



**ANNEXURE – A to TENDER BAP/CAPITAL/2012-13/OT-1**  
**STANDARD TERMS & CONDITIONS**  
**(FOR GUIDANCE TO THE SUPPLIERS)**

**A] Submission of Offer**

**TENDERS**

Sealed tenders super-scribed with Tender Number, Due Date, Item Name & Supplier's Name shall be addressed to Manager / Purchase dept., Bharat Heavy Electricals Limited, Ranipet – 632 406, Tamilnadu, INDIA, so as to reach him on or before the date and time specified in the tender. It shall contain two separate sealed covers as under:-

**Sealed envelope super-scribed "Cover I - Techno-commercial bid", with Tender Number, Item Name, Tender Due Date & Supplier's Name, containing:**

- a) **Qualifying Requirement** as follows;
  - i. The vendor/Bidder shall be approved vendor of Railways - Research Designs & standards organization (RDSO)
  - ii. The vendor /bidder shall have minimum two years experience in supplying of the materials to Railways / Govt. organization / PSU'S.
  - iii. The bidder/Vendor should submit documentary proof for having supplied materials to Railways / Govt. organization / PSU's along with offer
- b) **Complete technical Offer** with details, catalogues, drawings,
- c) **Un-priced bid** (i.e. Price bid without Price),
- d) **Filled-in BHEL's Technical Specification format** enclosed with the Tender document,
- e) **Filled-in BHEL's Standard Terms & Conditions** for Procurement of Equipment enclosed with the Tender Document,
- f) **Deviation summary** submitted in two parts – giving the summary of technical deviations separately and the commercial deviations separately and
- g) **Shipping weight and cubage** (length, width & height) size of packing, including special shipping arrangements that may be required like flat bed containers, open top containers, number of containers required etc.

**Additional information (If available):**

- b) **BHEL registered Vendors:** Vendors registered with any unit of BHEL, shall give details of their registration along with the category registered for. Such Vendors may be exempted from submitting their annual reports.
- c) **Authorization Letter:** Such of those tenderers who wish to participate in the Tender Opening, should attach an authorization letter which shall be duly signed and stamped in original, identifying the representative to be deputed for tender opening and
- d) **BHEL Order Reference:** If same or similar or higher capacity machine/s has been supplied to any other Unit of BHEL, the Purchase Order details (reference number and date) should be enclosed.

**Note**

- (i) The equipment offered, shall be strictly conforming to the specification and scope attached in each tender, for complete unit including accessories, called for, if any.
- (ii) Optional items offered, if any, would not be considered for evaluation. Procurement of such optional item/s will be at the sole discretion of BHEL.



- (iii) All taxes and duties payable as extra to the quoted price should be specifically stated in offers. Offer from within India shall be submitted along with CST & TIN No. / Tariff No. etc, failing which the purchaser will not be liable for payment of such taxes and duties. Our TIN No. 33243560005, CST No. 239383/11.06.91, BHEL ECC No. AAACB4146PXM008.
- (iv) The un-priced bid is to be used to indicate relevant commercial implications without indicating price.
- (v) Commercial terms including all applicable prevailing taxes and duties are to be indicated clearly in the offer.
- (vi) No changes shall be entertained once the bid is opened unless otherwise specifically agreed to by BHEL.
- (vii) Money values shall not be indicated anywhere in the un-priced bid.
- (viii) Obtaining the Export Licence, if required, is the responsibility of the Supplier.
- (ix) Time required for inspection (at Supplier's works), erection, commissioning and training the operators of BHEL, at BHEL, should be clearly given in terms of numbers of working days.
- (x) All the annexure to the Techno-Commercial bid should be serially numbered.
- (xi) Wherever alternative standards / specifications are offered by Bidder, the Bidder shall provide sufficient documentary evidence to ensure equivalence to the designated standards / specifications, failing which the offer would be considered as not technically acceptable and hence shall stand rejected.

**Sealed envelope super-scribed Cover – II (Price bid), with Tender Number, Item Name, Tender Due Date & Name of the Supplier, containing:**

**Price Bid** (i.e. Un-priced bid but with Price duly filled-in) in conformance with the commercial terms as per Cover I.

The Prices shall be indicated in both figures and words, clearly specifying the currency used. Differential foreign currencies may not be used in a given offer.

Wherever there is a discrepancy between the figures and the words, the value as indicated by words shall be taken as the "Price" by the Purchaser. Similarly if there is a discrepancy between the Unit Price and the Value on account of arithmetical error in the computation of the Value (Price x Quantity), only the Unit Price would be taken by the Purchaser for consideration. No corrections would be permitted. Error statements should be completely erased / struck out and fresh values given in the offer, which should be initialled and attested by the tender submitting authority. Offers without the above may become liable for rejection.

**Note**

- (i) The price break-up should be in line with technical specification / scope of the tender. (Cost of basic machine, accessories, spares, packing charges, forwarding charges {FOB / FCA}, freight, insurance, training, installation, erection and commissioning charges shall be shown appropriately).
- (ii) Additional Charges such as packing and forwarding (P&F) or FOB / FCA may be quoted either on lump sum basis or as a percentage of the basic cost of the machine.
- (iii) (a) Charges for Erection & Commissioning (E&C) may preferably be given on lump-sum basis, clearly indicating the number of working / calendar days for which the charges are applicable. It should be noted by Supplier that Service Tax / Income Tax as levied by the Government of India is deductible from the E&C Charges.
- (b) Where applicable, the charges for erection and commissioning, or for any such service, which involves deputation of experts / engineers from the Supplier, *per-diem* rates are also to be furnished.
- (iv) Quotation for recommended spare parts as per O&M (with break-up) for two years should be indicated in the offer as essential spares.



(v) No offer for individual accessories or part of equipment will be accepted.

(vi) No Price Variation Clause will be entertained.

(vii) In case, there is a discrepancy in the term quoted in techno-commercial bid and price bid, the term as per the techno-commercial bid (Cover I) shall hold good and the commercial term quoted in the Price Bid (Cover II) shall not be considered.

(viii) In their own interest, all Tenderers are advised to double check their prices, applicable duties and taxes.

(ix) The quotation should be valid at least for a period of 180 days from the tender opening date.

(x) Offers should be submitted in three sets, one original and two copies.

(xi) The offers should invariably contain Signature (ink-signed) & Office Stamp of the Supplier. Any corrections / erasures in the offers should be initialled and stamped.

(xii) Indian bidders should submit the prices in Indian Rupees only.

(xiii) Foreign bidders may submit their bid in their home currency. The currency should be clearly indicated in the un-priced commercial bid as well as in the price bid.

(xiv) Indian Suppliers shall quote on FOR Destination basis only. Destination is BHEL, Ranipet Stores in India. Foreign Suppliers shall quote on FOB Delivery. Delivery shall be on FOB Sea-Port basis or FCA Air-Port Basis. No other delivery terms shall be acceptable. The Port of delivery shall be a popular and commonly used international port. Freight charges for carriage from port of dispatch to Chennai Sea / Airport shall also be separately indicated in the price bid. (C&F Charges)

(xv) For foreign suppliers, shipping arrangements including Insurance, from Port of Delivery to Port of Discharge (Chennai Port, India) and further carriage to BHEL factory at Ranipet would be to the account of BHEL. However stuffing charges for container shipment would be to the account of the supplier, where the containers are to be stuffed at the works of the supplier.

(xvi) Port to Port carriage would be arranged through shipping agent nominated by Government of India / BHEL in the case of Sea Shipments and by nominated air-consolidation / freight forwarder agents of BHEL in case of carriage by air and

(xvii) List of shipping agents would be a part of the Purchase Contract.

## **B] Opening of Offers**

**a) Tenders shall be received up to 1400 Hours (P.M) on the said due date and be opened on the same day at 1430 Hours (P.M). Tenders received after 1400 Hours (P.M) would not be opened. The times indicated are Indian Standard Time (IST).**

**b) As per our purchase policy, any offer received after the appointed date and time specified in the tender document will be rejected. Such offers will not be taken up for consideration. Bids received late will be returned back to the bidder.**

c) If a Supplier submits only one envelope / cover containing all the bids or combined bids e.g. techno-commercial bid & price bid together, the bid is liable for rejection. The decision to accept such bids shall be the sole discretion of BHEL, which may be done by BHEL after segregating the bids so received.

d) Such of those Tenderers who wish so, may participate in the Tender Opening by deputing their representatives. The representatives would be allowed to participate in the Tender opening only on



submission of a signed and stamped authorization letter issued by the Supplier. Representatives without the Authorization Letter would not be allowed to participate in the Tender Opening. Representatives who turn up after the Tender opening time / start of the Tender opening would not be allowed to participate. After tender opening the details would not be given to such suppliers who choose to be absent at the Tender opening.

e) One more original of the authorization letter should be kept in the Cover I. Authorizations received by fax / e-mail would not be acceptable.

f) Details such as the Technical Specification, Price, Delivery Terms, and Delivery Period alone would be read out by the Tender Opening Officer.

g) In exceptional cases, at the discretion of BHEL, in the event of the named representative (named in the Tender Document) is unable to come due to unavoidable circumstances, then an alternative representative would be allowed, where the alternative representative should carry a revised original authorization certificate. Suppliers are advised to avoid such situations to avoid embarrassments on both sides and

h) If so required, BHEL reserves the right to open the Price-Bids, 'in-camera'. Intimation to this effect would be given to the Supplier by BHEL, before the opening of the Price-Bids.

