

To

ALL BIDDERS

Sub: Corrigendum -02: Revised Chapter 8 'Taxes & Duties'

JOB: RECEIPT/COLLECTION, UNLOADING, HANDLING, STACKING, VERIFICATION OF ENTIRE PROJECT MATERIALS INCLUDING ELECTRICAL, CONTROL & INSTRUMENTATION EQUIPMENTS / ITEMS AND OTHER MATERIALS IN BHEL/CUSTOMER'S STORES/STORAGE YARD AS RECEIVED BY ROAD FROM MANUFACTURING UNITS/ TRANSPORTERS GODOWN UNDER MATERIALS MANAGEMENT, RECEIPT / COLLECTION / LOADING / UNLOADING/ TRANSPORTATION OF MATERIALS FROM BHEL / CLIENT'S STORES / STORAGE YARDS TO SITE OF WORK, ERECTION, TESTING, COMMISSIONING, APPLICATION OF THERMAL INSULATION, FINAL PAINTING AND HANDING OVER OF 1X125 TPH HEAT RECOVERY STEAM GENERATOR WITH AUXILIARIES, STACK/ STEEL CHIMNEY WITH ASSOCIATED AUX, 1X30 MW(Fr6B) GAS TURBINE-GENERATOR SET WITH THEIR AUXILIARIES, BALANCE OF PLANT EQUIPMENTS / SYSTEMS WITH RELATED AUXILIARIES, INTEGRAL PIPING, FIELD / EXTERNAL / PIPING ETC. FOR 1X30 MW GTG + 1X125 TPH HRSG, BASED CO-GEN, IOCL (IRUP), GUJARAT REFINERY, IOCL VADODARA PROJECT (GT#6).

Tender Specification Number: BHE/PW/PUR/VIOCI-MECH/1030

Bidders to kindly take note of the following:

=====

AA) REVISED CHAPTER VIII 'TAXES, DUTIES, LEVIES OF VOL IA 'TCC'

Chapter VIII 'Taxes, Duties, Levies' of Vol IA 'TCC' has been revised and attached with this corrigendum as file titled '**Chapter VIII- Taxes, Duties, Levies Rev 01 dated 04/08/2012'**

Revised Chapter VIII 'Taxes, Duties, Levies Rev 01 dated 04/08/2012'
shall only be considered for further processing of tender.

All other Terms and conditions of the Tender Specification shall remain unaltered unless expressly amended by BHEL in writing.

Bidders are requested to submit as a part of Technical Bid, a copy of this corrigendum duly countersigned by the authorized signatory and stamped with the Official seal as a token of Bidder's unqualified acceptance of this corrigendum.

This letter is hosted as file titled "Corrigendum-02 (Revision)" against NIT-12361 in BHEL web page (www.bhel.com→Tender Notifications → View Corrigendum).

Thanking you,

Yours faithfully,

DGM (Purchase)

Encl:

1. Revised Chapter VIII 'Taxes, Duties, Levies Rev 01 dated 04/08/2012'

**REVISED CHAPTER VIII 'TAXES, DUTIES, LEVIES' OF VOL I A ISSUED
WITH CORRIGENDUM 01 DATED 04/08/2012**

Chapter VIII- Taxes, Duties, Levies Rev 01 dated 04/08/2012

.....

8.0 TAXES, DUTIES, LEVIES (Consolidated Rev 01 dated 04/08/2012)

8.1. For All types of works excepting works covered under sl no 8.2

8.1.1

The contractor shall pay all (save the specific exclusions as enumerated in this contract) taxes, fees, license charges, deposits, duties, tools, royalty, commissions or other charges which may be levied on the input goods & services consumed and output goods & services delivered in course of his operations in executing the contract. In case BHEL is forced to pay any of such taxes, BHEL shall have the right to recover the same from his bills or otherwise as deemed fit.

However, provisions regarding Service Tax and Value Added Tax (VAT) on output services and goods shall be as per following clauses.

8.1.2 Service Tax & Cess on Service Tax

Contractor's price/rates shall be exclusive of Service Tax and Cess on Services. In case, it becomes mandatory for the contractor under provisions of relevant act/law to collect the Service Tax & Cess from BHEL and pay the same to the concerned tax authorities, such applicable amount will be paid by BHEL at the prevailing Service Tax Rate (presently 12.36 %) on the admitted bill value.

Contractor shall submit to BHEL documentary evidence of Service Tax registration certificate specifying name of services covered under this contract. Contractor shall submit serially numbered Service Tax and Cess Invoice, signed by him or a person authorized by him in respect of taxable service provided, and shall contain the following, namely,

- 1. The name, address and the registration number of the contractor,**
- 2. The name and address of the party receiving taxable service,**
- 3. Description, classification and value of taxable service provided and,**
- 4. The service tax payable thereon.**

All the Four conditions shall be fulfilled in the invoice before release of service tax payment.

