



भारत हेवी इलेक्ट्रिकल्स लिमिटेड

(भारत सरकार का उपक्रम)

इंडस्ट्रियल वाल्व्स प्लांट

Bharat Heavy Electricals Limited

(A Govt. of India Undertaking)

Industrial Valves Plant

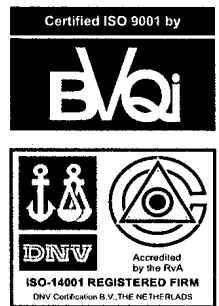
Certified ISO 9001 by



- 1) Definition:
Through out these conditions and in the specifications the terms.
 - i) "The Purchaser" means the BHARAT HEAVY ELECTRICALS LIMITED, INDUSTRIAL VALVES PLANT, GOINDWAL SAHIB, DISTT. TARN TARAN, PIN 143422, PUNJAB (INDIA) acting through the officer issuing the tender.
 - ii) "The Seller" means the person or company with whom the order for the supply is placed and shall be deemed to include the Seller's successors (approved by the Purchase) representative heirs, executors and administrator as the case may be.
 - iii) "Engineer or Inspection Officer" means the person/firm or department nominated by the purchaser to inspect the stores on his behalf.
 - iv) "Contract" shall mean and include the tender letter or acceptance, this agreement together with any correspondence modifying the terms there of the General Conditions, the Specification schedule, if any annexed. This also includes the drawings in any enclosed or to be provided or to be approved by the Purchaser of his authorized nominee and the samples and patterns, if any to be provided under the provisions of Contract.
 - v) "Specification" shall mean the Specification annexed to or issued with these General Conditions of Contract.
 - vi) "Stores" shall mean the goods specified in the contract which the Seller has agreed to supply under the Contract.
- 2) Parties to the Contract:
 - a) The parties to the contract which is for the supply by the Seller to the Purchaser on the conditions set forth in the contract are Seller and the Purchaser named in the main body of the contract.
 - b) Authority of person signing documents:
A person signing the Contract shall be deemed to warrant that he has authority to bind so, and if on enquiry it appeared that the person so signing had no authority to do so, Purchaser may without prejudice to other civil and criminal remedies, cancel the Contract and hold the signatory liable for all cost and damages.
 - c) Notice on behalf of the Purchaser:
Notice on behalf of the Purchaser, in connection with the contract may be given by any Authorised officer of the Plant dealing with the Contract.
- 3) Execution:
 - a) The whole contract is to be executed in the most approved substantial and workman-like manner to entire satisfaction of the Purchaser.
 - b) Alterations:
The purchaser or his Authorised Nominee may require such alterations to be made on the work during its progress as he deems necessary should these alterations be such that either party to the Contract consider an alteration in price such alteration shall not be carried out until amended prices have been submitted by the seller and accepted by the Purchaser. Should the Seller proceed to manufacture such stores with alterations without obtaining the consent in writing of the Purchaser to an amended price the Seller shall be deemed to have agreed to supply the stores at such price as may be considered reasonable by the Purchaser. In case of alteration, time of delivery has to be reconsidered.
- 4) Seller's Responsibility:
The seller shall be sole responsible for the execution of the Contract in all respects in accordance with the Contract notwithstanding any approval which Engineer may have given of material or other parts of the work involved in the Contract or of test carried out either by the Seller or by the Engineer.
- 5) Inspection:
The stores shall be of approved design and each part/components shall be thoroughly inspected and tested at Seller's works before shipment and shall fully comply with relevant requirements of the Purchaser. The test certificates shall be one of the documents for operation of the Letter of Credit and shall be submitted along with first set of documents for negotiations.
- 6) Facilities for Inspection and Test:
 - i) The purchaser or his authorized nominee shall be entitled at all reasonable times during manufacturing to inspect/examine and test at the Seller's premises the material and workmanship of all stores to be supplied under the contract, and if part of the stores is being manufactured on other premises, the Seller shall obtain for the Purchaser or his authorized nominee permission to inspect, examine and test as if the said stores were being manufactured at the Seller's premises. Such inspection, examination and testing, if made shall not release the Seller from any obligation under the Contract.
 - ii) Where the Contract provides for tests on the premises of the seller or of any of his Sub-contractors, seller shall provide such assistance labour, materials, electricity, fuel, stores apparatus and instruments as may be required and as may be reasonable demanded to carry out such tests efficiently.
 - iii) The seller shall give the authorized nominee reasonable notice in writing of the date on and the place at which any stores will be ready for testing as provided in the contract.
- 7) Certification of inspection and approval:
No stores will be considered ready for delivery until the Purchaser or his nominee shall have certified in writing that they have been inspected and approved by him. It shall be the responsibility of the seller to ensure that only such goods as have been duly inspected and approved by the purchaser are offered for arranging shipment to Government of India forwarding agent and to furnish them a certificate as under : Certified that the goods offered for arranging shipment have been duly inspected and approved by prescribed authority in accordance with the terms of the Contract and a copy of the inspection certificate issued in this regard is enclosed.
- 8) Progress Report:
The seller shall render such report as to the progress of manufacture/supply and in such a form as may be called for by purchaser. The submission and acceptance of these reports shall not prejudice the rights of the purchaser in any manner.
- 9) Transfer and Subletting:
The seller shall not sublet (except as may be customary in the trade concerned in which case, the Seller advise the Purchaser of the same) transfer, assign or otherwise part with the contract or any part thereof either directly or indirectly without the previous written permission of the purchaser. The seller shall be entirely responsible for the work executed by the sub-contractor, if any. For this purpose for their works by an Inspection Organisation acceptable to the Purchaser.
- 10) Guarantee:
The seller shall guarantee that the stores supplied shall comply fully with the specification laid down for material, workmanship and performance. If any stores are found defective the Purchaser shall submit his claim to the seller within 12 (twelve) months from the date of arrival of the stores at Purchaser's site or within 18 (eighteen) months counting from the date of shipment from the port of dispatch whichever is more. The seller shall be given necessary facility to investigate such claims. If they are proved to be faulty, the seller at his option either repair or replace, within a period of 30 days by faultless stores at seller's cost. All replacement parts shall be shipped by the seller C.I.F. Indian ports from which point the Purchaser shall clear through customs and take delivery at his expenses to inland destination. If the seller so desires, the defective stores can be taken over by his representative in India for disposal, within a period of three months from the date of receipt of replacement of stores. At the expiry of this period no claim whatsoever shall be on the Purchaser.
All the replacement stores shall also be guaranteed for a period of twelve months from the date of arrival of stores at Purchaser's site. The decision of the purchaser in regard to the seller liability under this guarantee shall be final conclusive.