#### **Note**

(i) Bids including all enclosures and supporting documents like catalogues, pamphlets, etc., shall be provided in ENGLISH language only.

(ii) Offers sent by e-mail / fax or any other mode other than the two cover system specified above may be rejected

(iii) At its option, BHEL may consider extending the due date/s for the tender openings. Sufficient notice would be given by BHEL for such extensions.

(iv) Specifications are the basic essence of the "Product". Mere copying of the tender specifications by the Bidder into their offer document shall not make them eligible for consideration. Appropriate and sufficient evidence of conformity by way of drawings, data etc., shall be furnished. There should be an item-by-item commentary on the Specifications demonstrating responsiveness of the offered equipment to the specifications, and all deviations shall be summarized and provided in a "Deviation Statement", listing the points and the deviation against each point, and

(v) At its option BHEL may choose to conduct a Reverse Auction (R/A) or bidding through the Internet for the price, instead of opening the Price-Bids.

#### **C] Evaluation of Offers**

a) The price bids of the technically acceptable offers alone, contained in Cover II shall be opened.

b) All bidders shall submit their offers by filling-in the format of the BHEL tender documents. Offers received in any other format are liable to be rejected. Offers are asked in BHEL's format for purpose of standardisation - to help in the offer evaluation.

c) All the bids, domestic and foreign as well, shall be evaluated based on the total landed price at BHEL Stores, Ranipet (FOR BHEL Stores, Ranipet) after taking into account the applicable loading factors for deviations, if any. (Please read the Standard Commercial Terms and conditions for the loading factors)

d) Offer with any pre-conditions (like conditional discounts) for price are liable to be 'Not considered' / 'Rejected'.

e) In the event of any change in scope arising out of the discussions, such offerors would be given a chance to submit their revised offer. The revised offer shall contain only the price addition / deletion for such change in the scope, over and above the original scope and price quoted. The original price quoted shall not be



changed on account of the technical discussions. In order to arrive at the lowest offer BHEL will include cost of essential spares in the total cost unless specified in Technical Specification / Approved Scope otherwise.

- f) BHEL reserves the right to reject without assigning any reasons / load any offer with factors other than already specified for such offers having deviations to BHEL Specifications, Standard Terms & Conditions at its discretion. The decision of BHEL in this regard shall be final.
- g) BHEL reserves the right to reject an offer during tender finalisation / execution of a contract at any of BHEL projects / units due to unsatisfactory past performance.
- h) BHEL reserves the right to operate Purchase / Price preference to Government of India Undertakings, which shall be given as per the guide lines of Government of India.
- i) For the purpose of comparing prices, tender prices shall be converted to Indian rupees and the conversion shall be made by using the Import Bills Rate (IMP Bills) (exchange) rate quoted by the State Bank of India (SBI) on the date of opening of price bids published in the same day newspapers. This exchange rate will be followed till placement of order.
- j) BHEL reserves the right to conduct negotiations on the "Price" and "Other Commercial Terms and Conditions" with the lowest ranked offeror and
- k) If so required by BHEL, Supplier may have to share their cost data / costing sheet with BHEL.
- l) *Wherever deviations on the Standard Commercial Terms and Conditions of BHEL, are quoted by the supplier, such deviations would be loaded with "Load-Factors" by BHEL, to arrive at the landed price to BHEL. These load-factors are provided in the "Standard Terms and Conditions". However, BHEL reserves the right to apply, alter, modify, change, delete some or all the load-factors. The decision of BHEL would be final and binding on the tenderer in this regard. This decision would be communicated to the tenderers before the Price Bid Opening. The load-factors, as applicable then will be applied on the Prices, to arrive at the landed price to BHEL.*
- m) *With respect to conformance to BHEL's Terms & Conditions, if any Supplier's offer is found to be not conforming to specific Terms & Conditions, BHEL will have the option of loading such offer with the highest quote submitted by other participating Supplier in the tender. For example, if the offer of a Supplier does not include cost for Spares / FOB Charges / Training Charges, etc., highest price offered by others will be loaded to evaluate the lowest bidder. But the order will be placed on the price quoted by the party without affecting the scope of supply.*

#### **D] Placement of Orders**

- a) Orders would be placed on technically acceptable financially lowest offer, based on the evaluation of BHEL.
- b) For acceptable payment terms, guarantees and warranties, and other commercial terms and conditions, please see the detailed standard commercial terms of BHEL.
- c) Any free replacement due to short supply or guarantee replacement attracting customs duty and other statutory levies shall be to Suppliers' account. Else, the same shall be recovered from the Bank Guarantee, / balance payment, agency commission, etc.
- d) Successful Bidder, will be issued a firm Letter of Intent (LOI). The Bidder who gets the LOI shall furnish a Contract Execution Bank Guarantee (CEBG), from an Indian Bank approved by BHEL. The format for the CEBG is attached, for 2% of the Letter of Intent value (FOR Despatching station value – Excluding taxes, duties, freight and insurance – for Indian bidders) & (FOB/FCA value – Excluding freight and insurance – for foreign bidders) confirming that the order will be executed as per the terms and conditions and this Guarantee shall be valid till final despatch date (LR/GR/BL/AWB) with additional 2 months claim period. The



CEBG is to be furnished within 2 weeks from the date of Letter of Intent and would be returned back on receipt of the final dispatch of the equipment and verification of the receipt of the same at BHEL. The list of acceptable banks is given separately. Indian suppliers shall give Bank Guarantee from any one of these bankers only. In the event the foreign suppliers who wish to give the Bank Guarantee/s from any other Branch, such Bank Guarantee/s has to be confirmed by any of the approved banks of BHEL and

e) The Bank guarantee shall be released on application by the Supplier certifying due completion of the supplies.

#### **E] Execution of the Order**

a) Within 15 days of the receipt of the Purchase Contract, the Supplier shall submit a detailed program for the manufacture and supply of the equipment in the form a PERT Chart and Gantt Chart, which shall be got approved by BHEL. The manufacturing progress will have to be furnished to BHEL periodically (fortnightly) in the form and manner required by BHEL (Usually with photographs and video recordings) with respect to the approved PERT and Gantt Chart.

b) In the event the Purchase Specification calls for approvals of drawings / Bill of Materials, the same shall be got approved by the Supplier from BHEL before proceeding further. Such approval points shall be called as 'Customer Hold-Points' and only after due approvals / clearances from BHEL, can the Supplier proceed to the next stage of manufacturing the equipment.

c) BHEL will have the option to pre-inspect the machine / equipment at Supplier's works by BHEL's own inspector or by third party agency appointed by BHEL **but this does not absolve the Supplier from giving the performance as agreed upon.**

d) Inspection call for carrying out the inspection shall be given 45 days before the scheduled contract delivery date. BHEL requires clear 30 days notice to arrange for inspection. The Inspection date/s given by the Supplier shall be on firm basis.

e) Deviations, if any pointed out by the visiting Inspection team of BHEL shall be corrected and the machine as per specification shall be dispatched on or before the contract delivery date.

f) The final inspection for acceptance will, however, be carried out at BHEL's works at Ranipet.

g) The contract delivery date is the date of ex-works dispatch of the equipment. As carriage from the FOB sea-port is arranged by BHEL, in case of non-availability / delay of vessel / containers, the date of intimation of full readiness for dispatch, to the BHEL nominated shipping agent, by the Supplier shall be reckoned as the date of dispatch.

h) Travel & other local stay cost for the Engineers sent by BHEL will be to BHEL account.

i) Any training charges including cost of test pieces, at Suppliers' works shall be borne by the Supplier.

j) If so required BHEL may send a trial job, for prove out. Such job/s shall be dispatched on CIF nearest Sea / Airport basis by BHEL. The Supplier may identify the nearest port for such delivery. It shall be the responsibility of the Supplier to collect the pieces from the port-of-discharge including taking care of the customs' clearances at their home country and subsequent carriage to their works. The jobs after completed shall be sent along with the equipment. Shipping instructions for returning such test pieces shall be given by BHEL at the appropriate time.

