



VARDHMAN TEXTILES LIMITED

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VTXL: CPPD:DEC: 2020

December 29' 2020

M/s Picanol India Pvt. Ltd.
621 & 622, DLF Towers,
Block-IV, 15 Shivaji Marg,
West Delhi

SUB.: SERVICE CONTRACT FOR TROUBLE SHOOTING OF LOOMS.

Dear Sir,

In reference to your offer dated 08.12.2020 for our Group units and all subsequent correspondence and discussions on the subject held with you, **M/s Picanol India Pvt. Ltd.** hereinafter referred to as **Vendor**, **M/s Vardhman Textiles Limited** hereinafter referred to as a **Company**, are pleased to release this service contract on **Vendor** which shall be applicable for machinery orders as per the terms and conditions stated here-under:

SERVICE ENGINEER CHARGES: The Company shall pay per person/day charges as under:-

	Service, Daily Allowance & Incidental Charges	
1	Service Charges per person	Rs. 5,000 per day/ engineer
2	Daily Pocket Allowance	Rs. 1,400 per day/ engineer
3	Incidental Charges	Company Scope as actual

- Service Charges shall be applicable for period of working day only. This will not include weekly off, intervening holidays and period of journey. However, if the engineer works full time on Sunday/Holiday, same shall be counted as working day.
- Service Charges shall be applicable for period of work including weekly off, intervening holidays and period of journey.

VALIDITY OF CHARGES: This Contract shall be valid from **01.04.2020 to 31.03.2021**.

ACCOMMODATION: Company shall provide decent lodging & boarding to Vendor's service engineer at its own guest house. In case, non availability of room at guest house, Company shall arrange the boarding & lodging in a standard hotel air conditioned, single occupancy room.

TRAVELLING, CONVEYANCE & INCIDENTAL CHARGES: Company shall reimburse to and fro charges for by air fare or IInd class/Ist class AC train-fare from the nearest port or station of Vendor's site to nearest port or station of Company's site. Also company shall pay/arrange to and fro Taxi fare/pickup from the nearest Airport to company's Mills. All other charges, other than incidental charges during traveling of each of Vendor's technical and other personnel shall be to Vendor's account and no extra charge on this account shall be payable by the Company.

LOCAL TRANSPORTATION: Company shall provide at its own cost transportation of **Vendor's** technical personnel from **Company's** guest house/hotel to site and back. In case if it is not arranged by Company, company shall reimburse the actual fare (on submission of bill) to vendor's engineer.

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GST: The GST applicable at prevailing rates under the union laws, will be payable (i.e. 18%)

PAYMENT TERMS: The payment for the service charges as well as other expenses shall be made as advance Rs.40000, the bills will be raised by the engineer on weekly basis and the advance amount will be adjusted against bills raised by the engineer during his visit. Payment shall be done through RTGS only.

SERVICE ASSISTANCE: Assistance to Company's technical personnel who will be normally attending the above machine in routine working, manual labor and special tool sets, necessary spare parts shall be provided by the Company. However, Vendor shall be responsible to bear any costs related to any special tools and instruments brought by him.

WORKMAN'S INSURANCE: Vendor shall arrange to cover insurance of all its workmen, who shall do the erection & commissioning job.

- All statutory liabilities namely: P.F., ESI, Accident Insurance, Works contract Tax and workmen's compensation etc. in respect of labor employed by vendor shall be covered by vendor.
- All safety rules prevailing in company's factory shall be observed by vendor's all workmen.
- Vendor shall provide company the proof of the P.F. and ESI deposited by vendor, failing which the amount will be deducted from Vendor's account.

VENDOR'S RESPONSIBILITY: The responsibility of the vendor shall be as follows:

- Vendor shall arrange for adequate and suitable accident, hospitalization and medical insurance policies for each of his technical personnel. Company shall not be responsible in any manner for any consequences arising due to injury or any other eventuality which may occur to any of Vendor's technical personnel during stay at Site. Company shall, however, arrange for medical treatment of minor nature at its own cost during the stay at Site of Vendor's technical personnel.
- Vendor shall make arrangement at his own cost for journey from Site to Vendor's place for any of his technical personnel who may require emergency evacuation from Site during the tenure of his stay. Vendor shall in such cases arrange and send to Site at his own cost alternative technical personnel, acceptable to Company, if requested by Company.
- Vendor shall be responsible for and pay the individual income tax imposed or levied on Vendor's supervisory personnel by any governmental bodies.

