Annexure-B

TECHNO - COMMERCIAL TERMS AND CONDITIONS

Sl No.	Terms and conditions
1.	**Document submission/Inspection and Clearance** A. Following documents to be mandatorily submitted by supplier along with offer: 1. MSME certificate, UAM Number and CA certificate (as applicable for MSME suppliers only) 2. Third party Non disclosure agreement. 3. Annexure PQR 4. Self certification of local content Any query/clarification during enquiry stage shall be replied within three days failing which offer may be rejected as non-responsive. B. After placement of Purchase Order: 1. Order acknowledgement to be signed and furnished by supplier within 03 days from the date of PO either by mail or in hard copy. 2.Documents (Datasheet, QPs) for approval if applicable, shall be submitted within 03 working days from the date of PO and after comment from BHEL, revised documents shall be submitted within 02 working days time. 3. Inspection call to be raised 07 days in advance from the required date of inspection. 4. Manufacturing/dispatch shall be initiated only after getting clearance from BHEL Trichy.
2	**Techno-commercial deviation:** Any deviation on technical/QP/packing requirements shall specifically be mentioned with clear indication of Data Sheet No / Specification ref, Drawing, and Quality plan. Also, any deviations in the commercial terms and conditions shall be clearly spelt out. In the event of an order, any deviations, unless accepted clearly by BHEL in writing during enquiry stage itself will not be entertained and all other techno-commercial requirements will be binding on successful bidder and failure to execute the terms will lead to disciplinary action by BHEL against the said bidder. Requirement as above will be binding on all suppliers who submits offers and any comments/ deviations on this clause will not be allowed. Deviations on this requirement may lead to rejection of offer itself.
3	**PVC :** PVC will be applicable based on NALCO INGOT RATE as on date of Manufacturing CLEARANCE + Conversion cost (As per Annexure-A).
4	**Price Basis:** **For Indigenous vendor:** Offer shall be submitted on FOR- site basis for Tata

	Steel Ltd. **1** & 2 (1430 & 1431) Project and on BHEL Trichy Stores basis for MAITREE Project unit-1 & 2 (1725,1726), NTPC Rihand Unit-3, 5 & 6(4237,4239 & 4240) and NTPC Kahalgaon Unit-5 (4241) with all inclusive of P & F and freight charges to vendor's account and Insurance shall be in BHEL scope. Conversion cost and freight cost shall be indicated separately. **For Import vendors:** Offer shall be submitted on CFR Chennai Port basis inclusive of P&F and freight charges. It is requested to indicate the conversion cost and freight cost separately. Scope of freight from Supplier works to Chennai port is with supplier and that from Chennai port to site for Tata Steel Ltd. 1 & 2 (1430 & 1431) Project and from Chennai port to BHEL Trichy Stores for MAITREE Project unit-1 & 2 (1725,1726), NTPC Rihand Unit-3, 5 & 6 (4237,4239 & 4240) and NTPC Kahalgaon Unit-5(4241) is with BHEL. Insurance from supplier works to site lies with BHEL scope.
5 (a)	**Payment terms:** **Indigenous (Non-MSE):** a) If the materials are receivable at BHEL Stores, Trichy: BHEL Payment term is 100% direct EFT payment after 60 days from the date of receipt and acc of materials. b) If the materials are receivable at Site (wherever necessary): Payment term is 100% direct p after 60 days from the date of dispatch against site Acknowledgement. **Imports:** BHEL Payment term is 100% payment on CAD basis after 60 days from the date of receipt of doc specified in PO, at BHEL bank. Respective bank charges to respective account. If supplier insists for LC, only Usance LC with 60 days credit will be opened one month prior to readiness, further loading @ 1.5% on the offered value will be considered. If Hence supplier shall the material readiness accordingly for opening of L.C. LC validity period will be 90 days and extension, applicable charges will be to supplier's account. **New Suppliers:** For new suppliers not registered with BHEL, Trichy for the product, Payment shall be made 60 da receipt and acceptance of materials. In case of foreign supplier, first lot of mutually agreed quantity shall be supplied with payment basis after 60 days from the date of receipt & acceptance of material. If insisted for LC, after acc of first lot, only Usance LC with 60 days credit will be opened one month prior to material readines
5(b)	**Loading criteria:** Loading for LC payment term for indigenous vendor - LC payment terms will not be preferred for indigenous vendors. Even if indigenous vendors insist under extreme circumstances for LC payment term, loading will be as follows: a) Loading @ 1.5% on the offered value will be considered. b) All LC related bank Charges to be borne by Supplier/Vendor. c) LC Usance period shall be considered for 120 days.
6 (a)	**Liquidated damages:** Delivery of the goods specified in the purchase order should be made within the time prescribed. Failure to dispatch the materials in the time as per the delivery quoted in our Purchase Order would make the supplier liable to an un-conditional LD at the rate of 0.5% of total order value per week of delay or part there off subject to a maximum of 10% of the total Purchase Order value (packagewise).
6 (b)	**Loading Criteria** **LD / Penalty:** Any deviation on BHEL LD / Penalty clause, loading (Basic material Value) will be applied to the extent to which it is not agreed by the bidder. Loading value=(mentioned LD in enquiry-Accepted LD in the offer by vendor) in % x base value)

