

## ANNEXURE 'B'

### **COMMERCIAL TERMS AND CONDITIONS FOR INDIGENOUS ITEMS**

1. **PAYMENT TERMS:** 80% payment of supplies shall be made with in 90 days from the date of receipt of material and balance 20% after successful installation and commissioning of the equipment at our works and against submission of performance bank guarantee for 10% value valid till the guarantee period. Erection and commissioning charges (if any) shall be released only after satisfactory commissioning against certificate from competent authority.
2. Vendor to quote price **FOR BHEL, Bhopal** basis. Transit insurance will be by BHEL for which vendor to fax / email dispatch documents immediately after despatch.
3. **Delivery** shall be counted from the date of letter of intent.
4. **Penalty** for late delivery shall be imposed @ ½% (half percent) per week subject to a maximum 10% of the total item value (including P & F charges, if any).
5. Entire material should be despatched in one lot. Part despatches not permissible.
6. Prices shall remain **FIRM** till execution of the contract. The offer shall be valid for 120 days from the date of tender opening.
7. 5% of contract value **bank guarantee** is to be submitted for contract execution immediately after placement of LOI (letter of intent). Purchase order shall be issued after receipt of this bank guarantee. Bank guarantee shall be valid till one month after PO delivery date.
8. Machine will be inspected and proved at supplier's work prior to dispatch. However, final inspection and acceptance of machine will be after installation of the machine at BHEL, Bhopal.
9. Applicable service tax shall be paid extra by BHEL against invoice.
10. Income tax deduction as per Govt. Guide line shall be deducted at source for which TDS certificate will be issued.
11. BHEL has option to conduct reverse auction for the tendered item.

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