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11) Performance Bank Guarantee:

To fulfill guarantee conditions in clause (10) above the seller shall furnish a Bank Guarantee in the performa attached from a Bank approved by the purchaser for an amount equivalent to 10% of the value of the contract along with first shipment documents. On the performance and completion of the contract in all respect, the Bank Guarantee will returned to the seller without any interest.

12) Packing:

The stores shall be suitably painted for tropical conditions (and to withstand marine corrosion) shipped in bare bundles of XX MT gross maximum (shipped leese) (preserved and packed in sea worthy packing) duly ensuring prevention of damages or loss during transit and storage. Packing shall be done in such a way as to ensure easy removal for check at the port of destination and Purchaser's works. The packages shall be provided with facilities for easy handling by mechanical means if need be. For this the packing specifications adopted is also to be such as to obtain a CLEAN BILL OF LADING.

13) Marking:

A horizontal yellow band of 100 mm width shall be marked on all sides:

All packages shall be marked as per instructions given below, in bold letters and in ENGLISH.

BHEL, IVP, GOINDWAL SAHIB-PUNJAB(INDIA)

PIN CODE 143422

CONTRACT NO.

SELLER'S NAME:

CASE NO.

GROSS DIMENSION IN CM:

GROSS TARE AND NETT WEIGHT:

BRIEF DESCRIPTION OF CONTENTS:

14) Dimensions and weight:

Specification of dimensions and weights in all places shall be in metric system and in ENGLISH language.