k) The supplier shall arrange for packing suitably in all respects considering the peculiarity of the material involved for normal transport by sea / air / rail / road and suitably protected against effect of tropical salt laden atmosphere in the event of shipment being delayed at ports / store yards.

l) Foreign suppliers shall dispatch on FOB agreed Sea-Port / FCA agreed Air-Port basis. Indian suppliers shall dispatch on free delivery (door-delivery) at BHEL stores basis only



m) On receipt of the consignment at BHEL, intimation would be given to the Supplier. It is the responsibility of the supplier (either by himself or through his authorized nominee) to carry out the verification of the goods jointly with the representative of BHEL. The materials received shall be tallied with the Packing List / Delivery Challan and got acknowledged from BHEL. The materials would be deemed to have been received (but not accepted) by BHEL based only on such joint inspection and a jointly signed protocol. Partial acknowledgment shall not be given by BHEL. Acknowledgement of receipt shall be given only on receipt of all items as per the Purchase Order / Specification.

n) In the event of any short supply, it shall be the responsibility of the supplier to deliver such short supplied/ missing items on Free-of-Cost basis at BHEL stores, including customs clearances at Indian Ports in the case of foreign suppliers.

o) Only those documents specified for payment shall be routed through bank for payment. All other documents specified in the Purchase Order shall be sent directly to BHEL, either with the consignment or separately.

p) Equipment shall be dispatched only after getting the dispatch clearance of BHEL (Dispatch clearance would either be faxed / e-mailed as a scanned document / couriered.) and

q) Payment for the equipment shall normally be in two instalments. The first instalment would be for 80% of the order value (plus 100% of the duties and taxes, where applicable) through a mutually agreed mode. The generally acceptable mode is "Direct with in 90 days of receipt at BHEL for Indigenous Suppliers" and through an "At Sight L/c, payable after receipt of the documents at the opening bank", for foreign suppliers. Payment to Indian suppliers would be through Electronic Fund Transfer (EFT). The EFT form which is a part of the tender document has to be filled in and submitted by the Indian bidder along with the techno-commercial offer in Cover-I. The balance 20% payment would be released along with Erection & Commissioning and other applicable charges if any, after successful commissioning of the equipment.

#### **F] Erection and Commissioning (E&C)**

a) Erection and Commissioning and due testing of the equipment as per specifications, at BHEL's works shall be the responsibility of the Supplier. Job-Prove out as specified in the technical specification is a part of the commissioning.

b) Training of BHEL personnel for a minimum period of 7 days or time for completion of one job as per ordering specification, whichever is longer, is in the scope of supplier.

c) Electric Power, Material Handling like Cranes, Consumables like cleaning clothes, oil, small hand tools etc would be provided free-of-cost by BHEL subject to availability. Where BHEL is not able to provide, it shall be the supplier's responsibility to arrange for the same at their own cost.

d) Income tax, Service Tax and any other similar tax / duties /levies imposed by the Government of India, or the State Government, where the BHEL Unit is located, deductible at Source, during the tenure of the Order shall be deducted by BHEL. Such taxes are presently applicable on E & C Charges / Services Charges / Technical Fees and are to be borne by and are to the account of the Supplier / Service Provider. If such taxes / duties / levies / imposts become applicable on any other component of the order the same shall be deducted by BHEL as per the rules and regulations prevailing.

e) Wherever applicable, necessary Tax Deduction at Source (TDS) would be issued. Foreign Suppliers may check existence of any Double Taxation arrangement between the Government of India and their country.

f) Suppliers shall make their own arrangements for the stay of their Engineers / Technicians deputed to BHEL for the erection, commissioning, demonstration, training and the trial run of the equipment. Where available, BHEL would consider extending the facility of stay in their guest house, suitably.



g) The equipment would be considered as commissioned only on issue of "Commissioning / Put-to-Use Certificate" by BHEL engineers which shall be jointly signed with the supplier. This certificate would be issued only after successful installation, erection, commissioning, testing, Job-Proving and demonstration and training of BHEL personnel. It shall be the responsibility of the Supplier to ensure satisfactory commissioning, demonstration and training of BHEL personnel and getting the "Commissioning Certificate". The equipment would be deemed to be accepted by BHEL, only on the issue of the "Commissioning Certificate" and

h) The Guarantee period shall start from the "Date of the Commissioning" of the equipment.

#### **G] Post Commissioning**

a) For claiming the balance payment (IInd Instalment – normally the balance 20%), and the Erection and Commissioning Charges, the Supplier has to submit a valid Performance Bank Guarantee (PBG). The format for the PBG is attached. The Guarantee shall be valid, covering the guarantee period with a claim period of 3 months beyond the validity and shall guarantee the performance of the equipment against all manufacturing defects. (Not withstanding the inspection and acceptance of the equipment by BHEL on commissioning.) The Bank Guarantee shall be for 10% of the value of the order (without the duties and taxes). {The PBG shall be prepared in same way as that of the CEBG}.

b) *As an alternative option to PBG, BHEL will retain an amount equivalent to 10% of order value in lieu of Bank Guarantee which shall be released on expiry of the Guarantee period. Suppliers have to confirm in their offer explicitly as to whether they are accepting for submission of PBG or retention of equivalent amount by BHEL. No interest will be payable by BHEL on the retention amount. In case supplier fails to confirm either of the two options, then their offer may not be considered.*

c) The Bank Guarantee (PBG) shall be released only on expiry of the claim period, provided there has been no claim by BHEL on the Supplier.

d) In the event the equipment malfunctions during the validity of the guarantee, such parts shall be replaced a new / repaired as per the requirements of BHEL. The replaced / repaired parts shall be guaranteed for a period of original guarantee period from the date of replacement / repair and the guarantee period of the whole equipment shall be extended to the extent of the period at which the defect / malfunction was noticed. (e.g. If the equipment failed 6 months into the guarantee period, the guarantee of the equipment shall be extended by another 6 months beyond the original guarantee period.)

e) In the event that any essential spares are not quoted, (though the same has been asked for) and subsequently it is found that it is required, then any consequential loss due to machine failure during the guarantee period after commissioning of the machine, then the same will be recovered from the Equipment Supplier from the guarantee furnished and

f) Supplier will have to ensure deputation of their Engineers for Erection & Commissioning or for attending to any complaint during guarantee period within 15 days' of intimation. In case of delay BHEL reserves the right to get the job completed at the risk and cost of the Supplier.

#### **H] Termination of Inquiry / Orders:**

a) BHEL reserves the right to cancel any inquiry before opening of the tender, without assigning any reason.

b) BHEL reserves the right to cancel any tender and refloat a fresh tender, at any time after opening of the tender, in case it finds the response to its tender as not meeting its requirement. This shall be at the sole discretion of BHEL.

c) BHEL reserves the right to cancel the order for delay in supply beyond penalty period without any monetary or legal obligations and at the risk and cost of the Supplier. Any delay in getting the Export Licence



cannot be quoted as an excuse for delayed delivery. BHEL reserves the right to cancel the order without any monetary or legal obligations, in case of delay in this regard and

d) BHEL will levy penalty as Liquidated Damages (LD), for delay in delivery. The damages shall be at the rate of ½% per week or part thereof subject to a maximum of 10%. Delivery for purpose of L.D, will be reckoned as the date of clearance of the equipment for dispatch by BHEL, in the event of non-availability / delay in vessels. Supplier shall deduct the applicable LD from the first instalment payment when raising the claim for the same. The applicable LD if any would be communicated by BHEL along with the dispatch clearance.

## **I] Miscellaneous**

### **i) Role of Agents**

a) The Supplier shall furnish an authenticated copy of the Agency Agreement with his agent detailing the precise relationship between them and their mutual interest in the business so as to consider the offer of Indian Agent for indigenous portion of the supply along with techno-commercial bid. For main equipment, the offer shall be from Principal / Original Equipment Manufacturer only.

b) The Supplier shall furnish original authorization letter for the Indian Agent. The letter shall contain name, contact person, complete postal address including phone, fax and e-mail ID. It shall also spell out the type of services to be rendered by Indian Agent.

c) Indian Agent & Agency commission: In order to maintain sanctity of the tender system, it is mandatory that one Agent cannot represent two Suppliers or quote on their behalf in a particular tender enquiry i.e. an Indian Agent can represent only one Foreign Manufacturer against a particular Tender. If any Agent represents more than one Suppliers all such offers will be rejected. The FOB / FCA / CFR price quoted by the foreign bidder shall include the agency commission. However, the agency commission component payable to their Indian Agents shall be shown separately in the Offer, either as a lump-sum or as a percentage of the quoted price. This will be paid by BHEL in Indian Rupees, on satisfactory commissioning & acceptance of the equipment. For calculation of Rupee equivalent of Agency Commission, exchange rate as prevailing on the date of Purchase Order will be taken and

d) For all discussions, technical clarification and negotiations etc. only the principal would be authorized for interaction with BHEL. The Agent shall not be a party to the discussions / negotiations and would not be normally allowed to participate.

