



PURCHASE ORDER – GENERAL TERMS AND CONDITIONS

Document Type: Standard Purchase Order Terms & Conditions

Document Code: IPSA/PROC/PO-TC/2025-26/REV-01

Effective Date: April 1, 2024

Issued By: IPSA Business (India) Pvt. Ltd.

Applicable To: All Suppliers / Vendors / Job Workers / Service Providers

1. EFFECTIVE DATE AND APPLICABILITY

- 1.1. These Purchase Orders – General Terms and Conditions (“Terms”) shall be effective from April 1, 2024 and shall apply to all Purchase Orders issued by IPSA Business (India) Pvt. Ltd. on or after the effective date, unless expressly agreed otherwise in writing.

2. DEFINITIONS AND INTERPRETATION

- 2.1. “Company”, “Buyer” or “IPSA” means IPSA Business (India) Pvt. Ltd., including its group companies, factories, warehouses, successors, and assigns.
- 2.2. “Suppliers” or “Vendors” or “Job Worker(s)” or “Service Providers” means the person or entity supplying Goods and/or Services pursuant to the Purchase Order.
- 2.3. “Goods” means all raw materials, components, packaging materials, consumables, tools, machinery, or items supplied.
- 2.4. “Services” includes job work, processing, printing, logistics, labour, consultancy, or any activity undertaken for IPSA.
- 2.5. “Purchase Order” or “PO” means the Purchase Order issued by IPSA together with these Terms, Special Conditions, and any annexures.
- 2.6. “Acceptance” means written confirmation or deemed confirmation by IPSA that the Goods or Services supplied conform fully to the specifications, samples, drawings, and terms of the Purchase Order, and shall not include provisional receipt, payment, or usage for testing or trial purposes.
- 2.7. “Business Continuity Plan” or “BCP” means a documented and implemented plan maintained by the Supplier to ensure uninterrupted or timely restoration of supply of Goods or Services during disruptions including but not limited to fire, flood, labour unrest, equipment failure, or supply chain disruption.
- 2.8. “Force Majeure Event” means an event beyond the reasonable control of the affected party, limited strictly to events expressly stated in the Force Majeure clause of this Purchase Order.
- 2.9. “Intellectual Property” or “IP” includes all patents, copyrights, trademarks, trade names, trade secrets, designs, drawings, artworks, software, know-how, processes, data, and all similar proprietary rights, whether registered or unregistered.
- 2.10. “Losses” includes all losses, damages, claims, liabilities, penalties, costs, expenses, interest, fines, legal fees, recall costs, and consequential or indirect losses suffered or incurred by IPSA.
- 2.11. “Delivery” means physical delivery of Goods at the location specified by IPSA, together with all required documents, and completion of unloading, unless otherwise agreed in writing.
- 2.12. “Applicable Law” means all applicable central, state, and local laws, statutes, rules, regulations, notifications, and governmental orders in force in India.
- 2.13. “Language Prevailing” - In the event of any translation or interpretation issues, the English version of this Purchase Order and these Terms shall prevail.

3. DOCUMENT PRIORITY

- 3.1. In case of inconsistency, the following order of precedence shall apply:

IPSA BUSINESS INDIA PVT LTD

57/1/17-18 Site 4 Industrial Area Sahibabad, Ghaziabad, Uttar Pradesh - 201010, India

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CIN: U74899DL2001PTC109069

- 3.1.1. Definitive Agreement (if any)
- 3.1.2. Special Conditions in the PO
- 3.1.3. These General Terms and Conditions

4. OFFER, ACCEPTANCE AND DEEMED ACCEPTANCE

- 4.1. Service of Purchase Order
- 4.2. The Purchase Order shall be deemed duly served upon the Supplier when transmitted through any of the following modes: registered email ID, supplier portal, courier, hand delivery, or any electronic mode customarily used between the parties.
- 4.3. The Supplier shall be responsible for maintaining valid and updated contact details. Non-receipt of the Purchase Order due to incorrect, inactive, or unattended contact details shall not invalidate service or acceptance.
- 4.4. The PO constitutes an offer by IPSA subject to these Terms.
- 4.5. Acceptance shall occur by:
 - 4.5.1. Written confirmation
 - 4.5.2. Commencement of supply or services
 - 4.5.3. Failure to reject the PO within five (5) days of issuance
- 4.6. The Supplier represents and warrants that it has full legal capacity, authority, licenses, infrastructure, and manpower to perform its obligations under the Purchase Order and that execution of the Purchase Order does not violate any applicable law, contract, or third-party right.
- 4.7. Electronic Records Validity - The Supplier agrees that electronic records, emails, ERP-generated Purchase Orders, and system logs shall constitute valid and legally enforceable evidence under the Information Technology Act, 2000.