7 (a)	**Guarantee / Warranty Period** Guarantee clause 18 months from the date of supply or 12 months from the date of actual put in use, whichever is earlier.
7 (b)	**Loading Criteria** **Guarantee / Warranty Period:** No Deviation is permitted. If still vendor offered any deviation on the Guarantee / warranty period, it may lead to rejection of offer.
8	**Taxes & Duties:** All Taxes, Duties, Service Taxes etc. payable as extra to the quoted price should be specifically stated in offers , failing to which the purchaser will not be liable for payment of such Taxes and Duties.
9	**Risk purchase:** If the supplier fails to deliver the goods within the delivery specified in the Purchase Order, BHEL 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 or despatch within the delivery period mentioned in the Purchase Order. Offers not accepting for risk purchase clause will not be considered.
10	**Offer Validity: <u>Before Ordering</u>** 90 days from the date of techno commercial bid opening.
11	**Tender Finalization:** The tender will be finalized based on the total cost to BHEL and L1 vendor will be arrived accordingly.
12	**<u>Price Impact:</u>** All the technical / commercial details given in the enquiry shall be taken care and offer shall be quoted accordingly. No price impact / implication will be accepted within the validity period.
13	**MSE vendor: (FOR Indigenous vendor only)** MSE suppliers can avail the intended benefits only if they submit along with the offer, attested/notarized copies of either 1. EM II certificate having deemed validity (five years from the date of issue of acknowledgement in EM II) or 2. Valid NSIC certificate or EM II certificate along with original of CA certificate (Format enclosed) applicable for the year, certifying quantum of investment in plant and machinery within the permissible limits as per the act for relevant status (MICRO or SMALL) where the deemed validity of EM II is over. Date to be reckoned for determining the deemed validity will be the date of bid opening (Part 1 in case of two part bid). **UAM No. to be furnished mandatorily.** Non submission of such documents will lead to consideration of their bid at par with other bidders and MSE status of such suppliers shall be shifted to NON MSE suppliers till the supplier submit this documents. Documents should be notarized or attested by a Gazetted officer. Definitions of MSEs owned by SC/ST is under: In case of proprietorship firm, proprietor must be SC/ST. In case of partnership firm, the SC/ST partners must be holding at least 51% shares

	in the unit. In case of private limited companies, at least 51% share must be held by SC/ST promoters. Authorised Offices to Issue SC/ST certificate. The caste/Tribe/Community certificate issued by the following authorities in the prescribed form for SCs/STs can be considered. District Magistrate / Additional District Magistrate / Collector / Deputy Commissioner / Additional Deputy Commissioner / Deputy Collector / 1st class stipendiary magistrate / Sub divisional Magistrate / Taulka Magistrate / Executive magistrate / Extra Assistant commissioner. Chief Presidency magistrate / Additional chief presidency magistrate/Presidency magistrate. Revenue Officer not below the rank of thasildar. Sub-Divisional officer of the area where the individual and / or his family normally resides. To avail the benefits of MSE under SC/ST category, the related documents as stated above should be submitted along with tender documents.
14	**Tender terms for GST in line with new GST Return System:** For supplies after implementation of New GST Return System i.e. from 01/10/2019, the following conditions will apply and supplier shall fully comply to the below points. **Indigenous suppliers:** 1. *Response to Tenders for Indigenous supplier will be entertained only if the vendor has a valid GST registration No (GSTIN) which should be clearly mentioned in the offer. If the dealer is exempted from GST registration, a declaration with due supporting documents need to be furnished for considering the offer. Dealers under composition scheme should declare that he is a composition dealer supported by the screen shot taken from GST portal. The dealer has to submit necessary documents if there is any change in status under GST.* 2. *Supplier shall mention their GSTIN in all their invoices (incl. credit Notes, Debit Notes) and invoices shall be in the format as specified/prescribed under GST laws. Invoices shall necessarily contain Invoice number (in case of multiple numbering system is being followed for billing like SAP invoice no, commercial invoice no etc., then the Invoice No. which is linked/uploaded in GSTN network shall be clearly indicated), Billed to party (with GSTIN) & Shipped to party details, item description as per PO, Quantity, Rate, Value, applicable taxes with nomenclature (like IGST, SGST, CGST & UTGST) separately, HSN/ SAC Code, Place of Supply etc.* 3. *All invoices shall bear the HSN Code for each item separately (Harmonized System of Nomenclature)/ SAC code (Services Accounting Code).* 4. ***Invoices** will be processed only upon completion of statutory requirement and further subject to following:* a. *Vendor declaring such invoice in Form GST ANX-1* b. *Receipt of Goods or Services and Tax invoice by BHEL* 5. *As the continuous uploading of tax invoices in GSTN portal (in GST ANX-1) is available for all (i.e. both Small & Large) tax payers under proposed new GST Return System, all invoices raised on BHEL may be uploaded immediately in GST portal on despatch of material /rendering of services. The supplier shall ensure availability of Invoice in GST portal before submission of invoice to BHEL.Invoices will be admitted by BHEL only if the invoices are available in GSTN portal (in BHEL's GST ANX-2).* 6. *In case of discrepancy in the data uploaded by the supplier in the GSTN portal or in case of any shortages or rejection in the supply, then BHEL will not be able to avail the tax credit and will notify the supplier of the same. Supplier has to rectify the data discrepancy*