### **ii) Terms & Conditions of Letter of Credit (L/C) for overseas suppliers (indicated for acceptance).**

a) Unconfirmed irrevocable Letter of Credit only will be opened by BHEL. Confirmation of L/C is not preferred by BHEL. L/C confirmation charges in case of confirmed L/C, shall be to Supplier's account only.

b) Bank charges out side India are to the Supplier's account.

c) L/C for shipment would be opened on receipt of Inspection call from Supplier or 2 months prior to the scheduled date of dispatch, whichever is later. The L/C would be valid for 75 days for shipment and for 15 days thereafter for negotiation. (Or if the supplier so requires: 69 + 21 days)

d) In case of L/C extension caused by delays attributable to the Supplier, the L/C extension / commitment charges are to be borne by the Supplier.

### **iii) Other terms & conditions for letter of credit: - Documents for negotiation**

a) Signed Commercial invoice in quadruplicate, for a value not exceeding the draft amount, quoting the import Licence No and certifying goods evidencing shipment / airfreight of the merchandise are as per Applicant's Purchase Order. The amount of invoice after deducting Indian Agent's commission, if any,



should not exceed the Credit amount. (The Indian agent's commission, if any, is payable in India in Indian rupees only.)

b) Certificate of Country of Origin, from the country of manufacture, issued by the Chamber of Commerce.

c) One set of Original and two sets of Non-negotiable copies of 'signed', 'unmarked', 'clean on board' Ocean Bill of Lading of a Conference Line Vessel, showing Shipper as "Government of India" Account M/s. Bharat Heavy Electrical Ltd, Unit: BHEL, Ranipet as consignee (The opening bank should not be notified as consignee), marked freight prepaid / payable at destination,

OR

Airway Bills / Air consignment notes / House Airway Bills showing the applicant as the consignee and marked freight payable at destination, indicating flight number and date."

d) Packing list in 4 copies in English, indicating dimensions of each case / bundle / piece shipped, with weight and number of items and description of each item it contains.

e) Certified copy of the fax / e-mail sent by the beneficiary to the applicant giving the following particulars of shipment, as the insurance is to be arranged by the Applicant in India: (a) Purchase Order Number & date; (b) Bill of Lading Number & date / Airway Bill No & dated and Flight no & date; (c) Name of vessel; (d) Port of Loading; (e) Number of case / pieces and weight; (f) Invoice Number, date and value (g) Purchase Order item number's despatched. The E mail / fax is to be sent within 2 working days of shipment.

f) Beneficiary's certificate showing the relevant airmail / courier reference no. and date that the following clauses have been complied with:

1] Beneficiary to forward by Registered Airmail / Courier one complete set of original documents and one set of non-negotiable documents within 3 working days of obtaining shipping documents to Regional Manager (ROD), Bharat Heavy Electricals Ltd, No. 165, Thambu Chetty Street, Chennai – 600 001. India. (Phone: +91-44-25341249, 25341240 / Fax - +91-44-25340787; e-mail: raja@rodchn.bhel.co.in)

2] Beneficiary to courier at his cost 3 copies of complete set of non-negotiable documents to the Officer who released the Purchase Order.

3] Declaration by the Supplier certifying that the contents in each case are not less than those entered in the invoices / packing list and that the invoicing for the supplies effected is strictly in accordance with agreed rates as stipulated in the Purchase Order.

4] Declaration to the effect that all other documents as per purchase order has been couriered to the Purchase order releasing authority.

5) The carrying steamer should be seaworthy, less than 25 years of age and approved by Lloyds / Classification Societies / General Insurance Corporation of India from time to time and

6) Copy of Dispatch Clearance / Instruction issued by BHEL.

**iv) Documents to be sent directly to the Purchaser prior to shipment**

a) Manufacturer's Original Internal Inspection / Test certificate in triplicate.

b) Manufacturer's Original Guarantee certificate as per Purchase Order.

c) Inspection / Test Certificate issued by BHEL / Inspection agency specified in the Purchase Order. In the event that Inspection prior to dispatch is not carried out by the Engineers of BHEL, the Inspection certificate of the third party so authorized by BHEL and

d) Any other documentation as specified in the Purchase Order.

**v) Conditions for transportation:**



- a) All shipping documents shall show the Purchase Order Number & Date, Import Licence Number & Date, and Letter of Credit Number & Date.
- b) Transshipment is strictly prohibited.
- c) Loading on deck is not permitted. The transport document must not contain a provision that goods may be carried on deck.
- d) A transport document which is produced or appearing to have been produced by reprographic, automated or computerized systems or as carbon copy will be accepted as an original document provided that it is marked as original and is ink-signed.
- e) The transport document must contain all the conditions of carriage on the original document.
- f) The transport document must not indicate the place of destination as being different from the port of discharge.
- g) The transport document must not contain the indication 'intended' or similar qualification in relation to the vessel or other means of transport or port of loading or port of discharge.
- h) The transport document must be issued by the carrier or his agent and not by any freight forwarder.
- i) Transport documents bearing reference by stamp or otherwise, to costs additional to the freight charges are not acceptable.
- j) The Bills of Exchange must be dated and presentation of documents for negotiation must not be later than 15 days after the date of shipment / airfreight and in any case not later than the expiry date of the Credit.
- k) Each case / bundle / piece should be painted with 4 " wide yellow colour strip around it for facilitating easy identification at port of discharge.
- l) In case of consignments where individual items as per Purchase Order are listed in the packing list / Invoice, the price and values for each and every item should be indicated.
- m) Material shall be dispatched through the agency nominated by BHEL.
- n) Indian suppliers shall dispatch the equipment, freight prepaid, on door-delivery basis (FOR Destination – Destination: BHEL Stores) through any one of the approved carriers of BHEL only and
- o) In the event there is a delay by the Supplier in negotiating the document, any demurrage / wharfage arising out of the same shall be to the account of the Supplier and shall be deducted from the final payment. Also, in such cases, the Supplier shall authorize the Steamer / Shipping agent to freely release the consignment to BHEL

#### **vi ) Delivery period**

The contractual delivery period will be reckoned from the date of LOI, which shall be binding on the contract. Suppliers shall quote their best delivery period. Delivery is the essence of all contracts for BHEL. Before opening the Price Bid, based on the commercial bids received, BHEL shall fix a reasonable delivery period, which would be generally the modal value of the deliveries quoted by the tenderers in the Bid. Bidders, who at the time of tender opening (Opening of Commercial Bids) have quoted for a delivery higher than the delivery required by BHEL, would have to accept the delivery period advised by BHEL. Such of those suppliers, who quote for higher than this delivery would be loaded with a factor of 1/2% per week, subject to a maximum of 12%. Such of those Suppliers whose offer is more than 24 weeks of the delivery specified by BHEL, would not be considered further in the tender, and their Price Bid would not be considered.

#### **vii) Reverse auction (RA) / on-line bidding on internet:**



- a) BHEL reserves the right to resort to Reverse Auction Procedure i.e. On-line bidding on Internet, instead of opening the submitted sealed bid. This will be decided after technical evaluation and
- b) In case BHEL decides not to go for Reverse Auction procedure for the tender enquiry, impact price will be asked from all the bidders. In such case, the Price bids and price impacts, if any, already submitted and available with BHEL shall be opened as per BHEL's standard practice.

**The General Terms & Conditions for RA are as below:**

- i) For a proposed reverse auction, technically and commercially accepted bidders alone shall be eligible to participate.
- ii) BHEL will engage the services of a service provider who will provide all necessary training and assistance before commencement of on line bidding on internet.
- iii) BHEL will inform the Supplier in writing in case of reverse auction, the details of Service Provider to enable them to contact the Service Provider & get trained.
- iv) Business rules like event date, time, start price, bid decrement, extensions etc. also will be communicated through the Service provider for compliance.
- v) Suppliers have to fax the Compliance form in the prescribed format (provided by Service provider) before start of Reverse auction. Without this, the vendor will not be eligible to participate in the event.
- vi) BHEL will provide the calculation sheet (e.g., Excel sheet) which will help to arrive at 'Total landed cost to BHEL' like Packing & forwarding charges, Taxes and Duties, Freight charges, Insurance, Service Tax for Services, loading factors (for non-compliance to BHEL Standard Terms & Conditions), etc. for each of the Supplier to enable them to fill-in the price and keep it ready for keying-in during the Auction.
- vii) Reverse auction will be conducted on scheduled date & time.
- viii) At the end of Reverse Auction event, the lowest bidder value will be known on the network and
- ix) The lowest bidder has to Fax the duly signed filled-in prescribed format as provided on case-to-case basis to BHEL through Service provider within 24 hours of Auction without fail. Failure to do so or if there is any variation between the on-line bid value and the signed document the same will be considered as sabotaging the tender process and will invite disqualification of Supplier to conduct business with BHEL as per prevailing procedure.

