

GENERAL TERMS & CONDITIONS OF CONTRACT

CUSTOMER'S CONTRACT OBLIGATIONS

1. Site Details:

Furnish required information within a week from the date of order for us to prepare the General Arrangement Drawing (GAD). The required information will essentially consist of the following :

- a. Clear lift shaft dimensions with construction details.
- b. Details of interferences, projections, if any.
- c. Elevation of the Elevator shaft showing clear heights.
- d. Size and location of Elevator columns in the Elevator well, if any.
- e. Depth of Elevator pit.
- f. Clear height of the machine room.
- g. Plan view of the machine room.

If you wish to obtain the site details after a field check, we will be happy to do so at an extra cost.

2. General Arrangement Drawing Approval.

Promptly approve our General Arrangement Drawing (GAD) and make sure that the lift shaft and building will take the loads indicated in our drawing. Commencement of manufacturing is possible only after receipt of approval of the same. Please note that our delivery commitments are reckoned from the date of receipt of approved GAD.

3. Civil Work

Execute the required civil constructions prior to the intimation that the materials are ready for Dispatch. The civil work will essentially consist of the following:

- a. A properly framed and enclosed Elevator hoistway with sill-bearing area at each landing if required
- b. An elevator pit of proper and legal depth below the lowest landing.
- c. Properly designed lifting and machine room hoists adequate in strength to bear loads imposed by the machine room equipment.
- d. Furnish required architraves and fascia plates.
- e. Provide pockets on the lift shaft walls, machine room bottom slab and such other builder's work, as may be necessary.
- f. To furnish a properly lighted and ventilated fire proof machine room (of sufficient size to accommodate our equipment) be necessitated if the dimensions do not conform to our drawings. If this should arise, it will be including concrete floor or metal grating and to furnish proper access thereto. The machine room walls, floor and ceiling will be treated and painted to minimize accumulation and circulation of dust.

It is essential that the construction conforms to the approved GAD. As you can visualize, Costly delays and/or changes in our equipment will be your responsibility to after the civil work and bear our additional expenses.

4. Installation

You agree to furnish us the following free of cost:

- a. Before we depute our installation crew, you must confirm that the entire civil work is complete in accordance with the general arrangement drawing (GAD) submitted by us.
- b. Clean the Elevator pit and keep it dry.
- c. Adequate lighting and ventilation in the Elevator shaft and machine room during the installation.
- d. A safe, easily accessible, covered, weatherproof, well illuminated and lockable storage room facility of min. 40 sq. meters area per Elevator at ground floor near the Elevator shaft in the building. The storage room should be made available to our installation crew until the elevator is handed over. Please not that you should have the storage room available to store the materials upon arrival at site.
- e. Single-phase, 230 V AC power required for operation of our tools, hoists, etc. in elevator shaft and uninterrupted three-phase 415 V AC power for testing and commissioning in the machine room need to be made available by your to commission the elevator..
- f. Three-phase, 415 V AC and single-phase, 230 V AC power supply at the machine room with suitable main switches and suitable ELCB for power as per our requirements and light circuit-breakers, lightning arresters, suitable earthing leads to machine room and other electricals.

protective devices necessary to meet legal code requirements.

- g. Provide suitable accommodation free of cost for our installation crew. It is important that the above are furnished by your so as not to cause any delays to our erection crew. We reserve the option to charge you for delays resulting due to lapse on your part in providing us all the required facilities.
- h. To furnish light outlet point at the middle of every two floors and a light point in the pit and at overhead travel.