Company shall be entitled to recover from Vendor, against presentation of documentary proof, any amount deposited by it to statutory authorities under Indian Law and prevailing Rules and Regulations in relation to supervision services provided by Vendor.

WORKING HOURS: Minimum Eight (8) hours per day for Six (6) days per week, with Site weekly off as weekly off as i.e. 24 hours per week. Company reserves the option to change this weekly off day after mutual settlement with Vendors engineer. Generally work shall be as per Site working hours however extended working hours shall be permitted based on circumstances and schedule. For such extended working hours both Vendor and Company shall bear their respective costs and expenses. Holidays other than weekly off shall be as per Site holidays. If the vendor will work beyond 8 hours Rs. 400/hour shall be charged extra.

SAFETY OF COMPANY'S MATERIAL, PROPERTY AND MAINTAINING CONFIDENTIALITY: It will be responsibility of vendor's engineers / team to safe guard the Company's material handed over to them & other property while working in company premises. In case any damage/loss is affected on company's Material/equipment/machines & Property by any intentional/ unintentional action on the part of Vendor's crew, the damages shall be recovered from the Vendor.

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Furthermore Vendor's Engineer's / Team undertake and indemnify the company as to not share the company's trade secrets or any other exclusive / confidential information with respect to this contract either within themselves or with anyone else outside.

FORCE MAJEURE:

- If either party is affected by Force Majeure which prevents it from performing its obligations in accordance with the Contract, it shall forthwith notify the other party of the nature and extent thereof.
- Neither party shall be deemed to be in breach of the Contract or otherwise be liable to the other, by reason of any delay in performance, or non-performance, of any of its obligations under the Contract to the extent that such delay or non-performance is due to any Force Majeure of which it has notified the other party; and the time for performance of that obligation shall be extended accordingly.
- If the Force Majeure in question prevails for a continuous period in excess of 14 days, the parties shall enter into bona fide discussions with a view to alleviating its effects, or to agreeing upon such alternative arrangements as may be fair and reasonable.

ENTIRE AGREEMENT AND VARIATION:

- These terms and conditions are in addition to and not in substitution for the terms, conditions and warranties implied by common law or statute. These terms and conditions otherwise contain the entire agreement between the parties, form the only terms and conditions of the Contract (irrespective of the content of any documents attached hereto) and supersede all previous written or oral agreements relating to the subject matter.
- These terms and conditions may not be varied except in so far as expressly agreed by Company in writing and shall apply notwithstanding the purported incorporation of any additional or alternative conditions or terms.
- If any provision of the Contract is held by any competent authority to be unlawful or unenforceable in whole or in part, the remainder of the provision in question and the remaining provisions of the Contract shall continue in full force and effect to the fullest extent possible.
- No delay by any party in enforcing its respective rights will prejudice or restrict the rights of that party and no waiver of any such rights or of any breach of any contractual terms will be deemed to be a waiver of any other right or of any later breach.

ARBITRATION: Any dispute or any difference between the parties as to the true intent of the meaning of these presents or the true implementation thereof or as to any other matter in any way arising out of or in connection with the Contract shall be referred to the decision of an arbitrator to be appointed by the CMD or MD of the company and his decision shall be binding upon the parties. Arbitration proceedings shall be performed under the Arbitration and Conciliation Act (as amended up to date). The arbitration shall take place in Ludhiana, Punjab.

The Arbitration award shall be final and binding on both Company and Vendor. The Arbitrator(s) shall be entitled to order specific performance of Order or any part thereof. In the course of Arbitration, both Company and Vendor shall continue to execute Order except those matters under Arbitration. The language of arbitration shall be English.

The Parties shall submit to the jurisdiction of the competent Court in Ludhiana, Punjab.

PRICE ESCALATION: The prices mentioned in the order are fixed and firm for all the purposes and no escalation whatsoever will be allowed till its execution.

JURISDICTION: It may be noted that any disputes arising out of this order shall fall under the jurisdiction of Ludhiana judicial courts only.

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Now Vendor is requested to please arrange to send company their order confirmation and execute the order strictly in accordance with the terms and conditions stated above.

Thanking you,

Yours faithfully
For VARDHMAN TEXTILES LTD

(AUTH. SIGNATORY)

(AUTH. SIGNATORY)

Vendor's Acceptance

We accept the Order in its entirety

(Signature with Date & Stamp)

Accepted copy of Order duly signed, stamped and dated must be returned by Vendor within 02 days from date hereof failing which it will be deemed that the Vendor has accepted the order in its entirety.