FORM NO. MM 5027
Rev - 03

B.H.E.L., P.O. TERMS & CONDITIONS (INDIGENOUS)

The purchase order is subject to the following terms & conditions unless otherwise specified and directed :-

1. **ORDER ACKNOWLEDGEMENT :**
Order acknowledgement in the enclosed format must reach the concerned officer of Materials Management Divisions within 4 weeks of issue of purchase order. Failure to do so within stipulated period will be deemed to mean that the order has been accepted by the supplier.

2. **PACKING :**
a) The supplier shall securely protect and pack the goods against loss, damage or corrosion in transit. Packing shall allow for easy removal and checking on site and comply with carrier conditions of packing or established trade practice.
b) Cases and packing materials shall be supplied free of charge unless otherwise agreed to. Wherever specifically agreed to, empties shall be returned at suppliers expenses but no liability will be accepted by BHEL in respect thereof.
c) Damage to the consignment resulting out of poor/inferior packing shall be to the account of the supplier.

3. **MARKING :**
a) The following details to be clearly marked on each case/box/packing/bundle and reel.
i) Consignee ii) BHEL Order No. iii) Gross weight iv) Net weight v) Dimensions in CMS vi) Brief description of item vii) BHEL Destination Code (refer purchase order) viii) Consignor.
b) All markings for safety, proper handling, storage, protection etc. are to be clearly marked on the case as per Indian Standard.

4. **CONSIGNEE :**
Unless otherwise mentioned, all goods shall be consigned as noted below :
a) Rail : Sr. Manager, Central Receiving Section, HBSG Central Railway via Bhopal.
Note : Goods must not be consigned to Bhopal Station, HBSG via Bhopal is an assisted siding in IRCA Chapter VIII page 373. All goods in small or wagon loads should be booked to this siding.
b) Road : Sr. Manager, Central Receiving Section Block VII, BHEL. Despatches must be arranged through BHEL's approved transporters on door delivery basis.
c) Post/Air parcel : Sr. Manager Central Receiving section Block VII, BHEL, Bhopal - 462 022.
d) Supplier not complying with instructions at (a), (b) & (c) above shall do so at their risk and cost.

5. **PRICE :**
Unless specifically agreed to other wise, all prices shall be treated as FIRM.

6. **TERMS OF PAYMENT :**
The standard payment terms shall be as specified below and specified in the Purchase Order. It is however made clear that BHEL shall not accept any interest liability.
A. <u>Local ancially and SSI Units and other local parties.</u>
100% payment on receipt and acceptance of Materials within 90 days of the date of receipt in BHEL.
B. Outstation SSI and other Suppliers.
BHEL prefers "door delivery of material in which case payment shall be within 90 days from the date of despatch. In case documents through Bank 100% payments within 90 days from the date of despatch of Material. Delivery at our works.
In case of Payments through other negotiable instrument like Bill of Exchange/Hundies etc. then the Material be delivered on "door delivery" basis. 100% payment within 90 days from date of acceptance of negotiable Bill of Exchange/Hundies. Hundies will be accepted by BHEL within 7 days of presentation or otherwise in accordance with contract.

[illegible]

NOTE :- The charges [illegible] by Registered post and the Company [illegible] any be responsible, if loss occurs due to delay by postal authorities or cheque falling into improper hands through forgery or fraud.

7. **DOCUMENTATION :**
The supplier shall forward four sets of the document as detailed below :-
a) I set to the concerned Purchase officer, Materials management Deptt. 2nd floor Administrative Building, BHEL Bhopal-462 022. Comprising of

i)	Invoice	1 copy
ii)	Challan/Despatch Advice note	2 copies
iii)	Guarantee Certificate	3 copies
iv)	Test Certificate	4 copies
v)	Proforma for insurance	2 copies
vi)	Photo copy of ED Paying Document	1 copy
vii)	Photo copy of LR/RR	1 copy

b) IInd set to Dy. General Manager, Central Receiving Section, Block-VII, BHEL, Bhopal-462 022 comprising of :-

i)	Original LR/RR (if not negotiated through Bank)	
ii)	Invoice	1 copy
iii)	Challan/Despatch advice note	1 copy
iv)	Excise Duty Paying document (Excise challan)	

c) IIIrd set to Dy. Manager Purchase Bills Section, 4th floor Administrative Building BHEL, Bhopal-462022 comprising of :-

i)	Signed invoice	2 copies
ii)	Excise Duty Paying Document (duplicate/photo copy)	1 copy

d) IVth set to the bank in case of documents negotiated through Bank separately to each Purchase order comprising of :

i)	Original RR/LR	
ii)	Signed invoice	2 copies
iii)	Original Excise duty Paying Document (only in case of rail despatches)	
iv)	Test Certificate	1 copy
v)	Guarantee certificate	1 copy

Note :
'C' form shall be issued directly to the supplier. No 'C' form shall be exchanged against documents through Bank. This will be issued once in a year against a P.O.
In case of materials going to site directly, 'C' form will be issued after suppliers confirmation that he will issue corresponding E1 form.