**JJ Force Majeure**

If at any time during the currency of this contract, the performance in whole or in part, by either party of any obligations under this contract shall be prevented or delayed by reason, of any war, hostilities, acts of the public enemy, civil commotion, sabotage, fires, explosions, epidemics, quarantine, restrictions or acts of GOD (hereinafter referred to as events), then provided notice of happening of any such events is given by either party to other within ten days from the date of occurrence thereof, neither party shall reason of such events be entitled to terminate this contract nor shall either party have any such non performance and delay is resumed as soon as practicable after such events has come to an end or ceased to exist. If the performance in whole or part of any obligation under this contract is prevented or delayed by reason or any such event claims for extension of time shall be granted for period considered reasonable by the purchaser subject to prompt notification by the seller to the purchaser of the particulars of the events and supply to the purchaser if required of any supporting evidence. Any waiver of time in respect of partial installment shall not be deemed to be a waiver of time in respect of remaining deliveries.

**KJ Others**



- a) In case of any contradiction in the terms and conditions given here and elsewhere in the other documents of the tender, it shall be the responsibility of the tenderer to get it clarified from BHEL. The officer authorized to provide such clarifications is the Deputy Manager / Capital Purchase/Purchase Dept , Phone: 04172 – 254621 & 254343, e-mail [jssheriff@bhelrpt.co.in](mailto:jssheriff@bhelrpt.co.in) and [at@bhelrpt.co.in](mailto:at@bhelrpt.co.in)
- b) Alterations to the conditions of the Tender can be done only by the authorized officer, at any time before the date and time of tender opening. Such changes, if any, would be communicated in writing and / or hosted in the web-page.
- c) If any Supplier attempts to bribe, or pay commission, gift or any advantage or bring in undue influence either by himself or on his behalf any one including a stranger to the tender, in addition to instituting legal proceedings as per the extant laws prevailing, will disqualify the supplier from this tender and all future tenders of BHEL. Decision of the Purchaser would be final in this matter.
- d) The laws governing this transaction shall be the laws in India.
- e) Wherever not specified, INCO Terms 2000 shall be used to interpret the Commercial terms and conditions and
- f) In the event of an order, Supplier shall agree to settlement of disputes or differences, if any, by way of arbitration, in accordance with the “Rule of Arbitration” of the Indian Council of Arbitration.

***The offer/s of such of those bidders who do not accept for submission of the CEBG and PBG or confirmation for retaining PBG amount for the value and period specified herein above is likely to be summarily rejected. No correspondence would be entertained by BHEL in this regard, on this subject. BHEL specifically draws the need of this mandatory requirement to the notice of all Bidders. The Price Bid of such of those offerers failing to meet this requirement, would not be considered for the Price-Bid Opening.***

*The language in the tender downloaded by the Bidders shall at no point of time be changed, altered or modified in any manner by the Tenderer. If such changes are made by any tenderer, it shall be considered as tampering with BHEL's specifications and the offer shall be summarily rejected, whenever it is noticed by BHEL. Such Bidders would be disqualified from the Bidding Process and their offers would be forfeited / Bank Guarantees invoked. They would not be allowed to participate in future tenders of BHEL.*

Bank Guarantee No.....Date.....Banker Name.....

Bank Guarantee Value Rs.....

Please affix Non Judicial Stamp here, as per Stamp Act

(TO BE STAMPED IN ACCORDANCE WITH STAMP ACT AND THE EXPIRY DATE OF BG MUST BE AFTER 2 MONTHS FROM THE DATE OF COMPLETION OF SUPPLIES)

**CONTRACT EXECUTION BANK GUARANTEE**

In accordance of M/s. Bharat Heavy Electricals Limited (A Government of India undertaking, a company incorporated under the Companies Act 1956 having its Registered Office at "BHEL House", SIRI Fort, New Delhi 110 049) through its Boiler Auxiliaries Plant located at Ranipet – 632 406, (hereinafter called 'the Company') having entered into a contract with M/s..... hereinafter called 'the said contractor' which term includes 'suppliers' for the purpose of this Bond and under the terms and conditions of the Contract No.....Dt.....between BHEL, Ranipet and as per the Contract, the Contractor / Supplier is to furnish a Contract Execution Bank Guarantee for Rs.....in words.....for the due performance of the contract

Bank Guarantee No.....Date.....Banker Name.....

Bank Guarantee Value Rs.....

and for the fulfillment of all the terms and conditions of the contract. We.....

(Bank's name, Branch, Place – address to be mentioned [herein after referred to as the Bank) at the request of

.....(Contractor(s)] do hereby undertake to pay the company an amount not exceeding Rs.....in words.....

against any loss or damage caused to or suffered or would be caused to or suffered by the company by reason of any breach by the said Contractor(s) of any of the terms and conditions contained in the said agreement.

2. We.....

.....(name of the bank with full address), do hereby undertake to pay the amounts due and payable under this guarantee without any demur, merely on a demand from the Company stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the Company by reason of breach by the said Contractor(s) of any of the terms and conditions contained in the said Agreement or by the reason of the Contractor(s) 'failure to perform' the said agreement. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs.....in words.....

Sign and seal of issuing bank

Bank Guarantee No.....Date.....Banker Name.....

Bank Guarantee Value Rs.....

3. We undertake to pay conditionally to the Company any money so demanded notwithstanding any dispute(s) raised by the Contractor in any suit, or proceedings pending before any Court or Tribunal or Arbitration or before any other authority relating thereto our liability under this present being absolute and unequivocal. The payment under this guarantee would not wait till the disputes have been decided by any Court or Tribunal or in the arbitration proceedings or by any other authority. The payment so made by us under this Bond shall be a valid discharge of liability for payment thereunder and the Contractor(s) shall have no claim against us for making such payment.
4. We.....(name of Bank), further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said Agreement and that it shall continue to be enforceable till all the dues of the Company under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged or till Purchase Department of the Company certifies that the terms and conditions of the said Agreement have been fully and properly carried out by the said Contractor(s) and accordingly discharges this guarantee.
5. (i) Unless a demand or claim under this guarantee is made on us in writing on or before .....(date) (After 2 months from the date of completion of supplies) we shall be discharged from all the liability under this guarantee thereafter. But where such claim or demand has been preferred by the Company with the Bank before the expiry of the said date, the claim shall be enforceable notwithstanding the fact that the said enforcement is effected after the said date.  
(ii) For the purpose of this clause, any letter making demand on the Bank by M/s. BHEL dispatched by Registered Post with Ack. Due or by Telegram or by any Electronic media addressed to the above mentioned address of the Bank shall be deemed to be the claim / demand in writing referred to above irrespective of the fact as to whether and when the said letter reaches the Bank, as also any letter containing the said demand or claim is lodged with the Bank personally.

Bank Guarantee No.....Date.....Banker Name.....

Bank Guarantee Value Rs.....

6. We.....(name of the Bank), further agree with the company that the Company shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said agreement or to extend time of performance by the said Contractor(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by the Company against the said Contractor(s) and to forbear or enforce any of the terms and conditions relating to the said Agreement and we shall not be relieved from our liability by any reason of any such variation or extension being granted to the said Contractor(s) or for any forbearance, act or omission on the part of the company or any indulgence by the company to the said Contractor(s) or by any such matter or thing whatsoever which under the law relating would, but for this provision, have effect of not so relieving us.
7. This guarantee will not be discharged due to the change in the constitution of the Bank or the Contractor(s).
8. The guarantee herein contained shall not be determined or affected by the liquidation or winding up or insolvency of or change in the constitution of the Contractor, but shall in all respects and for all purpose be binding and operative until all payments of all moneys due or that may hereafter become due to the said company or settled irrespective of any liability or obligation of the Contractor under the said Contract.
9. It shall not be necessary for the company to proceed against the Contractor before proceeding against the guarantor-bank and the guarantee herein contained shall be enforceable against them notwithstanding any security, which the company may have obtained from the Contractor shall, at the time when proceedings are taken against the Guarantor hereunder be outstanding or unrealized.

Sign and seal of issuing bank

...5

Bank Guarantee No.....Date.....Banker Name.....

Bank Guarantee Value Rs.....

10. Any claim or dispute arising under the terms of this document shall only be enforced or settled in the Courts at Ranipet, Tamilnadu Jurisdiction.

