

Ref: BHE/PW/PUR/NST-BLR/1367-68-69/Corrigendum 01

Date 10/12/2014

To

ALL BIDDERS

**Sub: Corrigendum-01:** Issue of Chapter VIII 'taxes & Duties'

**JOB:** HANDLING & COLLECTION OF MATERIALS AT BHEL/CLIENT'S STORAGE YARD/ STORES, TRANSPORTATION TO SITE, ERECTION, TESTING & ASSISTANCE FOR COMMISSIONING, TRIAL OPERATION AND HANDING OVER OF **BOILER AND ITS AUXILIARIES**, AIR PREHEATERS, DUCTS AND DAMPERS, FUEL PIPING, BOILER INTEGRAL PIPING & ASSOCIATED VALVES, ELECTROSTATIC PRECIPITATOR, FANS, POWER CYCLE PIPING, COAL MILLS AND COAL FEEDERS, INSULATION, FINAL PAINTING ETC. OF **Unit # 3, 4 & 5 OF 5x270 MW NASIK THERMAL POWER PROJECT** PHASE I AT SPECIAL ECONOMIC ZONE INDIA BULLS POWER LTD SINNARDISTRICT- NASIK, MAHARASHTRA.

Tender Specification Nos	Unit No
BHE/PW/PUR/NST-BLR U -3/1367	Unit # 3
BHE/PW/PUR/NST-BLR U -4/1368	Unit # 4
BHE/PW/PUR/NST-BLR U -5/1369	Unit # 5

Bidders to kindly take note of the following:

## **AA) Chapter VIII 'Taxes & Duties':**

Chapter VIII "Taxes & Duties" of Volume IA 'TCC' is issued herewith this Corrigendum.

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-01 (Taxes & Duties)" against NIT-20584 in BHEL web page ([www.bhel.com](http://www.bhel.com)→Tender Notifications → View Corrigendum).

Thanking you,

Yours faithfully,  
AGM (Purchase)

**Enclosure:** Chapter VIII of Volume IA 'TCC'

**Section VIII of Volume IA 'Technical conditions of Contract'  
issued with Corrigendum 01 to  
Tender Specification No: BHE/PW/PUR/NST-Blr U 3,4,5/1367-68-69**

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**8.0 TAXES, DUTIES, LEVIES (Consolidated Rev 03 dated 09/04/2013)**

**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**

The Power project area of **INDIA BULLS REALTECH LTD, 5x270MW, SINNAR DISTRICT- NASIK, MAHARASHTRA** falls under "**Special Economic Zone**". The services provided with in Special Economic Zone (SEZ) which are fully consumed with in SEZ is exempted from Service Tax. For this purpose, the required form A-1 / Form A-2 will be obtained from **M/s INDIA BULLS REALTECH LTD** and shall be provided to the contractor in due course.

Accordingly, all and any invoice raised by you in respect of the contract under reference shall state that "Services provided within the SEZ and accordingly no Service tax shall be charged by Service provider."

**8.1.3 VAT (Sales Tax /WCT)**

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

**~~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~~

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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, VAT/WCT and all other taxes and duties~~ )

~~However, Since the proposed work is in the nature of 'Works Contract service' as per Service tax law, Hence, For non-corporate contractors being Individual, HUF, Proprietary Firm, Partnership Firm or Association of Persons (AOP), BHEL shall recover the applicable Service Tax under reverse charge mechanism from the contractor and remit the same with the Government as per the provisions of Law. Necessary advice/confirmation of remittance shall be issued to the contractor. The contractor shall not be eligible for any refund/reimbursement of such service tax from BHEL. It shall be the responsibility of the contractor to submit proper invoice giving all the requisite details as per Service Tax Law for the determination of the service tax liability of BHEL under reverse charge mechanism. BHEL reserves the right to determine such liability based on the invoice submitted by the contractor or otherwise independently and remittance of the same with the Government.~~

### **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.