


Joint Agreement dated 11.06.2021 between NTPC & BHEL on Standard Terms & Conditions applicable for the POs awarded against Rate Contracts for Supply of Spares.

- (1) Both NTPC & BHEL agreed to the following Standard Terms & Conditions for the POs to be awarded on BHEL for Supply of Spares through Rate Contracts.
- (2) NTPC shall issue the POs against Rate Contracts to be finalised with individual BHEL Manufacturing Units. Following Standard Terms & Conditions along with NTPC GPC shall form part of such Purchase Orders.
- (3) Following Standard Terms & Conditions are applicable for the POs issued by any of NTPC Stations / Projects / SSCs / Unified SSC on any of BHEL Manufacturing Units for Supply of Spares.
- (4) JVs / Subsidiaries of NTPC may also adopt following Standard Terms and Conditions as per their Systems and Procedures.
- (5) This Joint Agreement is effective from the date of signing. Modifications to standard terms & conditions, if any, shall be done after mutual discussion & agreement between NTPC & BHEL.
- (6) Standard Terms & Conditions are as under:

Sr. No	Terms & Conditions	
1	Payment Terms	<p><b>(A) For Purchase orders having value up to 50 lakh:</b> NTPC will make 100 % payment within 15 days of receipt and acceptance of material at site. No advance is payable for order value up to <b>INR 50 lacs</b>.</p> <p><b>(B) For Purchase orders having value more than 50 lakh:</b> Advance: <b>10%</b> of order value as advance shall be payable. BHEL shall submit the proforma invoice for such advance with in seven (7) days of PO date and NTPC will release the advance within 30 days from the date of invoice.</p> <p>Final Payment: Balance 90 % payment shall be payable within 15 days of receipt and acceptance of material at site after adjustment of advance.</p>

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		<p>NTPC may issue tenders having consolidated / clubbed requirements of various stations. However, POs will be placed separately for each station under the consolidated / clubbed tender.</p> <p>Accordingly, the value of PO placed for a specific station will be considered for the purpose of payment terms as defined above.</p>
2	<b>Advance recovery mechanism</b>	<p>10% advance paid against proforma invoice, shall be recovered from each supply invoice on pro-rata basis.</p> <p>In case supplies are not made up to the scheduled date as mentioned in PO, NTPC reserves the right to adjust the outstanding advance from the next immediate invoice of the same manufacturing unit of BHEL against any PO. In case, no invoice is received from the same manufacturing unit of BHEL with in three (03) months from the scheduled date of supply as per PO, NTPC reserves the right to adjust the outstanding advance from any other payment due to BHEL.</p>
3	<b>Price</b>	<p>The Price shall be Firm and on Ex-works basis and F&amp;I shall be quoted separately. Price is exclusive of GST or any other applicable taxes &amp; duties. Taxes&amp; duties shall be payable / recoverable extra as per Cl. 5 and Cl. 6 below.</p>
4	<b>Bank Charges</b>	<p>The respective bank charges are to be borne individually, to the respective accounts.</p>
5	<b>GST</b>	<p>GST shall be paid extra as applicable at the time of dispatch as per original / agreed extended delivery schedule.</p>
6	<b>TCS / TDS</b>	<p><b>A) In respect of payment made up to 30 June 2021:</b>  TCS shall be payable extra as per invoice, at the time of receipt of sale consideration as applicable.</p> <p>Subsequent to the payment, BHEL shall issue TCS certificate to NTPC.</p> <p>Present rate: Rate of TCS is 0.1% of the sale consideration exceeding fifty lakh rupees</p> <p>Pan no: - to be provided by NTPC station</p> <p>Invoice: Sales invoice shall be prepared for value of sales consideration after taking into account sale return, discount and GST.</p>

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		<p>B) In respect of amounts paid /Payable on or after 1<sup>st</sup> July 2021:</p> <ul style="list-style-type: none"> <li>The tax shall be deducted under Section 194Q by a buyer carrying on a business whose total sales, gross receipts or turnover from the business exceeds Rs. 10 crores during the financial year immediately preceding the financial year in which such goods are purchased.</li> <li>NO TCS is applicable</li> </ul>
7	Any other Taxes & duties applicable from time to time	Shall be paid extra as applicable as per the clause 38 (Change in laws and regulations) of GPC.
8	Inspection	<p>For the purpose of procurement of spares from BHEL through Rate Contracts / through tendering (ST OEM / OES basis), a list of items requiring NTPC inspection shall be mutually discussed and finalised. Such items shall be classified as Cat-I items and same will be dispatched along with MDCC issued by NTPC.</p> <p>Cat-I items are critical items mutually agreed, where PDI shall be carried by NTPC RIO as per the approved quality plans.</p> <p>Items which are not covered under Cat-I shall be considered as Cat-II items. For Cat-II items inspection shall be carried by BHEL as per BHEL's standard Quality Plan / Procedures. In case of BOI items, materials shall be inspected by third party agency of BHEL/BHEL officials as per BHEL's internal QP &amp; procedure. Based on above, BHEL shall provide Certificate of confirmation (COC) along with the dispatch documents. Material shall be inspected at NTPC stores/plant and inspection will be completed within a week from the date of receipt of material. NTPC will accept the material based on BHEL's COC and MDCC is not required.</p>
9	Quality Plan/MDCC	<p>For the purpose of Rate Contracts or Supply of Spares (through tendering), Items under Cat-I and its Standard Quality Plan shall be mutually discussed and finalised.</p> <p>Items under Cat-I shall be inspected by NTPC as per approved quality plan. Material shall be dispatched after the issue of MDCC.</p>



