

This Purchase order (PO) is based on the acceptance given by you to the General Terms and Conditions of Enquiry (JHS 2055A with applicable revision) against which this PO is placed, and the conditions given hereunder, unless otherwise specified and directed

Special / supplementary conditions, if any, covered in the PO remarks, will override the relevant conditions mentioned in this document.

1. Order Acknowledgement :

The PO has to be acknowledged within 7 days of receipt. Else, it will be deemed that the PO has been accepted.

2. Pricing Terms.

All prices shall be Firm till complete execution of the order, without any escalation/increase for any reason, whatsoever, unless specifically provided for in the PO remarks.

3. Health, Safety & Environment Management Programme: The supplier's are requested to follow the requirement of ISO 14001 and OHSAS-18001 respectively as under -

- Supplier to comply with the Central Govt. rules for manufacture storage and import Hazardous chemicals (1989) and amendments rules - 2000.
- Comply with the applicable motor - vehicle rules (1989) for transportation of Hazardous Chemicals, Oils and Industrial gases.
- To comply with the Gases cylinder rules 1981.
- Also suppliers shall mention in MSDS all the safely precautions to be taken while handling storage and use of chemicals supplied by them.

4. Inspection of Goods

The Supplier shall give adequate notice, of 1 week or as mutually agreed period, in writing to BHEL about the date and place at which the goods will be ready for inspection/ testing, as provided for in the PO

BHEL or its authorized representative shall be entitled to carry out inspection of material and workmanship at Supplier's premises or at his sub-contractor's premises at all reasonable times during execution of contract; Such inspection, examination and testing, if made, shall not absolve the Supplier from his obligations under the contract

All costs related to readiness of goods shall be borne by the Supplier. Supplier shall be responsible to provide assistance such as labour, materials, electricity, fuels, stores, apparatus, instruments at his cost, as may be required and as may be reasonably demanded to carry out such tests effectively

The supplier shall maintain, and ensure necessary safety measures as required for inspection and tests like HV test, Pneumatic test, Hydraulic test, Spring test, Bend test etc. to enable inspection Agency for performing inspection, if any test equipment is found not complying with proper safety requirements then the inspection Agency may withhold inspection, till such time the desired safely requirements are met.

5. Packing

Goods shall be properly packed to avoid transit damage. Suitable markings shall be provided to identify the goods with that of the PO No, Item no. and the consignee details.

- a) Supplier shall securely protect and pack the goods against loss, damage of or corrosion on transit. Packing shall allow for easy removable / checking on site and comply with the Carrier's conditions of packing or as established trade
- b) Cases and packing material shall be supplied free of charge, unless otherwise agreed
- c) One set of test certificate, packing list and non negotiable copy of Invoice(duly signed) shall invariably be kept inside the packing case.

6. Marking

Each box, package, bundle or reel must be clearly marked with the consignee name / address, BHEL PO No, Gross and Net Weight, Dimension in centimetres, brief item description, and consignor. All markings for safety, handling and protection are to be clearly marked as per Indian Standards.

7. Test certificate:

Certificates called in the specification / drawing of order must be sent by Regd. Post to the respective address. BHEL may test any goods supplied and its decision shall be final irrespective of supplier's Certificate, If test/Guarantee Certificates are not received along with documents, BHEL reserves the right to get the material tested and recover the expenses from the supplier without waiting for his confirmation.

8. Guarantee:

All goods shall be free from any defect due to facility design, material and for workmanship/erection where called for it will be guaranteed for a period of 18 months from the date of commissioning of the goods or 24 months from the date of dispatch, whichever is earlier. However for any "Type Defects" supplier will be responsible even after 24 months if failure occurs due to same. Wherever contracts stipulates submission of Performance Bank Guarantee, supplier shall gets its validity extended from the bank as and when required failing which it will treated as breach of terms of contract and the contract would be cancelled and loss suffered by BHEL be recoverable from the supplier.