11. The Bank declares that it has powers to issue this Guarantee under the Bank's Memorandum and Articles of Association and the undersigned has full powers to do so on its behalf under the power granted to him by the proper authorities of the Bank.

12. We .....(name of Bank) lastly undertake not to revoke this guarantee during its currency except with the previous consent of the company in writing.

In witness whereof we.....  
(name of Bank) have hereunto setout Bank Seal the.....  
day.....of.....month 200

Sign and seal of issuing bank.

Bank Guarantee No. \_\_\_\_\_ Date \_\_\_\_\_  
Banker Name \_\_\_\_\_ Bank Guarantee Value \_\_\_\_\_

Please affix Non-Judicial Stamp here  
as per Stamp Act

### **BANK GUARANTEE**

1. This deed of guarantee made this \_\_\_\_\_ day of \_\_\_\_\_ by

\_\_\_\_\_ (Bank's name, branch, place, address) (hereinafter referred to as 'the Bank') in favour of M/s. Bharat Heavy Electricals Limited (A Government of India undertaking, a company incorporated under the Companies Act 1956 having its Registered Office at "BHEL House", SIRI Fort, New Delhi - 110049) through its Boiler Auxiliaries Plant located at Ranipet – 632406, (hereinafter called "the Company").

2. WHEREAS the Company has entered into a contract with M/s. \_\_\_\_\_ (hereinafter called "the said Contractor", which term includes "suppliers" for the purpose of this guarantee), for supply of equipments and/or services by the said Contractor vide Contract No. \_\_\_\_\_, dated \_\_\_\_\_.

3. WHEREAS under the terms and conditions of the said Contract between the Company and the said Contractor, the said Contractor is to furnish a performance Bank Guarantee for due performance of the equipment to be supplied under the said Contract and for the fulfillment of all the terms and conditions of the said Contract.

4. WHEREAS the said Contractor have requested the Bank to offer a Guarantee and at their request, WE the Bank have agreed to furnish such Guarantee to the said Contractor.

.....2

Sign & Seal of the Issuing Bank

Bank Guarantee No. \_\_\_\_\_ Date \_\_\_\_\_  
Banker Name \_\_\_\_\_ Bank Guarantee Value \_\_\_\_\_

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5. NOW, THEREFORE, WE the Bank do hereby undertake to pay the Company an amount not exceeding Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) against any loss or damage caused to or suffered or would be caused to or suffered by the Company by reason of any breach by the said Contractor of any of the terms and conditions contained in the said Contract.

6. We, the Bank, do hereby undertake to pay the amount due and payable under this Guarantee without any demur, merely on a demand from the Company stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the Company by reason of breach by the said Contractor of any of the terms and conditions contained in the said Contract or by the reason of the said Contractor's failure to perform the said Contract. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this Guarantee. However, the Bank's liability under this Guarantee shall be restricted to an amount not exceeding Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only).

7. The Bank's liability under this Guarantee is absolute and unequivocal and we, the Bank, undertake to pay unconditionally to the Company any money so demanded notwithstanding any dispute(s) raised by the Contractor in any suit, or proceedings pending before any Court or Tribunal or Arbitration or before any other authority and such payment under this guarantee shall not wait till the disputes, if any, have been decided by any Court or Tribunal or in the arbitration proceedings or by any other authority.

8. This Guarantee comes into force immediately and shall remain in full force and effect up to and including \_\_\_\_\_ (date) (including a claim period of 3 months after the date of completion of warranty period).

.....3

Sign & Seal of the Issuing Bank

Bank Guarantee No. \_\_\_\_\_ Date \_\_\_\_\_  
Banker Name \_\_\_\_\_ Bank Guarantee Value \_\_\_\_\_

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9. We, the Bank, further agree that, subject to Clause-8, the Guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said Contract and that it shall continue to be enforceable till all the dues of the Company under or by virtue of the said Contract have been fully paid and its claims satisfied or discharged or till the Purchase Department of the Company certifies that the terms and conditions of the said Contract have been fully and properly carried out by the said Contractor and accordingly discharges this Guarantee.

10. Unless a demand or claim under this Guarantee is made on the Bank in writing on or before the date specified under Clause-8 above, the Bank shall be discharged from the liability under this Guarantee thereafter. But where such claim or demand has been preferred by the Company with the Bank on or before the expiry of the said date, the claim shall be enforceable notwithstanding the fact that the said enforcement is effected after the said date.

11. For the purpose of Clause-10, any letter making claim or demand on the Bank by the Company lodged in person or dispatched by Registered Post or by Fax or by Telegram or by any Electronic media addressed to the above mentioned address of the Bank on or before the date specified under Clause-8 above, shall be deemed to be the claim/demand in writing referred to above irrespective of the fact as to whether and when the said communication reaches the Bank.

12. We, the Bank, further agree that the Company shall have the fullest liberty, without our consent and without affecting in any manner our obligations hereunder, to vary any of the terms and conditions of the said Contract or to extend time of performance by the said Contractor from time to time or to postpone for any time or from time to time any of the powers exercisable by the Company against the said Contractor and to forbear or enforce any of the terms and conditions relating to the said Contract and we shall not be relieved from our liability by virtue of any such variation or extension being granted to the said Contractor or for any forbearance, act

.....4

Sign & Seal of the Issuing Bank.

Bank Guarantee No. \_\_\_\_\_ Date \_\_\_\_\_  
Banker Name \_\_\_\_\_ Bank Guarantee Value \_\_\_\_\_

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or omission on the part of the Company or any indulgence by the Company to the said Contractor or by any such matter or thing whatsoever which under the law relating would, but for this provision, have effect of so relieving us.

13. This Guarantee shall not become void due to any change in the constitution of the said Bank or the said Contractor.

14. The Guarantee herein contained shall not be determined or affected by the liquidation or winding up or insolvency of or change in the constitution of the said Contractor, but shall in all respects and for all purpose be binding and operative until all payments of all moneys due or that may hereafter become due to the said Company are settled irrespective of any liability or obligation of the said Contractor under the said Contract.

15. It shall not be necessary for the said Company to proceed against the said Contractor before proceeding against the guarantor bank and the Guarantee herein contained shall be enforceable against the said Bank notwithstanding any security, which the said Company may have obtained or obtain from the said Contractor.

16. Any claim or dispute arising under the terms of this document shall be subject to the jurisdiction of the Courts at Ranipet, Tamilnadu.

17. The said Bank declares that it has powers to issue this Guarantee under the Bank's Memorandum and Articles of Association and the undersigned has full powers to do so on its behalf under the powers granted to him by the proper authorities of the said Bank.

18. We, the Bank hereby undertake not to revoke this Guarantee during its currency except with the previous consent of the said Company in writing.

In witness whereof we \_\_\_\_\_ (name of the Bank)  
have hereunto setout Bank Seal the \_\_\_\_\_ day of \_\_\_\_\_  
month \_\_\_\_\_ year.

**SIGN & SEAL OF THE ISSUING BANK**



## BHEL BAP RANIPET

### INSTRUCTIONS FOR BANK GUARANTEE

- 1.1 Bank Guarantee shall be issued by any one of BHEL's Bankers. Please refer to List of BHEL's Bankers enclosed.
- 1.2 If it is not possible, then BG can be issued by a Scheduled Commercial Bank with the prior approval of BHEL.
- 1.3 BG from Co-operative Banks is not acceptable.
- 2.1 Pre-printed BG Form of BHEL only shall be used.
- 2.2 Only the relevant information like Supplier Name, BG Value, Contract No., validity etc. shall be typed in the pre-printed form and executed by Bank.
- 2.3 Special adhesive stamp of the required value shall be affixed on the 1<sup>st</sup> Page of the Form.
- 2.4 If Special Adhesive Stamps are not available, then applicable stamp duty shall be paid at the Bank/Agency nominated by the concerned State Government to collect stamp duty, who will affix their signature, date and seal in the first page of the BG Form clearly marking it as "SPECIAL ADHESIVE" & "STAMP DUTY".
- 2.5 Stamp Duty for the BG shall be at the rate as applicable in the State where the BG is executed.
- 2.6 Bank Seal shall be affixed on the special adhesive stamp.
- 3.1 The executing officer of the Bank shall indicate his name, designation and power of attorney number/signing power number etc. on the BG.
- 3.2 Any correction/overwriting on the BG shall be duly authenticated under the Seal and signature of the executing officer of the Bank.
- 3.3 Each page of the BG shall be duly signed/initialed by the executing officer of the Bank and the last page is to be signed with full particulars under the seal of the Bank.
- 3.4 Fax number, e-mail Address, contact person, phone number and complete postal address shall be indicated in the covering letter of the BG from Bank.
- 4.1 The validity of the BG shall cover a period of 18 months (or such other period as per Purchase Order, if otherwise specified) from the last date of dispatch as per Purchase Order or actual date of last dispatch under the Purchase Order, whichever is later.
- 4.2 The BG shall have a claim period of 3 months. If no separate claim period is indicated in the BG, then the validity shall be 18 months (or such other period as per Purchase Order, if otherwise specified) plus 3 months.