8. **Excise only :** The original Excise duty paying document or equivalent document indicating tariff item No. and drawn in favour of BHEL, Bhopal for each consignment shall accompany the transporters in case of road despatches and with R/R incase of rail despatches. In case of any other mode of despatch (such as Regd. Post Parcel /Air Parcel etc.) the same shall be forwarded to Sr. Manager, Central Receiving Section, Block VII, BHEL, Bhopal-462 022 directly by registered post/hand delivery. The Excise duty paying document must <u>not be enclosed inside the packing case No Excise Duty shall be paid in the absence of the above document.</u>

9. **SALES TAX :**
BHEL Bhopal is registered as a manufacturer under Sales Tax registration No. BPL/HBL/11, MPST No. BPL/HBL/8. Sales Tax declaration form will be issued as per rules. Supplier is to furnish X-1 form within 15 days after receipt of "C" form in favour of Sr. Mgr. (Sales Tax) Materials Management Deptt.
for the despatches direct to customers i.e. Destination other than BHEL Bhopal Otherwise full CST & Penalty will be paid by Supplier.

10. **INSURANCE :**
In all cases Supplier must furnish despatch particulars for each consignment in the format enclosed with the purchase order in duplicate by registered post to Sr. Mgr. (M.M.) concerned, Administrative Building, BHEL, Bhopal-462 022 and one form to Branch Manager, M/s <u>National Insurance Co. Ltd., Rad Plaza & Indrapuri, Bhopal-462 021</u> immediately after despatch of material. The documents should reach within 10 days form the date of despatch. Failure to do so will make the supplier responsible for making good any loss. Please note that insurance by BHEL does not absolve the suppliers from the responsibility of defective bad packing, short/wrong supply. Wherever possible despatch particulars like MR with date, PO No. and value should be furnished by TLX. TLG to Sr. Mgr. concerned group and to our underwriters <u>(Gram. : National Insurance TLX : 0705-336</u> cable/NIC Div.

11. **QUALITY :**
All the goods supplied and services rendered must be the best of their kind and conform to the specification mentioned in the order and/ or to be strictly in accordance with approved samples or drawings.

12. **INSPECTION :**
All the goods and works are subject to BHEL's inspection or where stipulated by BHEL's client or his authorised nominees at supplier works. Despatch can be arranged against despatch clearance note issued by BHEL inspection and/or customer's representative. However Final acceptance is subject to inspection and acceptance at the destination.

13. **TEST CERTIFICATE :**
All certificates called for in the specification or order must be sent by Registered Post with the Advice Note. BHEL may test any goods supplied and their decision is final irrespective of supplier's certificates.
If test certificate and guarantee certificate are not received alongwith the document and stipulated in those specifications, BHEL reserves the right to get the material tested and recover the expenses from the supplier without awaiting suppliers confirmation.

14. **GUARANTEE :**
All goods shall be free from any defect due to faulty design/material and / or workmanship/erection (Where called for) and will be guaranteed for a period of twelve months from the date of commissioning of the goods or 24 months from the date of despatch whichever is earlier. However, for any "Type defects" Supplier will be responsible even after 24 months, if failure of the item on a/c of this.
Where the contract stipulates submission of Bank guarantee the Suppliers shall get validity period of the same extended from the Bank as and when required, failing which it will be treated as Breach of the terms of the contract and the contract is liable to be cancelled and the loss suffered by BHEL shall be recoverable from the supplier.