5. PRICES AND ESCALATION BAR

- 5.1. Prices are firm, fixed, and inclusive of all costs unless stated otherwise.
- 5.2. No escalation shall be permitted for any reason whatsoever.

6. PAYMENT TERMS, CREDIT PERIOD AND INTEREST

- 6.1. Payment terms shall be strictly as specified in the Purchase Order. Unless expressly agreed otherwise in writing, all payments shall be due within the credit period mentioned in the PO, calculated from the date of acceptance of Goods.
- 6.2. In the event of delay in payment beyond the agreed credit period, the Supplier acknowledges and agrees that IPSA shall be entitled to charge interest at the rate of 2% (two percent) per month, compounded monthly, from the due date until the date of actual realization.
- 6.3. Interest shall be payable without prejudice to IPSA's right to withhold payments, set-off amounts, suspend further Purchase Orders, or terminate the Purchase Order.
- 6.4. Any part payment received shall first be appropriated towards interest, penalties, damages, or recoveries, and thereafter towards the principal amount.

7. GST AND STATUTORY COMPLIANCE

- 7.1. Supplier shall comply fully with GST law and ensure uninterrupted ITC flow.
- 7.2. Supplier shall correctly mention GSTIN, HSN, PO reference, and delivery address.
- 7.3. Supplier shall issue credit notes, refund vouchers, and receipt vouchers as required under GST law.
- 7.4. Supplier shall indemnify IPSA against ITC loss, interest, penalty, or demand.
- 7.5. If Supplier's compliance rating falls below statutory threshold, IPSA may terminate the PO.
- 7.6. GST Withholding and Recovery

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- 7.6.1. Without prejudice to GST indemnity, IPSA shall have the right to withhold, deduct, debit, or adjust any amount payable to the Supplier to the extent of GST exposure, ITC denial, mismatch, interest, or penalty.
- 7.6.2. Such withholding or adjustment shall not be treated as a payment default by IPSA.

8. DELIVERY, TIME AND LIQUIDATED DAMAGES

- 8.1. Time is of the essence.
- 8.2. Delay shall entitle IPSA to liquidated damages up to ten percent (10%) of PO value, without proof of loss.
- 8.3. Nature of Liquidated Damages
 - 8.3.1. The Supplier expressly acknowledges that the liquidated damages stipulated under this Purchase Order represent a genuine pre-estimate of loss likely to be suffered by IPSA due to delay and are reasonable and not in the nature of penalty.
 - 8.3.2. Recovery of liquidated damages shall not require proof of actual loss and shall be without prejudice to other remedies available to IPSA.
- 8.4. In the event of delay, default, or failure by the Supplier to meet delivery commitments, IPSA shall have the right to procure Goods or Services from alternate sources at the risk and cost of the Supplier, without prejudice to IPSA's other rights and remedies.

9. PACKAGING, LABELING AND TRACEABILITY

- 9.1. Goods shall be securely packaged to prevent damage during handling, transit, and storage, in accordance with industry standards and IPSA specifications.
- 9.2. Each package shall clearly display PO number, batch/lot number, quantity, manufacturing date, and Supplier identification for traceability.
- 9.3. Improper or non-compliant packaging or labeling shall entitle IPSA to reject the Goods or recover re-packaging costs from the Supplier.

10. INSPECTION, ACCEPTANCE AND REJECTION

- 10.1. Inspection may be conducted at Supplier site, transit, or IPSA premises.
- 10.2. Acceptance shall not waive IPSA's right to reject later.
- 10.3. Rejection rights survive title transfer and payment.
- 10.4. Final Inspection and Payment Trigger
 - 10.4.1. Inspection and testing may be conducted within a reasonable time after delivery.
 - 10.4.2. Issuance of payment shall not constitute final acceptance of the Goods. Payment obligation shall arise only upon completion of inspection, rectification of defects if any, and full statutory and GST compliance by the Supplier.
- 10.5. IPSA shall have the absolute right to withhold, suspend, or defer payment, in whole or in part, in case of any quality non-conformance, short supply, documentation mismatch, statutory non-compliance, or breach of any terms of the Purchase Order, without such withholding being treated as a payment default.

