

Bharat Heavy Electricals Limited
(A Govt. Of India Undertaking)
POWER SECTOR, PROJECT ENGINEERING MANAGEMENT
Power Project Engg. Institute, Plot No. 25, Sector 16 - A,
HRDI & ESI Complex, NOIDA 201 301 (UP)



SPECIAL CONDITIONS OF CONTRACT (REV 01)

FOR 2 X 500 MW NEW NEYVELI TPP (SG Package), Job No. 400

These Conditions shall be read in conjunction with General Condition of Contract (GCC) enclosed along with the tender enquiry. In case of any conflict or inconsistency, the requirement of SCC shall prevail over the GCC.

1.0	Project Name	2 X 500 MW NEW NEYVELI TPP (SG Package)
2.0	Ultimate Customer (NLC)	Neyveli Lignite Corporation Ltd., Neyveli
3.0	Location of Plant	200 kms south of Chennai and 50 kms South-west of Cuddalore, State : Tamil Nadu, Longitude : 79°26'00" E to 79° 27'00" E, Latitude : 11°34'00" N to 11°35'00" N, Nearest Airport: Chennai (200 km away), Nearest Seaport: Chennai (200 km away), Nearest Railway Station: Neyveli, Access to site: Connected by Chennai-Thanjavur NH 45C road and state highway connecting Cuddalore – Virudhachalam via Neyveli.
4.0	Consignee Address / BHEL Site Office Address	CONSTRUCTION MANAGER, BHARAT HEAVY ELECTRICALS LIMITED, Site Office , Neyveli New Thermal Power Project (2x500 MW), Neyveli – 607807 District : Cuddalore State : Tamil Nadu
	Notes:	1. Consignee address in LR should be strictly as per SI. No. 04. 2. Vendor to note that to effect "Sale in Transit", BHEL shall issue "Delivery Note" to the Transporter for transferring the ownership from BHEL to customer (NLC). Delivery note shall be carried by transporter along with other dispatch documents
5.0	Buyer and Paying Authority	A) For Inter-State sales (where CST is applicable): 1. For those packages, for which PO is placed by BHEL-PEM - PEM, Noida . 2. For those packages for which PO is placed by BHEL-PSSR & LOA is issued by BHEL-PEM - BHEL-PSSR, Chennai . B) FOR Intra-State sales (where VAT is applicable): 1. For those packages, for which PO is placed by BHEL-PEM- Paying Authority shall be BHEL-PEM, Noida. However Buyer will be BHEL HPBP, TIRUCHIRAPALLI. Detailed requirements are enclosed as Annexure I which are to be followed strictly. 2. For those packages for which PO is placed by BHEL-PSSR & LOA is issued by BHEL-PEM - Paying Authority shall be BHEL-PSSR, Chennai. However Buyer will be BHEL HPBP, TIRUCHIRAPALLI. Detailed requirements are enclosed as Annexure I which are to be followed strictly.
6.0	Mode of Dispatch	By Road/Rail/Sea on Door Delivery and freight Pre-Paid Basis.
7.0	Road Permit Required	Not Applicable



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8.0	Transit Insurance	In BHEL Scope. Vendor shall inform the following details of dispatches to the Underwriter (refer details below) under intimation to BHEL-PEM and BHEL Site office: (1) Policy No. (2) Consignee Name. (3) Consignment Details (items with their weights and value (in INR)). (4) Project Name and P.O. No. (5) LR No. and date, Despatch origin and destination details, Inv. No..
	Policy No.	500300/21/14/02/00000060
	Underwriters	M/s. United India Insurance Company D-24 & E-25 , 2 nd Floor Himalaya House 23 , K.G. Marg, Connaught Place, New Delhi Email : CORPCELLDEL@UIIC.CO.IN Phone : 011-23318077 , Fax : 011-23355307
9.0	BHEL-PEM TIN No.	09765702874
10.0	Customer CST & VAT Nos.	NLC CST No. 382022 NLC TIN / VAT No. 33894400007 NLC TAN No. CHEN07867G NLC PAN No. AAACN1121C
11.0	Unloading at site	- By BHEL site office for Supply packages. (The Vendor shall furnish LR wise Gross Wt. of the consignment for the purpose of handling the consignment by BHEL site contractor). - By Vendor for Turnkey i.e. Supply and Erection & Commissioning Packages.
12.0	Storage at site	- By BHEL site for Supply packages. - By Vendor for Turnkey i.e. Supply and Erection & Commissioning Packages.
13.0	Movement of Material within Site	- By BHEL site for Supply packages. - By Vendor for Turnkey i.e. Supply and Erection & Commissioning Packages.
14.0	Provision of facilities at Site (Applicable for Turnkey Packages)	Construction Power: Construction Power at 11 KV shall be provided at one point in the project "Site" free of charge. Construction Water: Construction water shall be supplied free of cost at a single point within a distance of 300 m from the battery limit.
15.0	Inspection Agency (Domestic supplies)	Vendor shall give inspection call in line with approved QAP/Customer Hold Points to Regional BHEL-CQS center / Third Party Inspection Agency (as informed by PEM) on "BHEL CQS Website"; with a copy of inspection call to BHEL-PEM for arranging Customer/Third Party participation (Where ever applicable), with an advance notice of 15 days for participation in inspection/ Joint inspection on the proposed date. The MDCC shall be issued by customer based on the BHEL-CQS/TPIA report OR Joint inspection report of BHEL CQS/TPIA & Customer (Wherever applicable).