9. Performance Bank Guarantee (PBG)/ Security Deposit (SD):

Bank Guarantee wherever called for, shall be in the BHEL prescribed format. In case the order is to be placed in foreign currency, the BG must normally be in Indian Currency from the Consortium Banks of BHEL / as specified in the specific Enquiry. Wherever the contract is for supply of Goods processed on labour basis from BHEL supplied materials, the materials shall be issued against a suitable security, preferably Bank guarantee.

10. Undertaking to be provided by Suppliers before despatch :

The suppliers , before despatching the jobs, shall provide an undertaking on their letterhead, that the jobs have been made as per BHEL Specification / Drawings, that the test results meet the specified parameters of the drawing / specification, that the supplies have been inspected as per Quality Plan (if called for in the Purchase Order), that on receipt of supplies at BHEL, Jhansi; BHEL reserves the right to reject any supplies which are non compliant, that in case the material is accepted with deviations, wherever rectifications / rework is observed, that the Supplier shall be given seven days notice to attend to the work and if the Supplier does not attend the rectifications in the said period, BHEL shall reserve the right for suitable deductions.

Despatch clearance shall be given when the Supplier provides the above undertaking to BHEL, as per Annexure I of the General Terms and Conditions of Enquiry JHS 2055A against which PO is placed.

11. Uploading despatch information on BHEL SIP

The supplier has to upload despatch information details by logging in at '**Supplier Information Portal**' of BHEL Jhansi website using their User name (Vendor Code) and Password. Subsequently, the supplier has to click at the link '**Update Consignment details**' provided therein. Submitting '**Despatch Intimation**' is mandatory. All supplies arriving (reaching BHEL Jhansi) will be allowed inside CISF Material gate of BHEL Jhansi only if the supplier has submitted online Despatch Intimation.

The following documents are necessary before entry of material at our Material Gate

- GST Invoice **OR** Delivery Challan (as per rule 55) **OR** Bill of entry for imports **OR** Excise Duty Invoice for Petroleum supplies
- Lorry Receipt (LR) **OR** Railway Receipt (RR) **OR** Door Delivery (Courier Docket..).
- 'Despatch Intimation' (Printout required).

The following documents are additionally required for **SRV clearance** if they are called for in the PO:

- (i) Complete Test certificates/Inspection reports
- (ii) Guarantee certificates
- (iii) Any other document as called for

Following may be required for **SRV preparation** depending on the nature of material being supplied:

- I. Packing lists, wherever applicable.
- II. Weighment slip.

A cost of one percent of the transaction value (not more than Rs 5000 per transaction but not less than Rs 500 per transaction) shall be deducted from supplier bills in case supplier has failed to upload the despatch information on Supplier Information Portal

12. Transporters:

For Ex Works Delivery terms , supplier to send goods through authorized transporters listed in PO remarks only, otherwise extra expenditure incurred will be supplier's account.

13. Variation

No Variation to the order quantity is permitted unless authorized in writing and signed by or on behalf of Purchase Executive of BHEL Jhansi.

14. Delivery Terms :

In the case of indigenous purchases, Goods shall be delivered on 'FOR Destination' basis (with freight and insurance in supplier scope) to the named destination unless otherwise called for in the enquiry.

Wherever the PO terms mentions delivery terms as FOR Destination basis, and in the event of supplier having supplied the material by BHEL Truck / Vehicles as per BHEL transportation rate contract, thus causing BHEL to bear the freight charges, the corresponding amount ,incurred / estimated, shall be deducted from the bills of the Supplier

15. Consignee :

Unless otherwise specified, all goods shall be consigned to Incharge , CRX, BHEL, Jhansi 284 129

In case of Rail, goods must be consigned to **Khajraha** station for full wagon / rake load, while in case of part / small load, it must be booked to **Jhansi** station only. Any expenditure and / or demurrage or warfage incurred in respect of wrong consignment will be recovered from consignor.

Suppliers not complying with above instructions shall do so at their own risk and cost.