11. TITLE AND RISK

- 11.1. Risk passes only upon delivery and acceptance.
- 11.2. Title passes only upon acceptance.
- 11.3. The Supplier shall have no lien, charge, or right of retention over any Goods, materials, tools, or IPSA property, whether paid for or not.

12. WARRANTIES AND LATENT DEFECTS

- 12.1. Latent Defect – Definition and Scope

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- 12.1.1. A latent defect means a defect not discoverable by reasonable inspection at the time of delivery or acceptance and arising solely due to defect in material, design, or manufacturing process of the Supplier.
 - 12.1.2. Latent defects shall not include normal wear and tear, improper handling, storage, or usage by IPSA, third-party modification, or damage arising after delivery due to external causes.
 - 12.1.3. Goods shall be new, defect-free, fit for purpose, and non-infringing.
 - 12.2. Warranty shall be twelve (12) months from use or twenty-four (24) months from delivery, whichever is later.
 - 12.3. Latent defect liability shall extend up to ten (10) years from expiry of warranty.
- 13. CONFIDENTIALITY AND PUBLICITY**
- 13.1. Supplier shall not disclose IPSA information or use IPSA name, logo, or brand without written consent.
 - 13.2. IPSA shall have the right to set-off any amounts payable to the Supplier against any amounts due or recoverable from the Supplier under the Purchase Order or otherwise.
 - 13.3. Confidentiality obligations shall survive expiry or termination of the Purchase Order for an indefinite period.
 - 13.4. The Supplier shall not use IPSA's name, logo, or reference in any publicity or marketing material without prior written consent. Any breach shall constitute material breach.
- 14. INTELLECTUAL PROPERTY**
- 14.1. All IP developed for IPSA shall vest exclusively in IPSA.
 - 14.2. The Supplier shall indemnify and defend IPSA against any third-party claim alleging infringement of intellectual property rights arising from the Goods or Services supplied.
- 15. INDEMNITY**
- 15.1. Supplier shall indemnify IPSA against all losses arising from defects, delay, GST non-compliance, labour violations, IP infringement, or negligence.
 - 15.2. Commencement of Limitation
 - 15.2.1. Limitation for claims by IPSA shall commence from the date of discovery of defect, breach, or loss.
 - 15.2.2. The Supplier waives any defence based on limitation to the extent permitted by law.
- 16. RIGHT OF SET-OFF AND RECOVERY**
- 16.1. IPSA shall have the unrestricted right to set-off, adjust, or recover any amounts payable to the Supplier against any claims, damages, penalties, interest, liquidated damages, recall costs, or other amounts due or recoverable from the Supplier under this Purchase Order or otherwise.
 - 16.2. Such set-off or adjustment shall not require prior notice and shall not be treated as a payment default by IPSA.
- 17. PRODUCT RECALL AND CONSEQUENTIAL COSTS**
- 17.1. In the event of defect requiring recall, withdrawal, or market corrective action, the Supplier shall bear all associated costs including recall logistics, rework or replacement, repacking, redistribution, and customer or dealer compensation.
 - 17.2. Such costs shall be recoverable as debt due to IPSA.
- 18. LABOUR, SAFETY AND ENVIRONMENT**
- 18.1. Supplier is an independent contractor and solely responsible for labour compliance.
 - 18.2. Supplier shall comply with safety, environmental, and green sourcing norms.

18.3. The Supplier is an independent contractor and nothing in the Purchase Order shall be construed as creating an employer-employee relationship, partnership, agency, or joint venture between IPSA and the Supplier.

19. INSURANCE

19.1. Supplier shall maintain product liability, workmen compensation, and transit insurance.

19.2. Insurance Proof and Continuity

19.2.1. The Supplier shall maintain valid insurance coverage including product liability, workmen compensation, and transit or third-party liability.

19.2.2. Proof of insurance shall be furnished to IPSA upon request. Failure to maintain insurance shall not limit the Supplier's liability.

20. TERMINATION AND INSOLVENCY

20.1. IPSA may terminate for convenience or default.

20.2. IPSA may terminate immediately upon Supplier insolvency or CIRP.

20.3. Effect of Termination for Convenience

20.3.1. Upon termination for convenience, the Supplier shall not be entitled to claim loss of profit, cost of unutilised raw material, work-in-progress, idle capacity, or overheads.

20.3.2. IPSA's liability shall be limited strictly to payment for Goods accepted prior to the effective date of termination.

