



# Bharat Heavy Electricals Limited

Insulator Plant Jagdishpur Amethi- 227817 INDIA

Website: www.bhelceramics.com

Office: 91(05361) 270140

Fax: 91(05361) 270140

## MATERIALS MANAGEMENT

Tender Ref: ARC/BP/AR /2016-17

Date: 15/07/2016

**Sub:** Annual rate contract 2016-17 for supply of different ratings of Ball Pins for IP Jagdishpur.

Dear Sir,

BHEL desires to enter into Annual Rate Contract with POWERGRID approved vendors for procurement of different ratings of Ball Pins as per BHEL Drawings and Purchase Spec (EL-PS-36-00103 Rev 06 dtd 27.04.2015 (Latest Revision) for disc insulators for a period of one year. The approximate requirements of Ball Pins are as detailed below:

Sl No	Description	Drg No	Unit Wt (kg)	Quantity ( Nos)	Weight ( MT )
1	120kN Ball Pin	39800200322/04	0.45	150000	67.50
2	160kN Ball Pin	39800100122/05	0.55	700000	385.00
3	210kN Ball Pin	39800800222/02	0.70	500000	350.00

**Order quantity may vary  $\pm$  by 30% at the time of ordering**

You are requested to refer our tender documents as enclosed and submit your offer for the same within due date as mentioned below:

EVENT	SCHEDULE
Last Date & Time for receipt of tender	Date : 08 <sup>th</sup> August 2016 (Monday) Time : 14.30 hrs ( IST )
Tender opening date & Time (Techno-Commercial bid)	Date : 08 <sup>th</sup> August 2016 (Monday) Time : 15.00 hrs ( IST )

The offer should be submitted/ dropped in the BHEL-IP tender box (**Named BHEL-IP**) located at the Reception office of the BHEL-IP, Jagdishpur factory premise in a sealed cover super scribing tender number & due date and tender shall be addressed to



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DGM/ MM

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Insulator Plant Jagdishpur

Amethi (UP) India- 227817

So as to reach here within 2:30 PM on the due date and the tenders will be opened at 3:00PM on the same date in the presence of those vendors or their authorized representatives who wish to be present.

The offer shall be submitted in two parts-

- i. Part-A : TECHNO-COMMERCIAL and
- ii. Part-B : PRICE.( **Price bid for individual items-item vise-should be given in separate sealed cover for each item**)

Vendor should submit their offer in two parts as indicated above. The offer containing both the parts shall be submitted in a sealed cover and the cover should have the tender name and due date written on it. Each part shall be put in a separate sealed cover and the cover should have the corresponding part name, subject of tender and due date written on it. If both parts are found in opened condition in a single sealed cover, the same offer will be liable for rejection. **Only the techno-commercial part will be opened on the due date.**

**The Part-A,** The filled up Pre qualification Techno-Commercial bid format and Third Party Non Disclosure Agreement Format, sealed & signed should also be submitted along with the offer.

**The Part-B,** Price bid for individual items -item vise- should be given in separate sealed cover.

If you are sending the offer through e mail , the offer to be sent only to e mail id as mentioned below;

<b>PART A: TECHNO COMMERCIAL BID</b>	<b>PART B: PRICE BID</b>
<b>E Mail to , tenders@bhelip.in</b>	<b>E Mail to, pricebid@bhelip.in</b>

**Subject of the e mail should be "Tender reference No & Due date"**

Please insure that file does not exceed 8.00 MB

**Only original manufacturers or their authorised agents are eligible to quote.**

Kindly note that if you are registered under MSMED Act 2006, confirm the same in your quotation and submit the latest valid certificate for Micro, Small & Medium Enterprises (MSME) and for the SC/ST ownership, If any for availing benefits as per the act.



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In case L1 vendor is not a Micro & Small Enterprise, 15% purchase preference will be given to the other participating M & SE vendor for ordering up to 20% of the tender quantity, provided the MSE accepts the counter offer of L-I Price .In case of more than one such M & SE's, the share of 20% will be distributed among them proportionately

4% of our total procurement is earmarked for procurement from Micro and Small Enterprises owned by SC/ST. In the event there is no participation from such M &SE, the same shall be met through other M& SE's (Copy attached MSE/2016-17).