16. Documentation

Immediately on despatch of Goods, the following documents shall be necessarily sent by the Supplier to the respective address(es) mentioned below

Manager / Incharge (Stores), Main Store Building, BHEL Jhansi PIN-284120, Telephone . 0510-2412230

- (i) GST compliance Invoice – Duplicate for Transporter
- (ii) Challan/Despatch Advice note / Packing List etc. + 1 Photo copy
- (iii) Test Certificate, Guarantee / Warrantee Certificate
- (iv) LR/RR Duplicate for Transporter copy
- (v) O&M Manuals, wherever applicable

**Dy. General Manager (Finance), Administrative Building, BHEL Jhansi PIN-284120**

- (i) GST compliance Invoice – Original for Buyer
- (ii) Copy of LR/RR
- (iii) Copy of Test Certificate
- (iv) PVC Calculation sheet, if any, with supporting documents.
- (v) MOM with BHEL Customer (if called for in the PO) in case of installation & commissioning at Customer Site
- (vi) Capitalization Certificate, if called for in the PO

Dy. General Manager (MM), Administrative Building, BHEL Jhansi PIN-284120

- (i) GST compliance Invoice – Extra copy / Photo copy
- (ii) Challan/Despatch Advice note
- (iii) Test Certificate, Guarantee / Warrantee Certificate
- (iv) Copy of LR/RR

In case any other documents are required, the distribution of such documents will be specified in the Purchase order.

All documents should quote BHEL PO No and date necessarily.

Any demurrage due to non receipt / late receipt of documents shall be to supplier account.

In case of incomplete documentation, the communication shall be provided to supplier. The delays in submission of documentation by the supplier shall be reckoned while releasing payments to the Supplier

17. Delivery Schedule and Completion date.

Commencement of delivery period shall be reckoned from the date of PO / LOI or any other agreed milestone.

Supplier shall deliver the goods in the manner and schedule agreed under the Purchase order.

Goods shall be delivered within contractual period or any extension thereof, if any, granted by the BHEL

In case of Indigenous bidders, the date of delivery at named destination in India shall be taken as contractual delivery completion date where delivery terms are FOR destination. In case of 'Ex-works' delivery terms, the date of LR / RR shall be the contractual delivery completion date.

18. LD / Penalty for delayed performance.

- I. Subject to force majeure conditions, LD shall be 0.5% of the total order value per week of delay or part thereof, subject a maximum of 10% of the total order value. In case of staggered delivery schedule, LD shall be 0.5% of the undelivered portion per week or part thereof subject to a maximum of 10% of the total order value.
- II. However in case of Capital Machine / BOP where staggered deliveries may be applicable, the LD cap will be levied on total order value inclusive of E&C charges.
- III. Wherever Erection & Commissioning (E & C) is called for, the vendor is provided a stipulated period from date of site readiness. LD shall be applicable for any delay beyond the stipulated period mentioned in the PO.
- IV. In case of any amendment / revision, the LD shall be linked to the amended / revised PO value.
- V. In case of Ex works Delivery terms for Indigenous supplies, the date LR /Invoice (whichever is earlier) shall be reckoned for LD deduction
- VI. In case of FOR Delivery terms, the date of entry in BHEL Jhansi (CISF date) shall be reckoned for LD deduction.
- VII. In case the contractually agreed delivery date falls on a holiday in BHEL Jhansi, the next working day shall be taken as contractual delivery date for compliance and applicability of LD / penalty.

19. Rejection:

If any goods are rejected BHEL shall be at liberty to take action as follows at supplier's risk and cost.

- a) Allow the supplier, wherever mutually agreed, to rectify rejected goods at BHEL'S works within reasonable time as fixed by BHEL.
- b) Allow the supplier to make free replacement within a specified period. Rejected goods can be lifted by the supplier thereafter.

OR take alternate procurement action from else where 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.

- c) Terminate the contract either in part or in which at BHEL discretion and recover loss if any from the supplier.