- 5.1 No clause of the BHEL BG Form shall be altered, deleted or new clauses added by the Issuing Bank under any circumstances. Bank Guarantees with altered/deleted/added clauses will not be accepted by BHEL under any circumstances.
- 5.2 If the Issuing Bank wants to add any additional clauses, it shall be intimated to BHEL well in advance with exact text of the clause, which shall be subject to approval by BHEL Law Department. Those clauses specifically accepted by BHEL Law Dept. can be added in the last page of the BG Form and executed by Bank.
- 6.1 Bank Guarantee shall be forwarded by Issuing Bank directly to Accounts Officer/Stores Bills, BHEL/BAP, Ranipet-632406 .
- 6.2 If it is not directly forwarded to BHEL due to unavoidable circumstances, then the Issuing Bank shall send a letter directly to BHEL confirming the issue of the BG enclosing a photocopy of the Original BG.
- 6.3 The Bank Guarantee should not be routed through Bank along with other dispatch documents under any circumstances.
- 7.1 In case of any extension of a BG the same shall be executed on non-judicial stamp paper of the required value.
- 7.2 Only the due date and claim period shall be extended.
- 7.3 The extension should not result in alteration of any material facts of the BG.

Bank Guarantees executed as per the above instructions only shall be accepted at our end. Hence kindly ensure compliance with the above instructions for early processing of the bills and to avoid hold up of the bills.

Date : 10-11-2005.



**LIST OF BHEL'S BANKERS  
FROM WHOM BANK  
GUARANTEE IS TO BE OBTAINED**

Sl. No.	Name of the Bank
1.	State Bank of India
2.	ABN AMRO Bank N.V.
3.	Bank of Baroda
4.	Canara Bank
5.	CITI Bank N.A.
6.	Duestche Bank AG
7.	HDFC Bank Ltd.
8.	ICICI Bank Ltd.
9.	IDBI Bank Ltd.
10.	Punjab National Bank
11.	Standard Chartered Bank
12.	State Bank of Hyderabad
13.	State Bank of Travancore
14.	The Hongkong and Shanghai Banking Corporation Ltd.

15. ALL PUBLIC SECTOR BANKS



**Bharat Heavy Electricals Limited**  
(A Government of India Undertaking)  
**BOILER AUXILIARIES PROJECT**

PHONE NO.241115, 254518  
FAX NO.241159

**INDIRA GANDHI INDUSTRIAL COMPLEX, RANIPET – 632 406**

**LCRNO:  
Dt.**

**TO  
THE BRANH MANAGER**

**SOFT COPY OF LC TO BE MAILED TO:**

Dear Sirs,

We request you to establish a Letter of Credit by SWIFT/ TELEX in accordance with the particulars detailed herein:

<b><u>SWC</u></b>	<b><u>HEADING</u></b>	<b><u>TEXT</u></b>
	PURCHASE CONTRACT NO.	: <b>XXXXXXXXX Dtd.XXXXXXXXXX</b>
	LICENCE LODGED WITH	: <b><u>FREELY IMPORTABLE</u></b>
<b>40A</b>	TYPE OF LC	: UNCONFIRMED IRREVOCABLE
<b>31D</b>	DATE & PLACE OF EXPIRY	: <b>DATE– PLACE – BHARAT HEAVY ELECTRICALS LTD BOILER AUXILIARIES PLANT</b>
<b>50</b>	APPLICANT	: <b>RANIPET 632 406 TAMIL NADU INDIA</b>
<b>59</b>	BENEFICIARY	: :

For BHARAT HEAVY ELECTRICALS LTD

For BHARAT HEAVY ELECTRICALS LTD

Authorized Signatory

Authorized Signatory

<b>32B</b>	CURRENCY AND AMOUNT OF CREDIT	:	<b>CURRENCY-AMOUNT:</b>
			<b>0/0 (ZERO/ZERO)</b>
<b>39A</b>	PERCENTAGE CREDIT AMOUNT TOLERANCE	:	NOT EXCEEDING
<b>39B</b>	MAXIMUM CREDIT AMOUNT	:	
<b>41D</b>	CREDIT AVAILABLE WITH AND BY	:	<b>ANY FIRST CLASS BANK IN BY NEGOTIATION.</b>
<b>42C</b>	DRAFTS AT	:	<b>10 DAYS AT SIGHT</b>
<b>43P</b>	PARTIAL SHIPMENTS	:	PERMITTED
<b>43T</b>	TRANSHIPMENTS	:	PROHIBITED
<b>44E</b>	LOADING ON BOARD/DESPATCH	:	<b>SEA PORT</b>
<b>44F</b>	FOR TRANSPORTATION TO	:	<b>SEA PORT</b>
<b>44C</b>	LATEST DATE OF SHIPMENT	:	
<b>45A</b>	DESCRIPTION OF GOODS	:	SUPPLY OF WHICH HAVE TO BE IN STRICT CONFORMITY WITH CONTRACT NO:XXXXX Dtd.XXXXX, ON FOB/BASIS AS PER INCOTERMS 2000 INCLUDING SEAWORTHY PACKING.
<b>46A</b>	DOCUMENTS REQUIRED FOR PAYMENT	:	100% PAYMENT WILL BE EFFECTED AGAINST PRESENTATION OF THE FOLLOWING DOCUMENTS:
<b>46A 1</b>	BENEFICIARY INK-SIGNED COMMERCIAL INVOICE ISSUED FOR THE TOTAL VALUE OF THE GOODS DELIVERED. COMMERCIAL INVOICE MUST MENTION THE DELIVERY TERMS AS "FOB/ " CLEARLY SHOWING DETAILS OF GOODS, SPECIFICATION, QUANTITY DELIVERED AND UNIT PRICE STATING DOCUMENTARY CREDIT NUMBER.		

For BHARAT HEAVY ELECTRICALS LTD

For BHARAT HEAVY ELECTRICALS LTD

Authorized Signatory

Authorized Signatory

- 46A2** A) COMPLETE SET OF CLEAN ON BOARD OCEAN BILL OF LADING, MARKED  
**“FREIGHT PAYABLE AT DESTINATION”**, ATTESTING THE DESPATCH OF  
 THE GOODS;
- B) SHOWING PORT OF LOADING,PORT OF DISCHARGE AND VESSEL NAME AS  
 EVIDENCE OF DESPATCH; AND SHOWING:
- C) SHIPPER AS : “GOVERNMENT OF INDIA”
- D) CONSIGNEE AS : “GOVERNMENT OF INDIA”  
 A/C BHARAT HEAVY ELECTRICALS LIMITED  
 BOILER AUXILIARIES PLANT  
 RANIPET – 632 406  
 TAMIL NADU, INDIA
- E) NOTIFY PARTY AS : MANAGER  
 MATERIAL SERVICES  
 BHARAT HEAVY ELECTRICALS LIMITED  
 PORT CLEARANCE WING  
 I FLOOR, THAMBU CHETTY STREET  
 CHENNAI – 600 001  
 TAMIL NADU, INDIA
- 46A3** PACKING LIST INDICATING CASE IDENTIFICATION, CONTENTS, DIMENSIONS, GROSS  
 AND NET WEIGHT.
- 46A4** COPY OF SELLER’S MESSAGE ADDRESSED TO THE BUYER **FAX NO/EMAIL**

A) (04172-241131) (OR) EMAIL [jssheriff@bhelrpt.co.in](mailto:jssheriff@bhelrpt.co.in) &  
[mkmoorthy@bhelrpt.co.in](mailto:mkmoorthy@bhelrpt.co.in)

WITHIN **120** HOURS FROM THE DATE OF SHIPMENT STATING THAT NON -  
 NEGOTIABLE COPY OF FOLLOWING DOCUMENTS:

- a) BILL OF LADING
- b) BENEFICIARY INK-SIGNED COMMERCIAL INVOICE
- c) PACKING LIST
- d) CERTIFICATE OF COUNTRY OF ORIGIN
- e) TEST CERTIFICATE
- f) GUARANTEE CERTIFICATE

HAVE BEEN SENT BY EXPRESS COURIER TO :

For BHARAT HEAVY ELECTRICALS LTD

For BHARAT HEAVY ELECTRICALS LTD

Authorized Signatory

Authorized Signatory

- a) NOTIFY PARTY :
- b) DEPUTY GENERAL MANAGER(PURCHASE)  
BHARAT HEAVY ELECTRICALS LTD  
BOILER AUXILIARIES PLANT  
RANIPET – 632 406  
TAMIL NADU, INDIA.