Vendors will be given due opportunity to comply with BHEL requirements in a time frame in case there is any non-compliance in the original quote.

In case of vendors who are under HOLD/SUSPENSION either by POWERGRID or by BHEL MISCC, their offer will be considered provided the hold/suspension is lifted by POWERGRID/BHEL MISCC before opening of techno commercial bid .

***VENDORS SHOULD HAVE POWERGRID APPROVAL TILL THE EXECUTION OF THE CONTRACT.ORDERS WILL BE SHORT CLOSED IMMEDIATELY ON VENDORS WHO COMES UNDER HOLD/SUSPENSION BY POWERGRID DURING THE CONTRACT PERIOD. THE ONUS OF GETTING POWERGRID APPROVAL/LIFTING OF HOLD & SUSPENSION IS THE SOLE RESPONSIBILITY OF THE VENDORS.***

The tenders meeting our techno-commercial requirements will be considered for price bid opening at a later date for which eligible vendors will be intimated in due course. **BHEL reserves the right for conducting REVERSE AUCTION instead of opening the submitted sealed price bid, which will be decided after techno-commercial bid evaluation.**

Reverse Auction will be conducted by BHEL only if there is minimum four (04) techno commercially qualified offers are available.

H1 (Whose quote is highest in the initial ON LINE SEALED BID) will not be allowed to participate in the reverse auction.

BHEL will proceed with opening the sealed price bids incase the techno commercially qualified offers are less than four (04).Vendors should submit the price bid accordingly. The copy of Terms and conditions of RA (**TC/RA/2016-17**) and business rules.



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- a) IP is a tool to ensure that activities and transactions between the company and its bidders/contractors are handled in a fair, transparent and corruption free manner. A panel of independent external monitors (IEMs) have been appointed to oversee implementation of IP in BHEL.

The IP as enclosed with the tender is to be submitted (duly signed by authorized signatory who signs in the offer) along with techno commercial bid. Only those bidders who have entered into such an IP with BHEL would be competent to participate in the bidding. In other words, entering into this pact would be a preliminary qualifications.

Details of IEM for this tender is furnished below

Name-----

Address-----

Email-----

- b) Please refer sec-8 of the IP for role and responsibilities of IEMs. In case of any complaint arising out of the tendering process, the matter may be referred to the IEM mentioned in the tender. No routine correspondence shall be addressed to the IEM (phone/post/email) regarding the clarifications, time extension or any other administrative queries, etc. on the tender issued. All such clarification/issues shall be addressed directly to the tender issuing (procurement) department.

Name & Address of IEM

**Shri V.V.R. Sastry, Ex-CMD/ BEL**

957, 9th Main 3 Stage, 3 Block  
Basaveswaranagar Bangalore- 560079

Phone No +91 80 23225150. E mail [sastry@gmail.com](mailto:sastry@gmail.com)

## General terms and conditions

**The following are the general terms and conditions for the supplies of different ratings of Ball Pins to the enclosed BHEL Drawings and Purchase Specification EL-PS-36-00103 (Latest revision) to IP Jagdishpur under the annual rate contract 2016-17.**

1. **Scope of supply:** The Ball pins are to be supplied in black condition in Forged and tested for cracks by MPI method dry /wet process without galvanizing in conformation to the requirements of our latest



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revised drawing & purchase specification EL-PS-36-00103 Rev 06 dated 27.04.2015(Latest revision). TO ENSURE THAT THERE IS NO MIX UP OF MATERIALS OF VARIOUS GRADES DURING FORGING PROCESS, BALL PINS SHALL BE FORGED FROM STEEL RODS SUPPLIED FROM **COILED FORM ONLY** AND MATERIAL TO BE SOURCED **FROM POWERGRID APPROVED MANUFACTURERS** LIKE MUKUND STEEL, SUNFLAG, SAIL ETC