- d) 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 the receipt of intimation of rejection whichever is earlier. If the goods are not removed within the period as stipulated above as stipulated, the goods shall be sold by BHEL and the proceeds thereof shall be adjusted storage charge and/or other dues.

20. Transit Insurance

Except where delivery terms are agreed on CIF basis for Imports & FOR destination basis for indigenous purchases, transit insurance will be covered by BHEL under its open Marine Insurance Policy. Supplier shall inform dispatch particulars with value of consignment to the BHEL within 07 days of dispatch for BHEL to arrange insurance coverage in its policy. Failure on the part of Supplier to inform dispatch particulars will make him liable to pay for any transit damages / losses suffered by the BHEL . It is to be noted that insurance by BHEL, does not absolve the supplier from the responsibility of defective / bad packing or short / wrong supply.

21. Taxes & Duties - Indigenous Purchase.

The Taxes and duties as applicable shall be payable extra which may include GST against Gate pass- The Supplier shall clearly indicate extent of taxes as applicable in his techno commercial bid. In the event of vendor failing to furnish valid GST invoices with appropriate HSN Code , amount corresponding to GST will be disallowed by BHEL while making payments.

Bidders to ensure applicability of IGST / CGST/SGST based on the Inter / Intrastate movement of goods.

GST Registration Number (GSTIN) should be clearly mentioned on the vendor's quotation.

Please quote our IGST registration number 09AAACB4146P2ZC in all invoices raised for supply of goods and services under GST regime and also ensure filing of timely return and payment of tax and compliance of other applicable provisions on supplier under GST regime.

In the event of any disallowance of input credit or applicability of interest or any other financial liability arises on BHEL-Jhansi due to any default of supplier under GST, such implication shall be to supplier's account.

GST shall be levied on LD and the relevant tax invoice shall be provided to vendors for availing credit.

In case of directly despatchable items to Customer's Site, Supplier to bill to BHEL Jhansi at its GST Account number 09AAACB4146P2ZC and ship to the respective Customer

Since, input credit of GST will be available to BHEL-Jhansi only after correct filing of return and payment of applicable GST by supplier, reimbursement of GST shall be made by BHEL-Jhansi on matching of vendor inputs at GST portal and after ensuring availability of input credit to BHEL-Jhansi. Payment of tax shall be done only after availing matching ITC, in all cases where bills are submitted directly to BHEL-Jhansi or through bank or under LC or through any other mode.

Other statutory declaration forms are also to be submitted in time, as mentioned in the relevant Laws. BHEL reserves the right to withhold the payment due to the vendor equivalent to BHEL's tax and related liability thereon.

In case of any changes in statutory laws w.r.t. taxes and duties, the same shall be applicable at the given point of time.

Wherever GST is not applicable, the tax and duty structure , as applicable, is to be complied by the Supplier.

22. Payment Terms.

Payment terms shall be as called for in the PO.

In case of despatch of material to site directly, site certification for receipt of materials is required unless otherwise provided for in the PO.

All documents as called for in the PO have to be submitted by the Supplier at the time of receipt of material and this should include the Invoice of the Supplier - Original copy of the Buyer and Duplicate for Transporter. On receipt of Invoice, the same shall be acknowledged by BHEL. Any clarifications on the bill submitted by the supplier shall be sought generally within 30 days (15 days for MSE / NSIC registered suppliers as per relevant act in force) of receipt of bill at BHEL. While it would be in the interest of the Supplier to provide the reply immediately to the clarifications sought , the Supplier is to respond at least within 7 days from the date of clarifications sought by BHEL. Wherever clarifications are sought by BHEL, the date of receipt of clarifications from the supplier shall be considered as date of submission of clear and admissible bills.

While there could be exceptional situations wherein the payment may be delayed beyond the stipulated time mentioned above, it is clarified that BHEL shall not pay any interest on such delays.

