Unit of Measures as indicated on the Purchase Order
- Invoice payment term has to match Purchase Order payment term
- Bill of Lading or Packing Slip Number should be mentioned wherever applicable
- Purchase Order number, item number, material number and delivery address on all delivery documents

For any communication/concern/queries/enquiries regarding the processing of your invoices/ payments, kindly contact our dedicated toll- free number: +91 1206763101 From 12:30 PM - 5:30 PM or write to us at the following – vendors.in@covestro.com

Guidelines for a Tax Invoice

1. If your invoice contains GST the essentials of invoice needs to be maintained as per below guidelines
2. All bills should have a clear heading of "Invoice" or "Bill" or "Tax Invoice" specifically mentioned at the top of the document
3. Bills should not have hand written serial numbers i.e. serial numbers must be pre-printed
4. The date of bill should be clearly mentioned on the bill
5. Bill should be in the name and address of Covestro Group of Companies (the name as mentioned in the Purchase Order that you have received) and the name of company should be clearly mentioned on the same
6. In case of GST charged on bills, description of goods sold, quantity, rate per unit, total amount, discount offered if any, rate of GST charged, additional Tax (if applicable) and amount charged, GST Registration number should be clearly mentioned
7. In case of Composite tax – GST registration number, clear calculation of Tax along with requisites mentioned in earlier two points needs to be mentioned on invoice
8. In case Tax invoice is raised, the bill should clearly mention 'Original' for buyer or 'Duplicate' for transporter or 'Triplicate' for Supplier– on its 3 copies , whatever the case be. All Tax invoices should clearly mention details of consignee i.e. name of Covestro Group Company on which the bill is raised, its address and GST registration number, consignor name, address, registration number, range, Division, as well as the Excise Tariff heading, description of goods, quantity, value, GST. Tax invoices should be pre-serial numbered
9. Kindly do not overwrite / strike off specially on the amount of the bill
10. The bill needs to be signed by an authorized representative of your establishment