2. **Quantity variation wrt to tender quantity** : The actual procurement during contract period shall vary by  $\pm 30\%$  at the time of ordering.
3. **Price**: The rates finalized for the annual rate contract shall be valid for ONE YEAR with effect from release of ARC for supply. The rate contract shall have provision for further extension on same terms & condition for mutually agreed period with the mutual consent of both the parties. The rates quoted for the item shall be on " **per piece** " basis. Rates to be written in both words and figures. For any discrepancy in writing, only the price written in words will be considered. **Validity of the offer shall be minimum 90 days.**
4. The rates finalized will be subjected to price variation as per the PV clause stipulated in the Tender. A PV formula as detailed in this annexure below will be adopted to take care of fluctuating input cost of raw material. Ceiling will be plus or minus 20% of unit price.
5. **Inspection for Indigenous vendors**: The routine inspection & acceptance testing for the supplied material shall be done at BHEL in line with purchase specification EL-PS-36-00103 Rev 06 dated 27.04.2015 (Latest revision ).However BHEL reserves the right to make pre-despatch inspection of material at vendor's place.  
**Inspection For Import**: Inspection at vendors works in line with purchase specification EL-PS-36-00103 Rev 06 dated 27.04.2015 (Latest revision)
6. **Delivery terms**: F.O.R Destination- BHEL IP Stores, Jagdishpur. **Foreign vendors: CIF Mumbai for IP Jagdishpur. However freight charges from port to respective units will be loaded to arrive at L-1 status.**
7. **Rates, Duties, and Taxes** : : In the price bid, basic price and present applicable taxes should be clearly mentioned. During reverse auction, the rates quoted shall be on COST TO BHEL basis as detailed in
8. **Payment Terms, For Indian vendors** : 45 days credit from the receipt of material at BHEL stores along with relevant documents (Invoices, Test certificates & reports) and test bars. Payment will be made only through NEFT.



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9. **Payment terms For Foreign Vendors:** Our Payment Terms shall be **Irrevocable International Letter of Credit (LC)** with the usance period of 60 days from the date of inspection clearance at vendor's works. In case of no inspection, date of bill of lading will be considered. LC establishment charges and other charges in India will be borne by BHEL. Bill of lading date will be considered also for pre inspection. Payment will be made through our Bankers. BHEL being a Government of India undertaking are governed by strict corporate and RBI guidelines and therefore shall not entertain any request for advance payment.

For effecting necessary payment the two sets of following documents should be submitted;

- i. Invoice.
- ii. Bill of lading
- iii. Packing list
- iv. Test report
- v. Country of origin.
- vi. A certificate to the effect that the materials shipped and shown in packing list are not more than invoiced.
- vii. **INSPECTION CLEARANCE CERTIFICATE ISSUED BY BHEL.**

10. **Capacity:** The projected requirement for both the units of BHEL has been given in the tender. Vendors should indicate/ confirm their monthly capacity to supply separately to each unit of BHEL. Vendor's capacity to supply per month implies vendor's ability to supply such quantities of items meeting the quality requirements and delivery schedules. Vendors shall intimate only such capacity that can be allocated to BHEL and not their total capacity. Also they should provide the following details in a separate annexure;

- a) Forging capacity
- b) Heat treatment capacity
- d) Finishing capacity( Including out source if any )
- e) MPI capacity

To enable smooth supply of Ball Pins for our monthly requirement, vendors are expected to have following minimum monthly capacity for supply to BHEL units **irrespective of the % of order placed on them.** The tender not meeting the minimum monthly capacity as below is liable for rejection.

### For indigenous vendors;

BHEL- Unit	Description of Socket Caps	Unit Wt of Cap	Minimum monthly capacity Requirement.
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		kg	Nos.	Weight (MT)
IP Jagdishpur	120kN Ball Pin	0.45	15000	6.75
	160kN Ball Pin	0.55	42000	23.10
	210kN Ball Pin	0.70	30000	21.00
	TOTAL WEIGHT FOR IP (MT)			50.85

### For foreign vendors;

BHEL- Unit	Description of Socket Caps	Unit Wt of Cap	Minimum quarterly capacity Requirement.	
		kg	Nos.	Weight (MT)
IP Jagdishpur	120kN Ball Pin	0.45	45000	20.25
	160kN Ball Pin	0.55	126000	69.30
	210kN Ball Pin	0.70	90000	63.00
	TOTAL WEIGHT FOR IP (MT)			152.55