In case of any disagreement between BHEL and the Supplier on any part of the bill, such part shall be severed from the rest and payment against agreed and admissible part shall be processed as per laid down procedure, while the disputed part shall be dealt as per contract provisions viz. conciliation, dispute resolution, arbitration, etc.

23. Adjustment of recovery of amount payable by the supplier:

Any amount payable by the consigner/supplier under any of the condition of the contract shall be liable to be adjusted against any amount payable to the consigner/supplier under any other order/works/contract awarded to him. This is without Prejudice to any other action as may be deemed fit by BHEL.

24. Warranty , Corresponding Repairs / Replacement of Goods, and Deductions.

All goods shall be free from any defect due to facility design, material and for workmanship/erection where called for it will be guaranteed for a period of 12 months from the date of commissioning of the goods of 24 months from the date of dispatch, whichever is earlier

However, **wherever erection & commissioning also is in the scope of the bidder**, the warranty shall be for a period of 24 months from the date of supply or 18 months from the date of commissioning, whichever is later

If the item supplied is found non-compliant during the warranty period, leading to rejection, the Supplier shall arrange free replacement / repair of goods, within one month from the date of intimation or any mutually agreed period. The rejected goods shall be taken away by the Supplier at his cost and replaced on Delivered Duty Paid (DDP) (FOR - BHEL Stores/ designated destination basis) within such period. In the event of the Supplier's failure to comply, BHEL may take action as appropriate, including Repair / Replenish rejected goods & disposal of rejections, at the risk & cost of the Supplier.

In case the defects attributable to Supplier are detected during processing of the goods at BHEL's / his subcontractor's works, the Supplier shall be responsible for free replacement / repair of the goods as required by the BHEL

25. Risk Purchase.

If the material is not supplied within the agreed delivery period, BHEL reserves the right to cancel the order and purchase the material (of the undelivered portion) from alternate source(s) at the Risk and Cost (with extra 5 % overhead) of the Supplier. In such an event, it shall be obligatory on the part of Supplier to make good any loss suffered by the BHEL. In such cases, BHEL shall withhold bills, bank guarantees, etc of the Supplier, which are pending either at BHEL, Jhansi or any other Unit of BHEL BHEL. Wherever Risk purchase is invoked attracting action as per guidelines of the Company, action shall be initiated to suspend business dealings with the Supplier. To know the implications of suspension, the bidder may see the " Guidelines for suspension of business dealings with Suppliers / Contractors" which is uploaded on BHEL website http://www.bhel.com/vendor_registration/vendor.php

26. Suspension

Supplier's/Contractor's name shall be deleted from the vendor list subject to the following:

- Supplier/contractor not being found reliable.
- Supplier's contractor performance not being found to the entire satisfaction of the company and
- Any event of breach of any of the terms and conditions of the contract.
- Any default as mentioned in the guidelines of the Company

27. Stock verification:

BHEL reserves the right of verify BHEL material any time lying with subcontractors. For verification of BHEL material, it should be stocked at one place with identification tags on each item proper stock records of BHEL materials held with them shall be maintained and same shall be provided to BHEL at the time of verification.

28. Drawings, Patterns & Tools:

All drawings, patterns and tools supplied by BHEL or made at BHEL expenses are BHEL's property. These cannot be used or referred to any other party and must only be used in the execution of BHEL's orders. BHEL liberty to call back such drawing patterns tools etc. any time Tools/gauges supplied by BHEL on load basis must be returned within 15 days after the work order is completed, failing which cost of such tools/ gauges shall be recovered from the supplier.

29. Indemnity:

Supplier shall indemnify BHEL against the following:

- a) Any claims for infringement of letters patent or registered design by use of any article or material supplied to BHEL and against all cost and damages, which may incur in any action for such infringement to for which BHEL becomes liable in any such action.
- b) All claims for injury or damages caused by supplier's negligence or the negligence of suppliers employee or arising from any defect in the goods supplied or on work carried out the supplier and
- c) All claims for injury or damage caused by supplier's employees or it's representatives while on BHEL premises.