20.4. The Supplier expressly waives any claim for loss of profit, indirect loss, business interruption, or consequential damages against IPSA, under any circumstances whatsoever.

21. BUSINESS CONTINUITY

21.1. Failure of Business Continuity Plan

21.1.1. Failure of the Supplier to maintain or effectively implement a Business Continuity Plan shall constitute material breach of the Purchase Order.

21.1.2. Upon such failure, IPSA may terminate the Purchase Order, procure from alternate sources at Supplier risk and cost, and recover resulting losses.

21.2. Critical suppliers shall maintain a Business Continuity Plan.

22. ASSIGNMENT AND SUBCONTRACTING

22.1. No assignment or subcontracting without IPSA consent.

23. AUDIT AND ACCESS

23.1. IPSA may audit Supplier premises and records.

23.2. Audit Cooperation and Access

23.2.1. The Supplier shall provide full cooperation during audits conducted by IPSA, including access to books, records, manufacturing premises, and statutory compliance documents.

23.2.2. Non-cooperation shall constitute material breach.

23.3. The Supplier shall retain all records relating to the Purchase Order for a minimum period of eight (8) years and produce the same upon request by IPSA or any authority.

24. FORCE MAJEURE

24.1. Only natural calamities, civil war, or national strike exceeding seven days qualify.

24.2. The Supplier shall use all reasonable efforts to mitigate the effects of a Force Majeure event.

24.3. Failure to mitigate shall disentitle the Supplier from claiming Force Majeure relief.

24.4. If the Force Majeure event continues beyond fifteen (15) consecutive days, IPSA shall have the right to terminate the Purchase Order without liability.

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25. GOVERNING LAW AND DISPUTE RESOLUTION

- 25.1. This Purchase Order and all disputes arising out of or in connection with it shall be governed by and construed in accordance with the laws of India.
- 25.2. All disputes, claims, or differences arising out of or relating to this Purchase Order, including its interpretation, performance, breach, termination, or validity, shall be resolved exclusively by arbitration.
- 25.3. The arbitration shall be conducted by a sole arbitrator appointed exclusively by IPSA Business (India) Pvt. Ltd.
- 25.4. The seat and venue of arbitration shall be New Delhi, India.
- 25.5. The arbitration proceedings shall be conducted in the English language in accordance with the Arbitration and Conciliation Act, 1996, as amended.
- 25.6. The arbitral award shall be final and binding on the parties.
- 25.7. Courts at New Delhi shall have exclusive jurisdiction only for the purpose of interim reliefs and enforcement of the arbitral award.
- 25.8. The Supplier expressly waives any objection as to seat, jurisdiction, appointment of arbitrator, or forum.

26. SURVIVAL OF OBLIGATIONS

- 26.1. Clauses relating to warranty, latent defects, indemnity, confidentiality, intellectual property, GST obligations, audit, record retention, and dispute resolution shall survive completion, expiry, or termination of the Purchase Order.

27. SEVERABILITY, WAIVER AND ENTIRE AGREEMENT

- 27.1. Invalid provisions do not affect others.
- 27.2. Rights are cumulative.
- 27.3. This PO constitutes the entire agreement.
- 27.4. Any failure or delay by IPSA in enforcing any provision of the Purchase Order shall not be construed as a waiver of such provision or any subsequent breach.
- 27.5. No amendment, modification, or waiver of any provision of this Purchase Order shall be valid unless made in writing and expressly approved by IPSA.
- 27.6. The Supplier acknowledges that these terms are commercially negotiated and not unconscionable.
- 27.7. This version of the Purchase Order – General Terms and Conditions supersedes all previous versions, drafts, emails, understandings, or oral representations relating to the subject matter hereof.

28. SUPPLIER ETHICS AND CODE OF CONDUCT

- 28.1. The Supplier represents that it conducts its business in compliance with all applicable anti-bribery, anti-corruption, labour, and ethical business laws.
- 28.2. Any offering of gratification, kickback, inducement, or conflict of interest involving IPSA employees shall constitute a material breach and shall entitle IPSA to immediate termination and recovery of losses.

29. ACCEPTANCE WITHOUT SIGNATURE

- 29.1. These Purchase Order – General Terms and Conditions do not require physical or digital signature. Acceptance shall be deemed in accordance with Clause 3 (Offer, Acceptance and Deemed Acceptance), including commencement of supply, service, or failure to object within stipulated time.

CONFIDENTIAL – ISSUED FOR SUPPLIER COMPLIANCE PURPOSES ONLY

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