(AND)

- c) ACCOUNTS OFFICER (IMPORTS )  
BHARAT HEAVY ELECTRICALS LTD  
BOILER AUXILIARIES PLANT  
RANIPET – 632 406  
TAMIL NADU, INDIA.

**46A5** TEST CERTIFICATE

**46A6** CERTIFICATE OF ORIGIN SHOWING THE COUNTRY OF ORIGIN AS

**46A7** INVOICE SHOULD CERTIFY THAT GOODS ARE AS PER PURCHASE CONTRACT AND SUPERSCRIBE THE GOODS AS PER SWIFT CODE 45A OF LETTER OF CREDIT. AGENCY COMMISSION IF ANY, SHALL BE SEPARATELY SHOWN DEDUCTED AND NET INVOICE VALUE SHALL BE SHOWN FOR PAYMENT. BUYER'S IMPORT-EXPORT CODE NO.0588138690 SHALL BE MENTIONED IN THE INVOICE.

**46A8** ORIGINAL GUARANTEE CERTIFICATE AS PER CLAUSE 10 OF THE GENERAL CONDITIONS OF THE CONTRACT.

**46A9** A CERTIFICATE THAT THE MATERIALS SHIPPED AND SHOWN IN THE PACKING LIST ARE NOT LESS THAN THAT INVOICED AND THE QUALITY OF GOODS ARE GUARANTEED AS NEW AND AS PER SPECIFICATION ORDERED FOR BY THE PURCHASER.

**46A10** SHIPPING COMPANY'S / SHIPPING AGENT'S CERTIFICATE CERTIFYING THAT THE VESSEL IS REGISTERED WITH APPROVED CLASSIFICATION SOCIETY AS PER THE INSTITUTE CLASSIFICATION CLAUSE AND CLASS MAINTAINED EQUIVALENT TO LLOYDS 100A1 AND THE VESSEL IS SEAWORTHY AND NOT MORE THAN 25 YEARS OLD.

**47A** **ADDITIONAL CONDITIONS**

**47A1** IMPORT LICENCE DETAILS – **FREELY IMPORTABLE : EXIM POLICY : 2004-2009 : DT.01.09.2004 VALID UPTO 31.03.2010**

**47A2** ALL DOCUMENTS MUST MENTION LETTER OF CREDIT NUMBER. ALL DOCUMENTS SHALL BE IN ENGLISH LANGUAGE ALSO.

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- 47A3** ALL TRANSPORT DOCUMENTS AND INVOICES MUST MENTION CONTRACT NUMBER AND IMPORT LICENCE DETAILS
- 47A4** LIQUIDATED DAMAGES IS APPLICABLE FOR DELIVERIES BEYOND----- @ **0.5%** PER WEEK OR PART THEREOF SUBJECT TO A MAXIMUM OF **10%** . THIS AMOUNT IS TO BE DEDUCTED FROM THE INVOICE VALUE BY THE BENEFICIARY AT THE TIME OF NEGOTIATION. IF NOT DEDUCTED, OPENING BANK SHALL DEDUCT THE APPLICABLE LIQUIDATED DAMAGES BASED ON ADVICE FROM BUYER BEFORE ADVISING PAYMENT TO NEGOTIATING BANK.
- 47A5** TWO SETS OF DOCUMENTS REQUIRED FOR NEGOTIATION AS PER CLAUSE 46A OF THIS CREDIT SHALL BE NEGOTIATED BY BENEFICIARY WITH NEGOTIATING BANK WHICH SHALL BE FORWARDED TO OPENING BANK, OUT OF WHICH ONE SET SHALL BE FORWARDED TO BHEL BY OPENING BANK ALONG WITH BILL INTIMATION.
- 47A6** LC CONDITIONS AS WELL AS INSTRUCTIONS CONTAINED IN THE ANNEXURES TO THE PURCHASE CONTRACT WHICH FORMS PART AND PARCEL OF THE CONTRACT ARE TO BE STRICTLY COMPLIED WITH.
- 47A7** DOCUMENTS SHOULD NOT BE SENT ON COLLECTION BASIS WITHOUT PRIOR EXPRESS CONSENT OF PURCHASE DEPARTMENT, BHEL, RANIPET. IF DOCUMENTS ARE SENT ON COLLECTION BASIS, LC UNUTILISATION CHARGES SHALL BE DEDUCTED BY OPENING BANK BEFORE ADVISING PAYMENT TO NEGOTIATING BANK.
- 47A8** NEGOTIATED DOCUMENTS SHALL BE DESPATCHED TO THE OPENING BANK IMMEDIATELY ON THE NEXT WORKING DAY THROUGH EXPRESS AIR MAIL/COURIER
- 47A9** NO TT REIMBURSEMENT
- 47A10** INSURANCE WILL BE ARRANGED BY BUYER
- 47A11** IF THE VESSEL ARRIVES AT CHENNAI SEA PORT BEFORE ARRIVAL OF ORIGINAL BILL OF LADING (OBL) AT BHEL'S BANKERS, THEN BENEFICIARY TO GIVE AUTHORIZATION LETTER TO CARRIER FOR FREE DELIVERY WITHOUT OBL.
- 47A12** DEMURRAGES IF ANY, ON ACCOUNT OF NON-SUBMISSION /DELAYED SUBMISSION OF ANY DOCUMENTS AS PER **CLAUSE 46A** SHALL BE DEDUCTED AT THE TIME OF RETIREMENT OF DOCUMENTS BY THE LC OPENING BANK UPON ADVICE FROM THE BUYER.

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Ref:RP:FIN:IMP:LC: XXXXXX

71B	DETAILS OF CHARGES	:	ALL BANK CHARGES OF ANY NATURE OUTSIDE INDIA ARE TO THE ACCOUNT OF THE BENEFICIARY ONLY.	:
48	PERIOD FOR PRESENTATION	:	DOCUMENTS TO BE PRESENTED WITHIN <b>15 DAYS</b> AFTER THE ISSUANCE OF SHIPPING DOCUMENTS BUT WITHIN THE VALIDITY OF THE CREDIT.	
49	CONFIRMATION INSTRUCTIONS	:	WITHOUT	
78	INSTRUCTIONS TO PAYING/ACCEPTING BANK	:	OPENING BANK TO MAKE PAYMENT TO NEGOTIATING BANK AFTER 10DAYS FROM THE DATE OF RECEIPT OF ALL LC COMPLIANT DOCUMENTS WITH OUT ANY DISCREPANCY. NO TT REIMBURSEMENT.	

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For BHARAT HEAVY ELECTRICALS LTD

For BHARAT HEAVY ELECTRICALS LTD

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**ACCEPTANCE FOR ELECTRONIC FUND TRANSFER / RTGS TRANSFER**

01	<b>NAME &amp; ADDRESS OF THE SUPPLIER / VENDOR</b>	
02	<b>VENDOR CODE</b> (as in Purchase Order)	
03	<b>Details of Bank Account:</b>	
A)	<b>NAME &amp; ADDRESS OF THE BANK</b> (WITH PIN CODE)	
B)	<b>BANK TELEPHONE NUMBER</b> (WITH STD CODE)	
C)	<b>BANK BRANCH CODE</b>	
D)	<b>MICR CODE</b>	
E)	<b>ACCOUNT NUMBER</b>	
F)	<b>TYPE OF ACCOUNT</b>	CURRENT A/C / OD / CASH CREDIT
G)	<b>VENDOR NAME AS PER BANK RECORDS</b>	
H)	<b>BANK BRANCH RTGS IFSC CODE</b>	
I)	<b>BANK BRANCH NEFT IFSC CODE</b>	
J)	<b>YOUR EMAIL ID</b> (give two ids)	
K)	<b>NAME OF AUTHORISED SIGNATORY</b>	

**CERTIFICATE**

I / We hereby agree to receive the payments due from BHARAT HEAVY ELECTRICALS LIMITED, RANIPET by the National Electronic Funds Transfer and/or RTGS Transfer mode by credit to my / our above mentioned Bank Account. I / We also agree that payments made to the above mentioned Account is a valid discharge of the liability of Bharat Heavy Electricals Limited, Ranipet. I / We also agree to bear the applicable Bank Charges for the above mode of transfer.

AUTHORISED SIGNATORY OF VENDOR WITH SEAL

**Banker's Certification**

We confirm that we are enabled for receiving RTGS and NEFT credits and we further confirm that the account number of \_\_\_\_\_ (name of account holder), the signature of the authorized signatory and the MICR and IFSC codes of our Branch mentioned above are correct.

PLACE:

DATE:

\_\_\_\_\_  
(Manager / Officer's  
signature Under Bank stamp)