	in the GSTN portal or issue credit note or debit note (details also to be uploaded in GSTN portal) for the shortages or rejections in the supplies or additional claims, within the calendar month informed by BHEL. 7. *In cases where invoice details have been uploaded by the vendor but failed to remit the GST amount to GST Department (Form PMT-08 or Form GST RET-01 to be submitted) within stipulated time, then GST paid on the invoices pertaining to the month for which GST return not filed by the vendor will be recovered from the vendor along with the applicable interest(currently 24% p.a) and all subsequent bills of the vendor will not be processed till filing of the GST return by the vendor* 8. *In case GST credit is denied to BHEL due to non-receipt or delayed receipt of goods and/ or tax invoice or expiry of timeline prescribed in GST law for availing such ITC, or any other reasons not attributable to BHEL, GST amount claimed in the invoice shall be disallowed to the vendor.* 9. *Where any GST liability arising on BHEL under Reverse Charge (RCM), the vendor has to submit the invoices to BHEL well within the timeline prescribed in GST Law, to enable BHEL to discharge the GST liability. If there is a delay in submission of invoice by the vendor resulting in delayed payment of GST by BHEL along with Interest, then such Interest payable or paid shall be recovered from the vendor.* 10. *Under GST regime, BHEL has to discharge GST liability on LD recovered from suppliers/contracts. Hence applicable GST shall also be recoverable from suppliers/contractors on LD amount. For this Tax Invoice will be issued by BHEL indicating the respective supply invoice number.* *GST TDS will be deducted as per Section 51 of CGST Act 2017 and in line with Notification 50/2018 – Central Tax dated 13.09.2018. GST TDS certificate which will be generated in GST portal subsequent to vendor accepting the TDS deduction in the GST portal, will be is*
15	**General instruction for suppliers:** Suppliers involving in fraudulent practices or delayed supply (or) non-Supply will be dealt with provision as indicated in "Guidelines for Suspension of Business Dealings with Suppliers / Contractors" which is hosted in website www.bhel.com The offers of the bidders who are under suspension as also the offers of the bidders, who engage the services of the banned firms, shall be rejected. The list of banned firms is available on BHEL web site www.bhel.com. 1.0 Integrity commitment, performance of the contract and punitive action thereof: 1.1 Commitment by BHEL: BHEL commits to take all measures necessary to prevent corruption in connection with the tender process and execution of the contract. BHEL will during the tender process treat all Bidder(s) in transparent and fair manner, and with equity. 1.2 Commitment by Bidder / Supplier / Contractor: 1.2.1. The bidder / supplier / contractor commit to take all measures to prevent corruption and will not directly or indirectly influence any decision or benefit which he is not legally entitled to nor will act or omit in any manner which tantamount to an offence punishable under any provision of the Indian Penal Code, 1860 or any other law in force in India. 1.2.2. The bidder / supplier / contractor will, when presenting his bid, disclose any and all payments he has made, and is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract and shall adhere to relevant guidelines issues from time to time by Govt. of India / BHEL.