15) Shipment:

Shipping arrangements will be made by Secretary, Shipping Co-ordinators committee, Ministry of Surface Transport, Transport Bhavan, 1, Parliament Street, New Delhi-110001. (Telefax: 31-61157/58/59) VAHAN-IN Fax: 011-3718614 or his nominee through their forwarding agent:

M/s Schenker International Deutschland GmbH,

P.O.B, 110313, D-2040,

Hamburg, Phone (040) 361350

Fax (040) 36135216

The Embassy of India in Japan, TOKYO

Trade Section,

11go No. 2, 2-Chome, Kuden Minami

Chyoda-ku

Tokyo-Japan,

M/s OPT Oversees Project Transport Inc.

(A ThyssenHaniel Logistic Co.)

43, Sellers Street Kearny N.J.07032, USA

Telephone (201)998-7771

Telefax: (201) 998-7833

Seller should give adequate notice (in the proforma attached in the Annexure) of not less than 6 (six) weeks about the readiness of each consignment to the forwarding agent from time to time for finalizing the shipping arrangements. The Bills of lading should be drawn to as to show the following:

SHIPPER: GOVERNMENT OF INDIA/INDIA

SUPPLY MISSION OF WASHINGTON

CONSIGNEE: GOVERNMENT OF INDIA

ACCOUNT: BHARAT HEAVY ELECTRICALS LIMITED

IVP GOINDWAL SAHIB-143422

DISTT. TARN TARAN

PUNJAB/INDIA

NOTIFY PARTY: BHARAT HEAVY ELECTRICALS LIMITED,
IVP GOINDWAL SAHIB-143422

16) Insurance:

Insurance will be arranged by Purchaser through the New India insurance company for which purpose the details of consignment along with its value shall be intimated by the seller to the Purchaser (or the seller shall make arrangement with freight forwarded to inform the Purchaser) by telefax/e-mail immediately after shipment of the consignment has been effected.

17) Documents to be supplied by seller:

a) On receipt of order or along with order acknowledgement the seller shall furnish along with the order acknowledgment the break-up prices for the major components going into the equipment. This information is required by the Purchaser for check-up and admit the claims of the seller if part shipments are contemplated and also to facilitate clearance of the consignment through customs after payment of duties.

b) The packing dimensions of the consignment in metric unit among with net tare and gross weight of each package and special storage requirement if any on board of ship.

c) After shipment: Immediately after shipment, 4 (four) sets of non-negotiable copies of Bills of lading and other documents referred to in the Terms of Payment clause of the contract shall be airmailed to the Manager(Purchase), BHARAT HEAVY ELECTRICALS LIMITED, IVP GOINDWAL SAHIB -143422, PUNJAB (INDIA) under 2 (two) separate successive despatches. In addition to the above, one set of non-negotiable copies of Bill of lading under the documents referred to at clause 17 shall be airmailed to the port consignee, viz:
Manager(MS)
BHARAT HEAVY ELECTRICALS LIMITED
ROD MUMBAI
14/15th Floor
World Trade Centre-I
Cuffe Parade
Mumbai.

18) Patent Infringement and indemnity:

The seller shall at all times indemnify the Purchase against all claims which may be made in respect of the goods supplies for infringement of any patent design or trade mark provided always that in the event of any claim in respect of an alleged breach of a patent, registered design or trade mark, being made against the Purchaser, he shall notify the seller of the same and the seller shall be at liberty but at his own expense to conduct negotiation for settlement of any litigation that may arise therefrom.

19) Liquidated Damages:

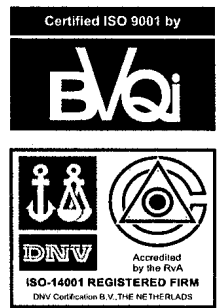
The time of delivery of dispatch stipulated in the said schedule for delivery of the stores shall be deemed to be the essence of the contract should the seller fail to deliver the stores or any consignment thereof within the period prescribed for such delivery, the purchaser shall be entitled (by way of liquidated damages) for a sum of one-half percent of the price of any stores which the seller has failed to deliver as aforesaid for each and every week or part of a week during which the delivery of the stores may be in arrears subject to a maximum of 10 (ten) percent of the price of stores in arrears. THIS AMOUNT TO BE AUTOMATICALLY DEDUCTED IN THE INVOICE PAYMENT ITSELF.