5. Minor Builder's Work

- a. Cut pockets and grout car and counterweight guide bracket's and fix over speed governor tension pulley.
- b. Chip required recesses and fix the sills and plates, as required.
- c. Cut pockets and grout brackets for over speed governor and controller.
- d. Cut pockets and grout landing push button boxes and indicator boxes.
- e. Concrete plinths for housing car and counterweight buffer springs.
- f. If required provide machine beams, bearing plates and related civil work.
- g. Provide safe ladder to go to machine room and pit as per erectors requirement.
- h. To do all painting, except of elevator materials.
- i. To guard and protect hoistway.
- j. to relieve us of any responsibility in whole or in part for any pro-rata expenses of electric current, or expenses of any nature relating to the rest of the building and other contractor's work.
- k. To pay all fees that may be required in connection with erection of preparation of the structure in which the elevator equipment is to be erected including any general permit/certificate fees, usually billed by Government agency directly to the owner also including license fees for the installation or inspection of the elevator equipment as required.
- l. To provide scaffolding to our erector's requirements in the elevator hoistway, during the erection period and to remove the same thereafter. If the height of the elevator hoistway is more than 40 meters steel scaffolding should be provided with double earthing.
- m. To provide adequate safety and security measures to prevent any damage, theft or pilferage of material during storage/erection period and until the installation is handed over.
- n. To indemnify and save us harmless against all liability growing out of your failure to carry out any of the foregoing.

You agree to furnish us, within a week from the date of this agreement, all required data for the Performance of the contract. You agree that the hoistway structure along with Customer's Contract Obligations shall be ready and the proper electric power available in suitable place by the required date, after which we are to have their uninterrupted use for installation and adjustment of the elevator(s). If you cannot provide electric power by the required date and the installation of the equipment has been completed, you Shall take over the elevator(s) and make payments as they fall due in accordance with clause below. Any delay due to this will automatically extend the contract completion period accordingly.

CONDITIONS OF CONTRACT

- 1. Validity:
The Quotations is valid for 30 days from the date of proposal and thereafter at our option validity can be Extended or may change without notice.
- 2. Taxes:
Taxes are as levied by the Central/State Government from time to time. Any new imposts / amendment to the Tax Laws by the Central / State government will be to the account of the customer from the date it is directed to be made effective. Contract price offered is exclusive of goods & service taxes prevailing on the date of the agreement and any increase in rate of tax / duties will be to your account at actuals.
- 3. Validity of Contract and IEEMA Price Variation Clause:
The agreed contract price, which is subject to variation as per the IEEMA Price Variation clause (Refer Page 6) included in the contract, shall be valid for 12 months from the date of your acceptance of this proposal.

Should the said period be extended beyond this stipulated time due to (i) non-compliance on your part to effect all payment as per terms of payment clause below, and / or (ii) non compliance on your part to provide data or approved drawings required for the manufacture of the elevator as per clause below, and/or (iii) delay in completion of the hoistway and machine room and handing over the same in clean, dry and in illuminated conditions to us. We will submit for your acceptance the revised price prevailing on the date of such quotation and on its acceptance by you, we will schedule the supply and erection of the equipment in the absence of your acceptance the revised price and payment of any additional advance that may become due, we may at our option, cancel; the order with a cancellation charge as per condition no.11 (xii). The adjustment in price resulting from application of the IEEMA Price Variation clause included in this proposal may be claimed by us as soon as the amount thereof is ascertainable and shall be payable on demand.

4. You agree to furnish us, within a week from the date of this agreement, all required data for the Performance of the contract. You agree that the hoistway structure along with Customer's Contract Obligations shall be ready and the proper electric power available in suitable place by the required date, after which we are to have their uninterrupted use for installation and adjustment of the elevator(s). If you cannot provide electric power by the required date and the installation of the equipment has been completed, you shall take over the elevator(s) and make payments as they fall due in accordance with clause below. Any delay due to this will automatically extend the contract completion period accordingly subject to prevailing rates.
5. Handing over of the Elevators (Completion Period).
 1. You agree to take over the elevator as soon as the installation is completed.
 2. The Inspection of the elevator by the authorities of the Lift Inspectorate, wherever applicable, will have to be done prior to handing over of Elevator.
 3. We shall give you a week's notice for taking over of the Elevator after completion.
 4. During the above period, you shall agree to make the final payment as per the terms of payment of the contract and officially acknowledge the handing over of Elevator and the warranty will start after the notice period.
 5. The Elevator(s) shall be given for beneficial use only on completion of the above terms. The Elevator(s) installation will be deemed to have been completed regardless of availability of permanent power supply and you shall take over the Elevator(s) as such, for which our Defects Liability Period shall get triggered from "The Completion Date".
6. Warranty:

Unless otherwise specified in our confirmation of order, all machinery and equipment will be of our Standard design and manufacture, and will be carefully inspected before dispatch from our works. All machinery and equipment is of approved material throughout and of good workmanship. We undertake to correct and make good any defect which may develop under normal and proper use within the warranty period hereinafter mentioned and which is solely due to faulty design, material or workmanship, and provided that we are notified immediately after the defect is discovered unless otherwise arranged.

The warranty period is:

 - a. 18 months from the date of dispatch of the last of the following major components: machine (2) controller (3) car & counter weight frame (4) 'T' guides, etc. or
 - b. 12 months from the date of completion / license of the elevator, whichever is earlier.

All liability from or part ceases at the termination of warranty period. In the case of goods not of our manufacture, the buyer will be entitled to the benefit of any guarantee held by us in respect thereof. Our liability in respect of any order confirmed by us is limited as specified in these conditions and does not include consequential damages, either direct or indirect, nor expenses for repairs or replacement or otherwise paid or incurred without our authority. We accept no liability for defects or depreciation caused by wear and tear, accidents, lightning, dampness, neglect, misuse or other abnormal conditions resulting directly or indirectly due to circumstances beyond our control.
7. Maintenance
Our quotation includes 12 months maintenance. The period of this maintenance will be deemed to have commenced on the date of the PWD License. The date of commencement of this service will remain unchanged irrespective of any delay in building, completion, availability of permanent power supply, taking over or commencing use of the Elevator.
Maintenance will consist of regular examinations, any necessary adjustment and lubrication of the equipment by competent technician under direction and supervision. Required parts will be furnished

except such parts as may be needed because of negligence, misuse or accident not caused by us. Upon your request special examination will be made should trouble develop between regular examinations, and you agree to notify us promptly of any such trouble.

All work will be performed during our regular working days except for minor emergency adjustment call Back service which will be provided during regular working hours and also during over time hours. No work or service other than that specifically mentioned is included or intended.

8. Terms of Payment

Payment not made pro rata per elevator as follows: 30% with your acceptance of this proposal, 60% on receipt of advice from us that materials are being made ready for dispatch and the remaining 10% on completion of our installation work, with the further provision that if we are delayed by any cause beyond our control, the final 10% will be paid to us within 180 days from the date of our advice that materials are ready for dispatch. Partial supplies when made shall be payable pro rata as above. Any payment not made on the due date shall bear interest from such date at the rate of 12% per annum. We reserve the right to dispose of the equipment or to discontinue our work or to withhold the release of completed elevator(s) at any time until overdue payments, with interest, shall have been made as per the terms and conditions and we have assurance satisfactory to us that subsequent payments will be made as they fall due. We shall resume the work subject to our other manufacturing and / or erection commitments or schedules at that time. Provided that, this will in no way relieve you of your liabilities and obligations under this Contract.

9. Force Majeure Clause

Under no circumstances shall either of us be liable for any loss, damages or delay due to any cause beyond your / our reasonable control, including but not limited to lack of shipping space, embargoes, acts of any Government, strikes, lockouts, fire, accident, explosion, theft, flood, riots, civil commotion, war, malicious mischief, delays in supplies of raw materials and components at our works due to any or all of the reasons, such as energy crisis, electricity cut, rail / road transporter's strike, go-slow, bandhs, non-availability of essential raw materials (iron and steel, pig iron, aluminum copper, silver, brass, stainless steel, various alloys, electrical grade steel, etc.), act of God or of the State's enemies, or act of third party.

Delay resulting from any cause beyond your / our reasonable control shall extend the time for completion of the work and the commencement of the free maintenance period. If for any such reasons, we cannot install the equipment covered by this contract within 52 weeks from the date of your acceptance of this proposal, we may, at our option, cancel the contract without being liable to pay any damages or compensation. Under no circumstances, shall either of us be liable for special, indirect or consequential loss or damages of any kind.