	1.2.3. The bidder / supplier / contractor will perform / execute the contract as per the contract terms & Conditions and will not default without any reasonable cause, which causes loss of business / money / reputation, to BHEL. If any bidder / supplier / contractor during pre-tendering / tendering / post tendering / award / execution / post-execution stage indulges in mal-practices, cheating, bribery, fraud or and other misconduct or formation of cartel so as to influence the bidding process or influence the price or acts or omits in any manner which tantamount to an offence punishable under any provision of the Indian Penal Code, 1860 or any other law in force in India, then action may be taken against such bidder / supplier / contractor as per extant guidelines of the company available on www.bhel.com and / or under applicable legal provisions.
16	**Important Information for Import Suppliers:** **FOR CFR INCO TERMS – CONTAINERIZED CARGO** For CFR terms, moved through CONTAINERS (Suppliers should clearly specify this in their offer) it would be presumed by BHEL that the freight charges quoted is on LILO (LINER IN LINER OUT) basis including extra charges, if any, like Container Imbalance Charges, Trade Imbalance charges or any other charges payable to the Liner. No other charges other than the quoted Freight rate will be paid by BHEL excepting applicable Terminal Handling Charges, Container cleaning Charges, DO charges to Shipping Liner at Discharge Port. 14 FREE DAYS FOR Container detention shall be provided. If any deviation is taken by Tenderer, a loading of 22% on the freight rate per MT shall be considered by BHEL for arriving at the Total Landed Cost. In case of shipment through Containers on CFR basis, the BL should bear the endorsement that “14 free days for Container Detention is applicable”. **BREAKBULK CARGO** For CFR terms, moved through BREAK BULK BASIS (Suppliers should clearly specify this in their offer) it would be presumed by BHEL that the freight charges quoted is on LILO (LINER IN LINER OUT) basis. The materials will be Custom cleared from Port itself. The Indian Customs imposed, a penalty on late filing of Bill of Entries (Air/Sea Shipments) by the importer. The maximum free time allowed is 24 hrs from the time of arrival of cargo at final port of discharge. Rs.5000/- per day (for Initial 03 days) & Rs.10000/- per day (thereafter) The vendor should furnish the Non-Negotiable Documents (Air Way Bill/Bill of Lading, Commercial Invoice, Packing List, and Certificate of Origin) either by email or post/courier to BHEL well before the landing of cargo at final port of discharge. Vendor will be held responsible for the penalty arises against the late filing of Bill Of entry due to: o Non availability of Non-Negotiable Documents (NNDs) before the cargo arrival o Discrepancy in documents o Short landing of Consignments (For shipments on CFR/CPT/CIF/CIP – Chennai Port) All the shipments for the contracts (POs) finalized on CFR -Chennai Port basis (i) Delivery Orders involving multiple agencies like liners/freight forwarders are not allowed. There must be a single agency office at the final discharge Port (Chennai) for issuing the Delivery Order to BHEL.

	(ii) The detention/demurrage charges arise due to the delay in collection of Delivery Orders from multiple agencies of liner/freight forwarder also whose offices are not at available Chennai, the same amount will be deducted from Vendor's bills only. (iii) Apart from the normal charges like Terminal Handling Charges, Container cleaning Charges, Delivery Order Charges at final port of discharge no other charges will be borne by BHEL. (iv) The liner/freight forwarders should be properly communicated by the Vendor for not to claim such charges for issuing Delivery Order. If the liner/freight forwarder claims such charges in their invoices, the same amount will be deducted from the Vendor bills without any prior intimation in order to avoid the delay in Customs clearance. The likely additional/hidden costs or charges are: a. CIC - Container Imbalance Charges/Surcharges b. EIC - Equipment Imbalance Charge/Surcharges c. CAF - Container/Currency Adjustment Factor d. BAF - Bunker adjustment Factor e. RDS - Rupee Depreciation Surcharge f. CDS - Currency Depreciation Surcharge **Transport Conditions for Import:** The Original Documents (Bill of Lading, Invoice, Packing List, Certificate of Origin & Test Certificate) shall reach BHEL well in advance before the vessel arrival. The soft copies of the above shall be forwarded to BHEL immediately after shipment. In the event of delayed submission of documents by the supplier, an amount up to 5% of the invoice value will be retained towards demurrage & other charges and the difference if any between actual charges and recovery will be settled separately through supplementary invoice. In such cases, the Supplier shall authorize the Steamer / Shipping agent / transporter to freely release the consignment to BHEL by providing a "Surrender Bill of Lading". Otherwise, No-objection Certificate shall be issued to the Liner, authorizing BHEL to get the Delivery Order without producing the Original Bill of Lading. This is required to ensure avoidance of demurrage at Chennai Sea-port that may arise in case of delayed presentation of documents by the Seller. **Note:** BHEL may negotiate the L1 rate, if not meeting our budget/estimated cost. BHEL may re-float the tender opened, if L1 price is not the acceptable price to BHEL. Any deviation in specified commercial terms- Annexure A, will lead to rejection of offer.
17	**For Import Suppliers, PORT OF LOADING SHOULD BE INDICATED WITHOUT FAIL. Weight of the Total Consignment shall be indicated in the offer.** **PORT OF DISCHARGE – Chennai.** **For Import Suppliers** Foreign Exchange rate prevailing on Techno – Commercial bid opening date will be taken for calculation. If the date of opening happens to be a bank holiday, then the forex rate as on previous bank (SBI) working day shall be taken.