11. **Lead/ Delivery time, Indigenous vendors:** Maximum lead-time of 45 days will be given for ordered quantities which shall be limited to vendor's indicated monthly capacity i.e. Vendor will be given total of 45 days from the PO date to execute the order quantities of vendor's indicated monthly capacity. However, if the quantity in a single PO exceeds the indicated monthly capacity, 30 days time shall be given for the delivery of each subsequent quantity of monthly capacity. **Lead Delivery time for foreign vendors:** Maximum lead time of 90 days will be given for ordered quantities which shall be limited to vendor's indicated quarterly capacity i.e. Vendor will be given total of 90 days from the PO date to execute the order quantities of vendor's indicated quarterly capacity. However, if the quantity in a single PO exceeds the indicated quarterly capacity, 90 days time shall be given for the delivery of each subsequent quantity of quarterly capacity.
12. **EARNEST MONEY DEPOSIT (EMD) & SECURITY DEPOSIT:** The bidders should submit their quotation along with Earnest Money (EMD) in form of Demand draft/ Pay order for Rs 2,00,000.00 (Rupees two lakhs only) payable in favour of Bharat Heavy Electricals Ltd, Insulator plant Jagdishpur Amethi. Tenders without Earnest Money Deposit are liable to be rejected/ will not be considered.

**For foreign vendors who, send their offer through E-mail, may deposit their EMD amount through online transfer to BHEL's account.**



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EMD amount shall be refunded within 15 days of finalization of rate contract to all unsuccessful bidders. The bidders are not entitled for any interest on the Earnest Money Deposit, nor any right for award of the contract. The EMD amount will be forfeited if the bidder after submitting his tender, withdraws his offer or modifies the terms and conditions thereof or fails to supply materials as per tender terms.

In the case of successful bidders the EMD will be retained as the security deposit for the period of rate contract. The Security deposit shall not carry any interest & the deposit shall become payable / returned on completion of the contract period.

For MSME vendors, who will not deposit the EMD amount, have to submit the security deposit of 2.0 lakhs, if vendor wins the bid.

13. **LD Clause:** In case of delayed delivery beyond the date specified in the PO, penalty @ 0.5% of the order value per week up to a maximum of 10.0% will be levied on the defaulting quantity for the delayed period. Date of receipt of material at BHEL stores will be considered as delivery date.
14. **Risk Purchase Clause:** BHEL at its option will be entitled to terminate the contract and purchase elsewhere at the risk and cost of the supplier either the whole of the goods or any part which the supplier fails to deliver within the stipulated time. **The supplier shall be liable for any loss, which BHEL may sustain by such risk purchases. The loss will be recovered from the vendor's outstanding bills with the concerned unit or any sister unit.**
15. **ACCEPTANCE TEST SAMPLES:** All testing samples required as per the sampling plan mentioned in the purchasing specification EL-PS-36-00103 Rev 06 dated 27.04.2015 (Latest revision ) shall be taken from the supplied lot & deducted from the supplied lot quantity. Payment shall be made for net accepted quantity (after deduction of testing samples as per plan & rejections). The tested samples shall not be returned to vendor. **The supplier should have UTM of minimum 60MT capacity prior to Reverse Auction/Price bid opening.**
16. **ACCEPTANCE & REJECTIONS:**
  - A. The routine inspection & acceptance testing of material shall be done at BHEL IP in line with purchase specification EL-PS-36-00103 Rev 06 dated 27.04.2015 (Latest revision). Materials not



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meeting the requirement of drawing & purchase specification will be summarily rejected. However BHEL reserves the right to make pre dispatch inspection of materials at vendor's place.

- B. The Ball Pins supplied are subsequently galvanized before assembling to make the finished product. The rework or rejection during galvanizing for defects attributed to vendor's manufacturing process, noticed at the time of galvanizing process by galvanizing sub-contractors will be treated as valid first-party rejections. The same shall be either replaced free of cost or payment towards rework will be adjusted from vendors pending bills. If such rejection is more than 5.0 % of supplied lot, the cost of galvanizing (including Zinc cost) will be debited to supplier's account.
- C. The rejected lots should be lifted by vendor on his own cost within 15 days notice, failing which BHEL shall despatch the rejected material to vendor on freight paid basis through BHEL approved transporter & at the BHEL contract rate and same shall be recovered from their pending bills. However minor rejections should be lifted once in a year failing which BHEL will have no liability for such material.