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10	Freight	<p>Transportation of material is in BHEL's Scope.</p> <p>The materials shall be dispatched from BHEL Manufacturing Units by Road on "FREIGHT PAID" basis through BHEL approved Transporters.</p> <p>Provision for RC: BHEL shall quote Freight charges separately. Freight charges shall be mutually discussed and finalised during the finalisation of Rate Contracts for different products with respect to BHEL Manufacturing Units.</p> <p>Provision w.r.t tendering on Single Tender OEM / OES cases: For the items not covered in RC, BHEL shall quote the prices inclusive of Freight during the tendering with price break-up for the same must be provided for.</p>
11	Transit Insurance	<p>Transit insurance is in BHEL's Scope.</p> <p>BHEL shall take transit insurance with beneficiary as "NTPC". All the activities related to transit insurance including insurance claim, if any, are in BHEL's scope and account.</p> <p>Provision for RC: BHEL shall quote Insurance charges separately. Insurance charges shall be mutually discussed and finalised during the finalisation of Rate Contracts for different products with respect to BHEL Manufacturing Units.</p> <p>Provision w.r.t tendering on Single Tender OEM / OES cases: For the items not covered in RC, BHEL shall quote the prices inclusive of Insurance during the tendering.</p>
12	Packing & Forwarding	To BHEL's scope and account.
13	Delivery Period	<p>Delivery schedule shall be mutually agreed for all the items during the finalisation of Rate Contracts with BHEL Manufacturing Units / during the tendering for the items not covered in RC.</p> <p>The start date shall be computed fifteen (15) days from the date of issue of purchase order.</p>



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14	<b>Warranty</b>	BHEL shall stand for warranty for 12 months from the date of commissioning or 18 months from the date of dispatch, whichever is earlier. Separate Guarantee certificate not required to submit along with invoice.
15	<b>Limitation of liability</b>	As per NTPC General Purchase Conditions
16	<b>Interchangeability Certificate</b>	BHEL shall stand for interchangeability of the items with the existing components and for fitment into existing equipment without any mismatch. Separate interchangeability certificate not required to submit along with invoice.
17	<b>Liquidated Damages</b>	The timely delivery of the material is the essence of the contract. In the event of Supplier's failure to deliver the material of acceptable quality within the stipulated delivery period, the liquidated damages are payable @ 0.5% (one half of one percent) per week of delay or part thereof, of the unexecuted order value. However, the total liability under this clause shall not exceed 5% of the Order value as awarded.
18	<b>Security Deposit</b>	Not applicable.
19	<b>Performance/ Advance Bank Guarantee</b>	<p>Performance / Advance Bank Guarantee are not applicable.</p> <p>Only for the new product / system ordered on BHEL, BHEL shall furnish the Contract Performance Guarantee (CPG) for an amount equal to 10% of total order value. CPG should be valid for a period of three months (3 months) beyond the expiry of warranty period.</p> <p>The CPG should be submitted within 30 days of placement of award.</p>
20	<b>Standard Quality Procedures</b>	All materials shall be manufactured as per BHEL standard manufacturing practices with standard BHEL Quality Procedures. BHEL may also refer points 8 & 9 above in this regard.

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21	Suspension and Termination of contract	As per NTPC General Purchase Conditions
22	Force Majeure	As per NTPC General Purchase Conditions
23	Governing Laws	As per NTPC General Purchase Conditions
24	Arbitration	For dispute resolution, with a Public Sector Enterprise, Government departments, same shall be resolved amicably by mutual consultation or through the good offices or empowered agencies of the Government. If such resolution is not possible, then the unresolved disputes or differences shall be referred by either party for resolution through Administrative Mechanism for Resolution of CPSES Disputes (AMRCD) as mentioned in DPE OM No. 4(1)/2013-DPE (GM)/FTS-1835 dated 22-05-2018.
25	Scope & Exclusions	During the finalisation of Rate Contract (BHEL unit wise), Scope & exclusions shall be detailed, where ever required.
26	Other Terms & Conditions	For terms & conditions not explicitly mentioned here, the conditions in the NTPC General Purchase conditions shall apply.

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(P. Subbaraju)  
AGM (CPC)

**(on behalf of NTPC)**

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(Rajesh Kumar Singh)  
AGM (Planning), BHEL-SSBG

**(on behalf of BHEL)**