15. **REJECTION :**
If any goods are rejected, BHEL shall be at liberty to take action as per following at the risk and cost of supplier.
a) Allow the supplier, where ever mutually agreed, to rectify the rejected goods at BHEL's work within reasonable time as fixed by BHEL.

or

b) Allow the supplier to make free replacement within a specified period. Rejected goods can be lifted by the supplier thereafter.

or

c) Allow supplier to refund the full amount paid to him by BHEL by a demand draft before lifting the rejected goods. Fresh replacement shall be regulated as per terms and condition of the original Purchase Order.

or

d) Take alternate procurement action from elsewhere and recover the difference in cost, if any, incurred by BHEL in this regard from the supplier. The supplier shall not be entitled to any gain on repurchase.

or

e) Terminate the contract either in part or in whole at the discretion of BHEL and recover the loss if any from the supplier.

or

f) Any goods rejected by BHEL must be removed by the supplier after making payment through Demand Draft within 45 days from the date of intimation of rejection or 30 days after receipt to of the intimation of rejection which ever is earlier. If the goods are not removed within the period stipulated above, the goods shall be liable to be sold by BHEL and the proceeds there of shall be adjusted towards storage charge and or other dues.

16) **DRAWINGS, PATTERNS & TOOLS :**
All drawings as also all patterns and tool supplied by BHEL or made at BHEL's expense are BHEL's property. These cannot be used or refered to any other party and must only be used in the execution of BHEL's orders. These should be preserved at the supplier' cost for a period of not less than 5 year.

17) **INDEMNITY :**
Supplier shall indemnify BHEL against the following

a) Any claim or infringement of letters, patent or registered design by the use or sale of any article or materials supplied to BHEL and against all costs and damages which may incur in any action for such infringement or for which BHEL become liable in any such action.
b) All claims for injury or damages caused by the suppliers negligence or the negligence of supplier's employee or arising from any defect in the goods supplied or on the work carried out the supplier.
c) All claims for injury to the supplier's employees or agents employees whilst on BHEL premise.

18) SUB-CONTRACT :
BHEL's order or part there off, if further to be subcontracted in exceptional circumstances the details of subcontracting and to whom to be subcontracted shall be furnished to BHEL and written permission shall be obtained from BHEL. However it shall not absolve the supplier of the responsibility of fulfilling BHEL order requirements.

19) VARIATION OF ORDERS :
No variation to this order is permitted unless authorised in writing and signed by or on behalf of purchase executive, BHEL Bhopal.

20) LIQUIDATION DAMAGE/PENALTY :
a) Failure to effect supply by the time specified in the order or period of extention granted in writing by BHEL will make the supplier liable to pay liquidated damage/an unconditional penalty, as the case may be, of ½% (Half Percent) of the price of the goods in arrears per week at the discretion of BHEL, subject to a maximum of 10% of the order value.
b) If the material is not supplied within stipulated time BHEL shall be within their right to cancel the contract and purchase, the material through any other source at the risk and cost of the supplier. In such an event it shall be obligatory on the defaulting supplier to make good any loss suffered by BHEL.

21) ADJUSTMENT OF RECOVERY OF AMOUNT PAYABLE BY THE SUPPLIER :
Any amount payable by the consignor/supplier under any of the condition of this contract shall be liable to be adjusted against any amount payable to the consignor/supplier under any other/works/contract awarded to him. This is without prejudice to any other action as may be deemed fit by BHEL.

22) JURISDICTION :
All suits or any matters arising out of this purchase order shall be lie in BHOPAL COURTS ONLY.

23) ARBITRATION
In all cases of disputes emanating from and in reference to this Purchase Order the matter shall be refered to the arbitration of the sole arbitration of the Executive Director/ GM of BHEL, Bhopal or any other person (including an employee of BHEL, even though he had to deal with the matter relating to this P.O. in any manner) nominated by the said Executive Director/ GM to act as sole arbitrator. The arbitration shall be under "THE ARBITRATION AND CONCILIATION ACT OF 1996" and the rules there under. The arbitrator may from time to times with the consent of the parties enlarge the time for making and publishing the award.

24) HAZARDOUS/TOXIC CHEMICALS :
Supplier to supply the "Material Safety Data Sheet (MSDS)" in the standard prescribed proforma as per the environment act Schedule-9 Rule 17, Manufacture, Storage And IMPORT of chemicals Rule-1989.

25) SAFETY CLAUSE FOR PURCHASE ORDERS
The vendors' shall maintain and ensure sufficient safety measures as required for inspections and test like HV test, Pneumatic test, Hydraulic test, Spring test, Bend test, Material handling and safe working environment etc. to enable inspection Agency for performing inspection.
The vendor shall ensure that all the safety precautions specified in factories Act 1948 Chapter-IV Section-21 to 41 are complied with respect to equipments to be inspected.
If any test equipment is found not complying with proper safety requirements, then the inspection agency may with hold inspection, till such time the desired safety requirements are met.