### **Procurement Agreement**

**Between**: **NovaSteel Ltd.**, a company incorporated under the Companies Act, 2013, having its registered office at Pune, Maharashtra, India ("Buyer")  
 **And**: **IronForge Engineering Pvt. Ltd.**, having its principal office at Coimbatore, Tamil Nadu, India ("Supplier")  
 **Effective Date**: March 1, 2024  
 **Contract Duration**: 12 Months from the Effective Date

### **1. Purpose and Scope**

This Procurement Agreement (“Agreement”) sets forth the terms and conditions under which the Supplier agrees to manufacture, supply, install, and commission industrial-grade CNC cutting machines and auxiliary robotic welding systems for NovaSteel Ltd.’s new manufacturing facility in Chakan, Maharashtra.

### **2. Deliverables**

2.1. The Supplier shall deliver the following equipment:

* 3 × Model IFC-9000 CNC plasma cutting machines
* 2 × Model RWS-150 Robotic Welding Stations
* 1 × Centralized Control Console with UI panel
* On-site installation, calibration, and operational testing

2.2. Delivery of all equipment shall be made no later than **May 15, 2024**.

2.3. All deliverables must be accompanied by a quality compliance certificate, installation guides, and maintenance manuals.

### **3. Pricing and Payment Terms**

3.1. Total contract value: ₹1,75,00,000 (inclusive of GST @18%)  
 3.2. Payment Schedule:

* 30% advance upon contract signing
* 40% upon delivery of equipment at site
* 30% post successful commissioning and client acceptance certificate

3.3. Payments will be made via NEFT within 15 working days of invoice receipt, subject to milestone verification.

3.4. Any delay in payment due to documentation discrepancies will not incur penalties.

### **4. Performance and Acceptance Criteria**

4.1. The Buyer shall inspect the equipment upon delivery and conduct acceptance testing within 10 business days.  
 4.2. Acceptance will be deemed complete upon successful execution of:

* Cutting precision ±0.2 mm across all units
* Welding joints meeting ASTM A709 standards
* Integration with existing SCADA controls

4.3. In case of defects or failure to meet specifications, the Supplier shall replace or repair equipment within 10 business days at their own cost.

### **5. Warranty and After-Sales Support**

5.1. The Supplier provides a comprehensive warranty for a period of **36 months** from the date of commissioning.  
 5.2. Coverage includes all electrical, mechanical, and software components except consumables.  
 5.3. SLA for fault response:

* Critical faults: On-site response within 24 hours
* Minor issues: Tele-support within 6 hours, resolution within 48 hours

5.4. Preventive maintenance is mandatory every 6 months and will be conducted at Buyer’s premises.

### **6. Delays and Penalties**

6.1. In case of delivery delay beyond May 15, 2024, the Supplier shall be liable to pay a penalty of ₹20,000 per calendar day, capped at 10% of contract value.

6.2. Exceptions to delay penalties include Force Majeure events as defined in Clause 11.

### **7. Insurance and Risk Transfer**

7.1. The Supplier shall maintain transit insurance covering full value of equipment until delivery and unloading at Buyer’s site.  
 7.2. Risk and title of goods shall transfer to the Buyer upon successful installation and sign-off.  
 7.3. Any damage or loss during unloading will be jointly inspected and attributed accordingly.

### **8. Compliance and Certifications**

8.1. All equipment must comply with the following standards:

* Bureau of Indian Standards (BIS)
* CE Marking (for imported components)
* ISO 10218-1 for industrial robots

8.2. Supplier shall submit factory test reports and third-party certification before dispatch.

### **9. Subcontracting and Third-Party Components**

9.1. The Supplier may subcontract certain manufacturing processes but remains solely liable for quality and delivery.  
 9.2. Use of third-party OEM components (e.g., Siemens PLC, Fanuc arms) must be approved in writing by the Buyer.

### **10. Confidentiality**

10.1. Both parties agree to treat all specifications, designs, and documents shared under this agreement as confidential.  
 10.2. This obligation survives contract termination for a period of 3 years.

### **11. Force Majeure**

11.1. Neither party shall be held liable for delays due to events beyond their reasonable control, including but not limited to natural disasters, pandemics, acts of government, or labor strikes.

11.2. The affected party must notify the other in writing within 5 days of becoming aware of such event.

### **12. Termination**

12.1. The Buyer may terminate this agreement if:

* Supplier fails to deliver even after 15 days of grace period
* Equipment fails acceptance testing twice
* Fraudulent or misleading information is discovered

12.2. Upon termination, Supplier must refund advance payments minus completed work value within 30 days.

### **13. Dispute Resolution**

13.1. Disputes shall be resolved amicably between senior management within 15 days.  
 13.2. Failing which, disputes shall be referred to arbitration under the Indian Arbitration and Conciliation Act, 1996, with venue at Pune.  
 13.3. Each party shall bear its own legal costs unless otherwise awarded.

### **Annexure A: Delivery Milestone Timeline**

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| --- | --- | --- |
| **Milestone** | **Due Date** | **Responsibility** |
| Contract Signing | March 1, 2024 | Both Parties |
| Advance Payment | March 3, 2024 | Buyer |
| Manufacturing Complete | April 20, 2024 | Supplier |
| Site Delivery | May 10, 2024 | Supplier |
| Commissioning | May 20, 2024 | Joint |

### **Annexure B: Risk Register**

|  |  |  |
| --- | --- | --- |
| **Risk Description** | **Category** | **Mitigation** |
| Custom delay for imported parts | External | Buffer stock + expedited shipping option |
| Shortage of skilled engineers during install | Operational | Pre-book labor, cross-train regional staff |
| Power outage during commissioning | Local Infra | Schedule during backup generator availability |