30. Force Majeure.

Notwithstanding anything contained in the contract, neither the Supplier nor the BHEL shall be held responsible for total or partial non-execution of any of the contractual obligations, should the obligation become unreasonably onerous or impossible due to occurrence of a 'Force Majeure' which directly affects the obligations to be performed by the BHEL or the Supplier; Such events include war, military operations of any nature, blockages, revolutions, insurrections, riots, civil commotions, insurgency, sabotage, acts of public enemy, fires, explosion, epidemics, quarantine restrictions, floods, earthquake, or acts of God, restrictions by Govt. authorities; over which the Supplier or the BHEL has no control.

The party claiming to be affected by force majeure shall notify the other party in writing without delay, within two weeks on the intervention and on the cessation of such circumstance. Extension of time sought by the Supplier along with supporting evidence and so granted by the BHEL for the supply/ work affected, if any, shall not be construed as waiver in respect of remaining deliveries. Rescheduling of deliveries on account of force majeure conditions, if so agreed by the BHEL, will not entail the Supplier to claim any increase in the price on whatsoever account.

Notwithstanding above provisions, BHEL shall reserve the right to cancel the order/ Contract, wholly or partly, in order to meet the overall project schedule and make alternative arrangements. If deemed necessary, BHEL may takeover partly processed material at a mutually agreed price

31. Non-Disclosure Agreement.

All Drawing and technical documents relating to the product or it's manufacture submitted by one party to the other, prior or subsequent to the formation of contract, shall remain property of the submitting party. Drawing, technical documents or other technical information received by one party, shall not without the consent of the other party, be used for any other purpose than that, for which they were provided. Such technical information shall not without the consent of the submitting party, otherwise be used or copied, reproduced, transmitted or communicated to a third party. Patterns supplied by BHEL will remain BHEL's property which shall be returned by the bidder on demand to BHEL. Bidder shall in no way share or use such intellectual property of BHEL to promote his own business with others. BHEL reserves the right to claim damages from the bidder, or take appropriate penal action as deemed fit against the bidder, for any infringement of the provisions contained herein

32. Right Of Cancellation / Short closure of PO:

BHEL reserves the right to cancel or short closure of PO

33. Fraud Prevention

The Supplier with its associate/ collaborators/ sub-contractors/ sub-vendors/ consultants/ service providers shall strictly adhere to BHEL Fraud Prevention Policy displayed on BHEL website <http://www.bhel.com> and shall immediately bring to the notice of BHEL Management about any fraud or suspected fraud as soon as it comes to their notice.

34. Settlement of Disputes & Arbitration

All questions/interpretations regarding subject matter of the Contract shall be decided by the BHEL on the request of the Supplier and the decision of the BHEL shall be final.

In case of dispute, steps shall be taken by the parties to the contract to settle the same through negotiations.

In case, dispute is not settled in negotiations, it shall be referred to Conciliator appointed by the competent authority of the BHEL.

In case dispute is not settled in conciliation proceedings, the same shall be referred to Arbitration as per Corporate Guidelines of the BHEL and the arbitration proceeding shall be conducted as per provisions of the Arbitration and Conciliation Act, 1996 read with Corporate guidelines of BHEL, as amended from time to time.

The Supplier shall continue to perform the contract, pending settlement of dispute(s).

35. Applicable Laws and Jurisdiction of Courts

Indian laws both substantive and procedural, for the time being in force, including modifications thereto, shall govern the Contract including Arbitration proceedings. The competent Courts at Jhansi in the State of Uttar Pradesh, India shall have sole jurisdiction.

36. General

The Supplier shall keep a track of any changes by visiting the Supplier Information Portal of BHEL, Jhansi at <https://www.BHELjhs.co.in/apps/sip/index.php>

Record of Revision

Rev	Details
02 dtd 16.11.18	Revised and updated in line with General Terms and Conditions of Enquiry JHS 2055A Rev 02 dated 12.11.2018