10. General:

- i. The title to each elevator shall pass to you when all payments for such elevator are received. We shall retain the right to lien and the right to retake possession of the elevator or any part thereof at your cost if default is made by you in any of the payments, irrespective of the manner of attachment to the realty, the acceptance of notes, extension of time for payment, or any security which we might hold, or the sale, mortgage or lease of the premises. This will be without prejudice to our right to recover the unpaid amounts and interest by any means or process or proceedings whatsoever. We shall be entitled to recover from you legal expenses incurred in collecting payments hereunder.
- ii. Wherever, either in our quotation or in our correspondence, a separate price is stated for labour or installation, the same is done for the facility of recovering advances or adjusting the price of the entire contract. The breakup of the contract price into its various components at any stage does not signify and divisibility of this contract, so as to involve sale of movables at any stage. The contract shall be deemed to be an indivisible works contract.
- iii. It is agreed that our workmen shall be given a safe place in which to work and we reserve the right to discontinue our work in the building whenever, in our opinion, this provision is being violated.
- iv. Unless otherwise agreed, it is understood that the work will be performed during our regular working hours of our regular working days. If overtime work is mutually agreed upon and performed, an additional charge therefore, at our usual rate for such work, shall be added to the contract price.

- v. We shall not be required to install or alter any equipment requested by Government Authorities at their discretion and not specifically incorporated in the local codes. However, such changes as well as changes in local code after the date of this proposal if feasible, will be undertaken by us at extra cost.
- vi. If there are any changes, modification, additions, deletions or extras to the scope of work outlined in this proposal, which are agreed to by us in writing, then, in such event, the contract price and the delivery period will be adjusted accordingly on mutually agreed terms and conditions.
- vii. This contract being an indivisible Works Contract, any packing cases, excess equipment, or left over materials or tools tackles, instruments, etc. brought to site remain will be our property. We reserve the right to sub contract the work as and when we deem fit.
- viii. If any descriptive matter, drawings or illustrations are furnished with our proposal, they are approximate and submitted only to show the general style, arrangement and dimensions of the machinery offered.
- ix. The equipment offered by us has been described in our attached specifications and complete equipment will be supplied and installed as per standard Eros design and practice. In case of any variation between your specifications, terms and conditions and our quotation / specifications / correspondence, the latter shall prevail.
- x. If materials supplies by us, whether installed or not, are required to be reconditioned / replaced at a later date due to delay on account of (i) non availability of power supply or other incomplete work by you, (ii) force majeure conditions, the related cost shall be payable by you on demand.
- xi. If you cancel the contract and / or commit a breach of contract and or contract remains dormant for 18 months from signing the contract, we shall be entitled to claim damages and/or compensation, Including the costs of the materials and loss of profits/administrative expenses actual or at the rate Of 10% of the value of the contract, whichever is higher. 15% of the contact value, if the order is Cancelled before the General Arrangement Drawing (GAD) is prepared; 25% of the contract value; If order is cancelled within 2 weeks after the General Arrangement Drawing has been approved; 65% of the contract value, if order is cancelled after 2 months of the approval of General Arrangement Drawing; 90% of the contract value, if order is cancelled after intimation that materials are ready for Dispatch.
- xii. All disputes, differences and claims whatsoever which shall at any time arise between the parties hereto or their respective representatives concerning this contract and all other documents in pursuance hereof as to the rights, duties, obligations or liabilities of the parties hereto respectively by virtue of this contract shall be referred to Arbitration in accordance with the provisions of the Arbitration and Conciliation Act 1996 as amended from time to time. Such arbitration proceedings will take place in Mumbai only and shall be subject to jurisdiction of the courts in Mumbai.
- xiii. Any change in contract conditions after signing this contract, will be valid and binding only if the same are in writing and signed by authorized person from Head Office of Eros situated in Mumbai.
- xiv. The contract would be deemed to be concluded at Mumbai and subject to Jurisdiction of Mumbai courts, after allocation of contract number by Eros.

