

**ELECTRONICS CORPORATION OF TAMIL NADU
(ELCOT)**

REFUND / CANCELLATION POLICY

1.Execution of Work

1.1 Acceptance of Tender and Withdrawals

The final acceptance of the tender is entirely vested with ELCOT who reserves the right to accept or reject, any or all of the tenders in full or in parts without assigning any reason whatsoever. The Tender Accepting Authority may also reject all the tenders for reasons such as change in Scope, Specification, lack of anticipated financial resources, court orders, calamities or any other unforeseen circumstances. After acceptance of the Tender by ELCOT, the Successful Bidder shall have no right to withdraw their tender or claim higher price.

1.2 Letter of Acceptance (LOA)

After acceptance of the Tender by ELCOT, a Letter of Acceptance (LOA) will be issued to the Successful Bidder(s) by ELCOT. Under this rate contract, ELCOT has the right to issue LOA to more than one bidder.

1.3 Payment of Security Deposit (SD)

The successful Bidder will be required to remit a Security Deposit (SD) equivalent to **five percent** of the value of the order, inclusive of EMD by way of Demand Draft payable at Chennai or in the form of unconditional irrevocable Bank Guarantee valid for a period equivalent to the delivery period from the date of acceptance of the tender on receipt of confirmation from ELCOT. The SD furnished by the Successful Bidder in respect of the tender will be returned to them after successful fulfilment of work. The Security Deposit will be refunded to the Successful Bidder only after successful completion of the Purchase Order. The Security Deposit held by ELCOT till it is refunded to the Successful Bidder will not earn any interest thereof.

The Security Deposit will be forfeited if the Successful Bidder withdraws the Bid during the period of Bid validity specified in the Tender or if the Bidder fails to sign the contract.

1.4 Execution of Contract

- a) The Successful Bidder should execute a Contract in the INR 20 non-judicial Stamp

Paper bought in Tamil Nadu only in the name of the Bidder within one week from the date of Letter of Acceptance issued by ELCOT with such changes/modifications as may be indicated by ELCOT at the time of execution on receipt of confirmation from ELCOT.

b) The Successful Bidder shall not assign or make over the contract, the benefit or burden thereof to any other person or persons or body corporate for the execution of the contract or any part thereof without the prior written consent of ELCOT. ELCOT reserves its right to cancel the purchase order either in part or full, if this conditions is violated. If the Successful Bidder fail to execute the agreement, the SD of the Successful Bidder will be forfeited and their tender will be held as non-responsive.

c) The expenses incidental to the execution of the agreement should be borne by the Successful Bidder.

d) The conditions stipulated in the agreement should be strictly adhered to and violation of any of the conditions will entail termination of the contract without prejudice to the rights of ELCOT and ELCOT also have the right to recover any consequential losses from the Successful Bidder.

1.5 Release of Purchase Order

After execution of the Contract and payment of Security Deposit, “**Firm Purchase Order**” for the supply and commissioning of Tendered items will be issued to the Successful Bidder by ELCOT. The supply and payment will be based on the Purchase Order(s) issued from time to time.

1.6 Refund of EMD

The EMD amount paid by the Successful Bidder(s) will be adjusted towards Security Deposit payable by them. If the Successful Bidder submits Security Deposit for the stipulated value in full by way of Bank Guarantee, the EMD will be refunded. The EMD amount of the Unsuccessful Bidder will be refunded after finalisation and issue of Firm Purchase Order to the Successful Bidder.

1.7 Release of SD

The Security Deposit will be refunded to the Successful Bidder on completion of entire supply subject to satisfaction of ELCOT. Such completion would be arrived at when the entire quantity is supplied by the Bidder as per the Contract Agreement and as per Purchase Order(s) issued by ELCOT from time to time.

1.8 Forfeiture of EMD and SD

- a) If the successful Bidder fails to act according to the tender conditions or backs out, after the tender has been accepted, the EMD will be forfeited to ELCOT.
- b) If the Successful Bidder fails to remit the SD, the EMD remitted by him will be forfeited to ELCOT and the tender will be held void.
- c) If the Successful Bidder fails to act up on to the tender conditions or backs out from the contract, the SD mentioned above will also be forfeited by ELCOT.

