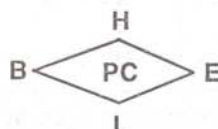


TERMS AND CONDITIONS

1. QUOTATION : Each tender should be sent in double cover, inner cover should be sealed with tenderer's distinctive seal and super scribed with correct tender No. item of supply and due date of opening. The outer cover should only bear the address of this office and should not have any indication that a tender is within. Two or more quotations should not be sent in one cover but the quotation against each tender should be sent separately to avoid confusion.

Tenders should be free from CORRECTIONS AND ERASURES : Corrections if any, must be attested. All amounts shall be indicated both in words as well as in figures. Where there is difference between amounts quoted in words and figures, amount quoted in words shall prevail.

2. PAINTING, PACKING AND MARKING : The supplier shall arrange for securely protecting and packing the stores to avoid loss or damages during transit, as per enquiry specification wherever applicable. The following marking should be made in each packages.



The above mark should be stenciled on the package itself. Should the packages be too small suitable cards giving these details may be tagged under seal of the seller. Special precaution shall be taken to prevent rusting and corrosion of metal parts during transit.

3. TERMS OF PAYMENT : Payment will be made within 30 days of satisfactory receipt of materials at BHEL stores / site as required by the purchaser. The successful tenderer must send the operation and maintenance manuals, test certificate, drawing, etc., for the materials ordered. These should be sent immediately after despatch of the materials and statement to that effect should be made in the invoice. Failure to comply with this provision will result in delay in payment of the bills. Goods despatched either by V.P.P. or by the document presented through bank will not be accepted unless agreed to by the purchaser.

4. SECURITY DEPOSIT : In the case of orders above Rs.5,000/- with deliveries of 3 months or above, the seller shall, within 14 days after written notice of acceptance of his tender quotation has been posted to him deposit with the purchaser (in cash or equivalent in Govt. Securities or Bankers Guarantee bond) a sum equal to 5% of total value of the stores detailed in the order as security for the due fulfillment of the contract. No claim shall lie with the purchaser in respect of interest on cash deposits on Govt. Securities or depreciation there of, Purchaser shall be entitled to deduct from the said deposit any loss or damages which they may be put to by reason of any act or default to the seller and recoverable by them from the seller and to call upon the seller to maintain the deposit as its original limit by making further deposits in the event of the Seller failing to make and to maintain the Security of deposit in the manner aforesaid the Purchaser shall be entitled to cancel the order.

5. LIQUIDATED DAMAGES : It is clearly understood among the parties to the contract that time is the essence of the contract. Therefore the delivery of the goods specified, in the purchase order should be made within the time limit prescribed. Where the seller supplies or despatches the goods beyond the delivery period specified, the Purchaser will have no obligation to accept the goods if accepted liquidated damages, at the rate of 1/2% of the value of goods delayed for each week of delay or part thereof subject to a maximum of 10% of the order value will be levied without prejudice to any other relief or compensation due to the purchaser under any other condition of this contract.

6. RISK PURCHASE : Alternatively the purchaser at this option will be entitled to terminate the contract and to purchase elsewhere at the risk and cost of the seller either the whole of the goods or any part which the supplier has failed to deliver within the time stipulated as aforesaid or if the same were not available, the best and the nearest available substitute therefore. The supplier shall be liable for any loss which the purchaser may sustain by reason of such risk purchases in addition to penalty at the rate mentioned in clause 6 above.

7. PREFERENTIAL DELIVERY : It should be noted if a contract is placed on a higher tenderer as a result of this Invitation to tender in preference to the lowest acceptable offer in consideration of the earlier delivery, the seller will be liable to pay to the purchaser the difference between the contract rate and that of the lowest acceptable tender on the basis of final price F.O.R. Destination, including all elements of freights, sales tax, duties and other incidentals in case of failure to complete supplies in terms of such contract within the date of delivery specified in the tender and incorporated in the contract.

8. GENERAL : The purchaser reserves the right to split up the tender and place order for individual terms with different tenderers and also increase the quantity.

Any other conditions which might have been quoted by the Seller and are in contravention to the terms prescribed in the order and which have not been specifically accepted in by the Purchaser will not be applicable to this contract.