IEEMA PRICE VARIATION CLAUSE FOR ELEVATOR WORKS CONTRACTS

The price quoted or confirmed is based on the cost of raw materials, components and labour cost as on the date of quotation and the same is deemed to be related to wholesale price index for metal products and All India Average Consumer Price Index Number for Industrial Workers as specified below. In case of any variation in these index numbers, the prices shall be subject to adjustment up or down in accordance with following formula :-

$$P = \frac{PO}{100} \left(15 + 55 \frac{MP}{MPo} + 15 \frac{Wo(D)}{Wo} + 15 \frac{Wo(I)}{Wo} \right)$$

Wherein.

P = Price payable as adjusted in accordance with the above price variation formula.

Po = Price quoted or confirmed.

MPo = Wholesale Price Index Number for Metal Products as published by the Officer of the Economic Adviser, Ministry of Industry, government of India, in their weekly bulletin, 'Revised Index Number of Wholesale Prices' (base 1981 -82=100), for the week ending 1st Saturday of relevant calendar month.

Wo = All India Average Consumer Price Index Number for Industrial Workers (base 1981 -82=100), as published by Labour Bureau, Ministry of labour, Government of India, for the relevant calendar month.

The above index numbers, i.e. MPo and WO are those published by IEEMA as prevailing on the first working day of the Calendar month four months prior to the date of quotation, e.g. when offer is submitted in June 1992, then the applicable Index MPo, will be as prevailing on the first Saturday of February 1992 and WO- All India Average Consumer Price Index Numbers would be that for the month of February 1992.

MP = Wholesale Price Index Number for metal products as published by the Office of the Economic Adviser, Ministry of Industry, Government of India, in their weekly Bulletin 'Revised index Number of Wholesale Prices' (base 1981 -82=100)

The applicable wholesale price index number for metal products would be that prevailing on the month covering the date Four months prior to the date of delivery.

Wo(D) = All India Average Consumer Price Index Number for industrial Workers (base 1981 -82=100) as published by the Labour Bureau, Ministry of Labour, Government of India.

The applicable All India Average Consumer Price Index for Industrial Workers as published by the Labour Bureau, Ministry of Labour Government of India, would be for the month four months prior to the date of delivery of manufactured materials.

Wo(I) = All India Average Consumer Price Index Number for Industrial Workers (base 1981 -82=100) as published by Labour Bureau, Ministry of Labour, Government of India.

The applicable All India Average Consumer Price Index Number for Industrial Workers as published by Labour Bureau Ministry of Labour, Government of India, would be for the month four months prior to the date of completion of Installation.

e.g: If the date of delivery in terms of clause given below falls in December 1992, the applicable Index 'MP' would be as prevailing on the week ending 1st Saturday of August 1992 and 'Wo(D)' will be for the month of August 1992. If the date of completion of installation (part of installation) is June 1993, the applicable 'Wo(I)' will be for the month of February 1993.

The date of delivery shall be the date on which the manufactured materials is notified as being ready for inspection/ dispatch (in the absence of such notification, the date of manufacturer's dispatch note shall be considered as the date of delivery) or the contracted delivery date (including any agreed extension thereto), whichever shall be earlier.

The date of completion of erection (or progress part of erection) shall be the date on which the work is notified as being completed and is available for inspection (in the absence of such notification, the date of manufacturer's note intimating such completion shall be considered as the crucial date or the contracted completion date for such erection or part of erection including any agreed extension thereto), whichever shall be the earlier.

The index number for metal products is published weekly by the Office of the Economic Adviser, but if there are any changes, the same are incorporated in the issue appearing in the following week. For the purpose of this Price Variation Clause the final index figures shall apply.

Note 1) The sole purpose of the above stipulation is to arrive at the amount of the entire contract under the various situations. The Above stipulations do not indicate any intentions to sell materials under this contract as movables.

2) The indices MP & Wo are regularly published by IEEMA in monthly basic price circulars based on information bulletins From the authorities mentioned. These will be used for determining price variation.