17. The lowest price received through sealed bid/ Reverse Auction need not be commercially acceptable lowest price and BHEL reserves the right to NEGOTIATE the same. The price negotiations if considered necessary will be done with L1 bidder only.

18. **Price Comparison: Price comparison of the offer shall be considered on LANDED COST BASIS (COST TO BHEL).on individual items.** Landed cost shall be worked out on price quoted including freight, excise duty, Inspection cost (if any) sales tax after taking out CENVAT and VAT Benefit, as applicable. The comparative statement shall be worked out on landed cost basis for EACH ITEM. The calculation of LANDED COST is as given in the Annexure A. The ranking of the vendors prepared based on the Reverse Auction/Price bid opening date shall remain firm throughout the execution period. Any change in duty & tax structure during execution of the contract will not be considered for re-ranking of vendors. **Interest @ Prime lending rate of SBI + 6% per annum** will be loaded for the differential credit period (Specified credit period offered by supplier) and the differential amount (amount of payment specified-amount of payment asked for in the offer stage-wise). In case, the delivery basis stipulated by the Tender is different from that sought for, loading for the corresponding elements viz: freight, insurance etc. shall be made as per prevailing BHEL contract rates existing as on the date of tender opening. For the purposes of evaluation of the price, the exchange rates prevailing as on ORIGINAL TENDER OPENING DATE (Technical Bid ) will be considered. Even in case he tender opening date stands extended, the exchange rates that shall be taken will be original tender opening date. " For



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evaluation exchange rate ( **TT selling rate of SBI** ) as on scheduled date of tender opening ( Part-A Techno commercial bid ) shall be considered. "

19. BHEL reserves the right/option to REFLOAT the tender if L1 price is not the lowest acceptable price to BHEL.
20. **Distribution of Load Share**: The load will be distributed to eligible vendors for in the ratio as indicated below:

Among three most competitive vendors in the ratio of 50:30:20 for all ratings of caps, in case technically qualified response is four or more. In case the technically qualified response is only two/three, the load distribution will be 60:40.

**Order quantity may vary by 30% at the time of ordering.** The load sharing is, however subject to acceptance of counter offer that is calculated with reference to the negotiated L1 price. The eligible vendors will be asked to match negotiated/ finalized L1 price. In case of more than one vendor having same ranking, the load share corresponding to the ranking and the next ones will be clubbed together and will be equally distributed among such vendors. In case, any eligible vendor does not accept the counter offer, opportunity will be given to the next ranking vendor. **In case no other vendor accepts the counter offer of L-1 price the total 100% of the NIT quantity will be given to L-1 bidder.**

The load distribution during the execution period of rate shall be linked to the vendor performance & their declared capacity.

21. **Performance during contract execution**: The orders will be placed during the contract period on vendors for eligible share from time to time for actual requirement. The loading of order share on the vendors will also be subjected to their performance ratings (Quality rating, Delivery rating & Service rating) for the supplies made during the contract period. The vendors with higher declared capacity with consistence good performance will be preferred over poor performing vendors and encouraged with more order share. In case of breach of contract or any issue which hampers the successful execution of contract, the business dealing with the vendor may be suspended in line with the extant guidelines of BHEL and also on the following ground.

- Supplier does not honour his own offer or any of its conditions within the validity period.
- Rejection of three consecutive supplies due to reasons attributed to suppliers (Once a lot is rejected, is reworked/segregated and accepted, it still constitute rejection)
- After placement of order, supplier fails to execute a contract.