1.9 Termination of Contract

1.9.1 Termination for default

- a) ELCOT may without prejudice to any other remedy for breach of contract, by written notice of default with a notice period of 7 days, sent to the Successful Bidder, terminate the contract in whole or part, (i) if the Successful Bidder fails to deliver any or all of the goods within the time period(s) specified in the Contract, or fails to supply the items as per the Delivery Schedule or within any extension thereof granted by ELCOT; or (ii) if the Successful Bidder fails to perform any of the obligation(s) under the contract; or (iii) if the Successful Bidder, in the judgement of ELCOT, has engaged in fraudulent and corrupt practices in competing for or in executing the Contract.
- b) In the event ELCOT terminates the Contract in whole or in part, ELCOT may procure, upon terms and in such manner as it deems appropriate, the goods and services similar to those and delivered and the Successful Bidder shall be liable to ELCOT for any additional costs for such similar goods. However, the Successful Bidder shall continue the performance of the contract to the extent not terminated.

1.9.2 Termination for Insolvency

ELCOT may at any time terminate the Contract by giving written notice with a notice period of 7 days to the Successful Bidder, if the Successful Bidder becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the Successful Bidder, provided that such termination will not prejudice or affect any right of action or remedy that has accrued or will accrue thereafter to ELCOT.

1.9.3 Termination for Convenience

ELCOT may by written notice, with a notice period of seven days sent to the Successful Bidder, may terminate the Contract, in whole or in part, at any time for its convenience. The notice of termination shall specify that termination is for ELCOT's convenience, the extent to which performance of work under the Contract is terminated, and the date upon which such termination becomes effective. On termination, the successful Bidder is not entitled to any compensation whatsoever.

1.10 Execution of Work Order

The Successful Bidder should nominate and intimate ELCOT, an Account Manager for Single Point of Contact (SPOC), who should be responsible for effective delivery of work complying with all the terms and conditions. The Successful Bidder should ensure that the Account Manager fully familiarises with the Tender Conditions, Scope of Work and deliverables.

1.11 Assigning of Tender whole or in part

The successful Bidder shall not assign or make over the contract, the benefit or burden thereof to any other person or persons or body corporate. The Bidder should not under-let or sublet to any person(s) or body corporate for the execution of the contract or any part thereof without the written consent of ELCOT.

1.12 Liquidated Damages (LD)

A penalty will be levied at the rate specified in the Agreement Format for non-fulfilment of delivery schedule subject to the force Majeure conditions. Even If the work is not completed in full beyond this period, such performance may entail termination of contract and black listing of the Bidder from participating in any of the ELCOT's Tenders. This alone will not relieve the Bidder and the difference in cost of the items purchased through other Technically qualified Bidders or any other alternative sources will be recovered from the successful Bidder.

1.13 Penalty for Non-Fulfilment of Tender

A penalty will be levied at the rate specified in the Agreement Format in the event of non-fulfilment or non-observance of any of the conditions stipulated in the Agreement, Terms and Conditions and Work Order.

1.14 Other Conditions

- a) The final decision would be based on the technical capacity and pricing of the Bidder. ELCOT does not bind itself in selecting the bidder offering lowest prices.
- b) ELCOT reserves the right not to accept lowest price, to reject any or all the tenders without assigning any reason, to relax or waive any of the conditions stipulated in the terms and conditions of tender as deemed necessary in the best interest of ELCOT for good and sufficient reasons.

1.15 Arbitration and Jurisdiction

- (a) In case of any dispute, the matter will be referred to a Sole Arbitrator to be appointed by the Managing Director of ELCOT in accordance with the "Arbitration and Conciliation Act 1996". The arbitration shall be held in Chennai, India and the language English only.
- (b) Subject to the above, the Courts at Chennai alone only shall have jurisdiction in the matter.