

## **ANNEXURE 'A'**

### **REGARDING BHEL TERMS AND CONDITIONS FOR IMPORTED ITMES**

- 1.0 Payment through unconfirmed irrevocable letter of credit for 80% net FOB price to be established 2 months prior to shipment and valid for 3 months for negotiation against shipment.
- 1.1 In case of confirmed letter of credit, confirmation charges shall be borne by the vendor.
- 1.2 Balance 20% of net FOB value shall be paid through sight draft / LC after acceptance/commissioning of equipment at our works against submission of **performance bank guarantee** equal to 10% amount which has to be valid till guarantee period. Bank guarantee has to be from any of the below mentioned banks:  
  
State Bank of India, Any other nationalized bank, HDFC Bank, IDBI Bank, Deutsche Bank, Citibank NA, Standard Chartered Bank, HSBC Limited.
- 1.3 All letter of credit charges inside India to BHEL's account and out side India to vendor's account.
- 1.4 Lump sum erection and commissioning charges, if any shall be payable after satisfactory erection and commissioning of the equipment by sight draft / LC against the certificate issued by the competent authority.
- 2.0 Prices shall remain **firm** till execution of the contract. The offer shall be valid for 120 days.
- 3.0 Delivery shall be guaranteed by acceptance of :
- 3.1 **Penalty** for delay in supply – Penalty shall be levied @ ½% (Half percent) per week subject to a maximum of 10% the total contract value.
- 3.2 Delivery shall be counted form the date of letter of intent.
- 4.0 Part shipment / transshipment is not permissible.
- 5.0 The price should be quoted on FOB basis.
- 6.0 In case of any short shipment in the main equipment / spares, where separates rates are not available in the contract, custom duty levied on such suppliers, shall be borne by the supplier.
- 7.0 Any warranty replacement during warrantee period shall be provided on F.O.R. BHEL, Bhopal basis.

- 8.0 The supplier shall furnish a bank guarantee for 5% value of the order confirming that order will be executed as per the terms and conditions and this should be valid till the acceptance of machine at Bhopal. LC will be established after receipt of this BG.
- 9.0 Machine will be inspected and proved at your works prior of dispatch. However, final inspection and acceptance of machine will be carried after installation at BHEL, Bhopal.
- 10.0 The E & C charges will be released after deduction of Income Tax as per the Govt. of India rules. The TDS certificate will be issued by BHEL.
- 11.0 Offer may be rejected if copy of agreement between principal and Indian agent (in case offer is submitted through agent) indicating scope of work of Indian agent and agency commission payable to him is not enclosed with the technical bid.
- 12.0 Exchange rate applicable on the date of technical bid opening will be considered for price comparison.

**Note:- All other terms and conditions send along with the tender documents are acceptable**