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- Supplier fails to settle sundry debt account, for which he is legitimately liable, within one year of its occurrence.
  - Supplier performance rating falls below 60%.
  - Supplier works are under strike/ lockout for a long period.
22. Each of our purchase order specifies the drawing number and revision number clearly. Ball Pins to the drawing of the latest revision number only will be accepted. BHEL will have the option to defer the supplies of any purchase order with a notice period of 20 calendar days
23. In case of unsatisfactory performance of quality / delivery BHEL will have right to discontinue the contract in part or full.
24. Appropriate care has to be taken while shipping Ball Pins to avoid transit damages / losses. In the event of any damages/losses, the supplier is liable to replace the goods. Care has also to be taken to avoid mixing of different ratings of ball pins during shipment.
25. Validity of the rate contract shall be considered as the last date for placement of PO.
26. Acknowledgement of BHEL Stores shall be only legal document towards receipt of material.
27. The vendor will have to follow all the legal and statutory requirements and BHEL norms. BHEL will not be responsible in any way if the vendor is fined or penalized due to non-fulfillment of these requirements by any government agency like Sales Tax, Excise etc
28. **Arbitration:** Settlement of dispute, if any arises, at anytime between the BHEL and the vendor upon or in relation to or in connection with the vendor, the same shall be referred to the sole arbitration of the Head of the concerned BHEL unit or to person appointed by him. The award of the arbitrator shall be final and binding on both BHEL and the vendor
29. **Legal Jurisdiction:** In case of any legal proceedings, area of jurisdiction will be Amethi UP. Fraud Prevention Policy: "The bidder along with its associate / collaborators / sub-contractors / sub-vendors / consultants / service providers shall strictly adhere to BHEL fraud prevention policy displayed on BHEL Website:-<http://www.bhel.com> and shall immediately bring to the notice of BHEL Management about any fraud or suspected fraud as soon as it comes to their notice."



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30. Suspension of Business dealings with BHEL : "the guidelines for suspension of business dealing or available on Website:-<http://www.bhel.com> and will be guiding criteria in case of any misconduct / default / use of illegal means etc. is re-sorted by vendor / contractor. The details of different type of default / misconducts or available in guidelines.
31. A copy of Conditions of Purchase (Indigenous) is attached herewith. In case vendor wins the bid, these conditions of purchase are to be met up the extant not contradicting with the terms and conditions stipulated above ( i.e. General Terms and Conditions of Tender )
32. The tender not meeting the above conditions may not be entertained.

### ***Price variation formula for Ball Pins***

The rates finalized will be subjected to price variation as per the PV formula indicated below. Price variation computed in Rs/Kg will be applied for each of the item prorata. Unit weight casting as indicated in BHEL drawing will be applicable for calculation. The pig iron rate one month prior to the reverse auction in case of reverse auction or tender due date will be considered as Base rate of pig iron.

Basis for fixing indices/ Base rates:

Base of Data: ***Minerals and Materials Review Weekly***

Material Base: Forging Rate (EN 8)

### **PV Formula:**

Price variation in ` per Kg of Forging wt = 0.98 (Difference in Forging EN8 rate)  
= 0.98 (Pi – Po)

Pi : The average rates of preceding month of scheduled date of despatch or actual date of despatch as evidenced from the Excise documents, whichever is less.

Po : The average rates of preceding month of Reverse Auction.

Rate taken shall be exclusive of ED but inclusive of sales tax factor.

### ***Operation of PV Clause***



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- Consolidated PV bills to be submitted once in a month.
- Conversion of increment Rate per kg into unit price for each item to be made based on BHEL drawing weight.
- Negative PV amount will be recovered from the vendor's outstanding bills.
- If no bills are available, party to issue cheque for the same.
- Ceiling will be plus or minus 20% of unit price.

### ANNEXURE A Guidelines for calculation of Landed Cost/ cost to BHEL- For Indian Vendors

SL NO	Description	Example	Results (Rs)
A	Basic price including Freight & Insurance	100.00	97.80
B	Excise Duty & Cess on basic	12.5%	12.23
<b>C</b>	<b>Sub total of above</b>	<b>(A+B)</b>	<b>110.03</b>
D	CST on SI No C	2.00%	2.20
<b>E</b>	<b>Sub total</b>	<b>( C+D )</b>	<b>112.23</b>
F	MODVAT		12.23
	<b>COST TO BHEL</b>	<b>( E-F )</b>	<b>100.00</b>