20) Cancellation Clause:

Alternatively at the option of the Purchaser, the Purchaser shall be entitled to purchase elsewhere on account and at the risk of the seller the stores or any consignment thereof which the seller has failed to deliver as aforesaid or if not available, the best and nearest



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available substitute thereof or cancel the contract and the seller shall be liable for any loss or damage which the Purchaser may sustain by reason of such failure on the part of the seller.

21) Risk Purchase:

The cancellation of the contract as stated in the above clause may be either for whole or part of the contract at Purchaser's option. In the event of Purchaser terminating this contract in whole or part he may procure upon such terms and in such manner as he deems appropriate supplies or services similar to those so terminated and the seller shall be liable to the purchase for any excess costs for such similar supplies or services provided the seller shall continue the performance of this contract to the extent not terminated under the provision of this contract.

22) Preferential Delivery:

It should be noted that if a contract is placed on a higher tenderer in preferences to the lowest acceptable offer in consolidation of offer of earlier delivery the seller shall be liable to pay the purchaser the difference between the contract rate and final price FOR destination including all incidentals in case of failure of complete supplies in terms of such contract within the date of delivery specified in the tender and incorporated in the contract. This is in addition and without prejudice to their rights under the terms of the contract.

23) Force Majeure:

If at anytime during the continuance of this contract the performance in whole or part by either party of any obligations under this contract shall be prevented or delayed by reason, of any war, hostilities acts of the public enemy, civil commotion, sabotage, fires explosions, epidemic quarantine restrictions or acts of God (herein referred to as events) then provided notice of happening of any such event is given by either party to the other party within 21 days from the date of occurrence there or neither party shall by reason of such event be entitled to terminate this contract, nor shall either party shall have any such non-performance and delay in resumed as soon as practicable after such event has come to an end or ceased to exist. If the performance in whole or part of any obligation under this contract is prevented or delayed by any such reason or any such event, claims for extension of time shall be granted for period considered reasonable by the purchaser subject to prompt notification by the seller to the purchaser of the particulars of the event and supply to the purchase, if required of any supporting evidence. Any waiver of time in respect of partial installment shall not be deemed to be waiver of time in respect of remaining deliveries.

24) Customs drawback:

If by reasons of a customs notification published after the placing of the contract the stores to be supplied becomes exportations subject to customs draw back in respect of duty paid on them or on the material used in their manufacture the seller shall recover the amount of the drawback and the contract price of the stores shall be reduced by the amount so recovered.

25) Corrupt gift and payment of commission:

Any bribe commission, gift or advantage given, promised or offered by or on behalf of the seller/ his agents or servants or any one on his or their behalf to employee representative or agents of the Purchaser or any person on his behalf in relation to the execution of this or any other contract with the Purchaser shall in addition to the criminal liability under the laws inforce subject the contract to cancellation of this and other contract with purchaser and also payment of any loss resulting from any such cancellation to the like extent as is provided. Incase of cancellation, the purchaser shall be entitled to deduct the amount so payable from money otherwise to the seller under this or any other contract. Any question or dispute as to the commission of any offence under the present clause shall be settled by the purchase in such manner and on such evidence or information as may be thought fit and sufficient and his decision shall be final and conclusive in the matter.

26) Legal interpretation:

The contract shall be governed by the laws in India for the time being in force.

To interpret all the commercial terms and abbreviations, used in this contract which have not been otherwise defined the ruled of "INCOTERMS 1990" shall be applied, unless and otherwise agreed by both the parties.

27) Arbitration:

"All disputes or differences whatsoever arising between the parties out of or relating to the construction, meaning and operation or effect of this Contract or the branch there of shall be settled by arbitration in accordance with the Rule of Arbitration of the Indian Council of Arbitration and the award made in pursuance there of shall be binding on the parties."

28) Set of Clause:

Payment shall be subject to deduction of any amount for which the seller is liable under this contract or any contract in respect of which the BHARAT HEAVY ELECTRICALS LIMITED , IVP GOINDWAL SAHIB is the purchaser.