Wherever, more than one route/option are available for discharge of service tax liability under a particular service, (e.g. "works contract Service"), contractor shall obtain prior written consent from BHEL site before billing the amount towards Service Tax.

8.1.3 VAT (Sales Tax /MCT)

As regards Value Added Tax (VAT)/CST on transfer of property in goods involved in Works Contract (previously known as Works Contract Tax) applicable as per local laws, the price quoted by the contractor shall be inclusive of the same and in no case input or output VAT/CST will be reimbursed extra.

In any case the Contractor shall register himself with the respective Sales Tax authorities of the state and submit proof of such registration to BHEL along with the first RA bill. Contractor will submit all the details of VAT/CST paid for the contract in the prescribed format of the respective state VAT laws. Also, the contractor will issue the tax Invoices to BHEL as per the Tax laws of respective state on monthly basis. Contractor shall also be required to furnish to BHEL necessary proof of VAT remittance on monthly basis.

Deduction of tax at source shall be made as per the provisions of law and is to be construed as an advance tax paid by the contractor and no reimbursement thereof will be made.

Further, if BHEL, at the instance of customer or otherwise adopts the specific route for discharging output VAT liability itself, benefit of the reduction in liability of the contractor will be passed on to BHEL.

In case, BHEL is forced to pay any VAT liability on behalf of contractor, the same will be recovered from contractor's bill or otherwise as deemed fit

**REVISED CHAPTER VIII 'TAXES, DUTIES, LEVIES' OF VOL I A ISSUED
WITH CORRIGENDUM 01 DATED 04/08/2012**

Chapter VIII- Taxes, Duties, Levies Rev 01 dated 04/08/2012

.....

8.2 'Enabling Works'

The contractor shall pay all (save the specific exclusions as enumerated in this contract) taxes, fees, license charges, deposits, duties, tools, royalty, commissions or other charges which may be levied on the input goods & services consumed and output goods & services delivered in course of his operations in executing the contract. In case BHEL is forced to pay any of such taxes, BHEL shall have the right to recover the same from his bills or otherwise as deemed fit. **(i.e. rates quoted by bidder shall be inclusive of Service Tax, VATAWCT and all other taxes and duties)**

8.3 New Taxes/Levies

In case the Government imposes any new levy/tax on the output service/ goods/work after award of the contract, the same shall be reimbursed by BHEL at actual.

In case any new tax/levy/duty etc. becomes applicable after the date of Bidder's offer, the Bidder/Contractor must convey its impact on his price duly substantiated by documentary evidence in support of the same before opening of Price Bid. Claim for any such impact after opening the Price Bid will not be considered by BHEL for reimbursement of tax or reassessment of offer.

No reimbursement/recovery on account of increase/reduction in the rate of taxes, levies, duties etc. on input goods/services/work shall be made. Such impact shall be taken care of by the Price Variation/Adjustment Clause (PVC) if any. In case PVC is not applicable for the contract, Bidder has to make his own assessment of the impact of future variation if any, in rates of taxes/duties/ levies etc. in his price bid.

8.4 BUILDING & OTHER CONSTRUCTION WORKERS (REGULATION OF EMPLOYMENT AND CONDITIONS OF SERVICE) ACT, 1996 (BOCW Act) AND RULES OF 1998 READ WITH BUILDING & OTHER CONSTRUCTION WORKERS CESS Act, 1996 & CESS RULES, 1998.

In case any portion of work involves execution through building or construction workers, then compliance to the above titled Acts shall be ensured by the contractor and contractor shall obtain license and deposit the cess under the Act. In the circumstances it may be ensured as under:-

- i. It shall be the sole responsibility of the contractor in the capacity of employer to forthwith (within a period of 15 days from the award of work) apply for a licence to the Competent Authority under the BOCW Act and obtain proper certificate thereof by specifying the scope of its work. It shall also be responsibility of the contractor to furnish a copy of such certificate of licence / permission to BHEL within a period of one month from the date of award of contract.
- ii. It shall be the sole responsibility of the contractor as employer to ensure compliance of all the statutory obligations under these act and rules including that of payment / deposit of 1% cess on the extant of work involving building or construction workers engaged by the contractor within a period of one month from the receipt of payment.
- iii. It shall be the responsibility of the sub-contractor to furnish the receipts / challans towards deposit of the cess together with the number, name and other details of beneficiaries (building workers) engaged by the sub-contractor during the preceding month.
- iv. It shall be the absolute responsibility of the sub-contractor to make payment of all statutory payments & compensations to its workers including that is provided under the Workmen's Compensation Act, 1923.