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	<p>Inspection Agency (Imported supplies)</p>	<p>In case of Imported Supplies advance notice of 30 days for participation in inspection (if applicable, in line with approved QAP/Customer Hold Points) to be given.</p> <p>The Test Certificates & Inspection reports duly accepted by the Foreign Vendor Inspection agency in line with approved QAP/Customer Hold Points shall be submitted to BHEL-PEM, NOIDA. The above Inspection reports & Test certificates shall be reviewed by PEM-Engineering in line with the Technical Specifications & Approved Data sheets and then sent to customer for their clearance. The customer dispatch clearance (MDCC) will be given to the Foreign Vendor or their representative in India through BHEL-PEM after acceptance/clearance of above test certificates by Customer.</p>
<p>16.0</p>	<p>Dispatch Documents required (to be furnished by Vendor for payment)</p>	<p><u>For Despatch Payment</u></p> <p>For materials originating from Indian Territory</p> <p>(a). One (1) original and Six (6) copies of the clean rail/lorry receipt.</p> <p>For payment Receipted LR (signed & stamped)/ confirmation from site regarding receipt of packages/ Boxes original / copy.</p> <p>(b). One (1) original and Six (6) copies of signed Invoices (Paying Authority along with TIN No. should be mentioned, for VAT cases Annexure-I to be followed).</p> <p>(c). One (1) original and Seven (7) copies of Challan and Packing List (clearly showing number of packages, gross weight and net weight).</p> <p>(d). Six (6) copies of inspection certificate, if any issued by the customer.</p> <p>(e). Eight (8) copies of Customer/BHEL MDCC.</p> <p>(f). Six (6) copies of Approved Test Certificates if any.</p> <p>(g). Delivery order- Two (2) copies.</p> <p>(h). Guarantee Certificate – One (1) Original + One (1) copy.</p> <p>(i). Insurance Intimation - Two (2) copies.</p> <p>(j). CQIR / Inspection Reports – One (1) Original + One (1) copy.</p> <p>(k). PVC Calculation and copy of all applicable indices, if PVC applicable. – Two (2) copies.</p> <p>For materials originating from non-Indian Territory</p> <p>(a). Three (3) original and Seven (7) copies of clean bill of lading or One (1) clean original Airway Bill & Four (4) copies, in case of air freight.</p> <p>(b). One (1) original and Six (6) copies of signed Invoices (Paying Authority along with TIN No. should be Mentioned).</p> <p>(c). One (1) original and Seven (7) copies of Packing List (clearly showing number of packages, gross weight and net weight).</p>

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		<p>(d). Six (6) copies of certificate of country of origin.</p> <p>(e). Eight (8) copies of Customer/BHEL MDCC.</p> <p>(f). Six (6) copies of inspection certificate, if any, issued by the customer/his authorised representative.</p> <p>(g). Six (6) copies of certificate from the vendor to the effect that drawings and catalogues for customs clearance purpose have been kept with the packages for shipment.</p> <p>(h). Six (6) copies of certificate from the vendor to the effect that the contents in each case are not less than that entered in the invoices and guaranteed as new and as per the relevant technical specifications.</p> <p>(i) Shipping Specification – One (1) copy.</p> <p>(j). Quality Certificate – One (1) copy.</p> <p>(k). Approved Test Certificates if any. - Six (6) copies.</p> <p>(l). Guarantee Certificate – One (1) Original + One (1) copy.</p> <p>(m). Inspection Reports – One (1) Original + One (1) copy.</p> <p>(n). PVC Calculation and copy of all applicable indices, if PVC applicable. – Two (2) copies.</p> <p>For Claiming Freight, MRC & Services Payments refer GCC.</p>
17.0	Material Receipt Certificate (MRC).	<p>FOR Packages wherever E&C is in the scope of Vendor, The vendor shall arrange Material Receipt Certificate from the project site, duly signed by Customer and BHEL-Site after receipt & physical verification of the material at site.</p> <p>FOR Supply Packages, Material Receipt Certificate shall be arranged by BHEL-PEM. Vendor to provide copy of receipted LRs to enable BHEL-PEM to obtain MRC from site.</p>
18.A	Taxes & Duties (For Domestic Bidder)	<p>All bidders/vendors to note that this project is an ICB Mega Power Project. Accordingly, supplies of goods for this project shall be eligible for the benefits/exemptions as per provisions of relevant notifications. As per existing foreign trade policy of Govt. of India, deemed export benefits are available for this project.</p> <p>The project is entitled to Zero customs Duty benefit. Hence, the imported input materials will be exempted from the Customs duty. To avail this benefit, Customer (NLC)/BHEL shall issue Project Authority certificates (PAC).</p> <p>Bidders have to note that CIF is available for the following packages viz. Heat Exchangers (Plate Type), Compressed Air System & Air Conditioning System. The bidder has to indicate in their offer, the import contents (if any) for these package i.e. list of items along with qty., currency of import, country of import & CIF value.</p> <p>Availability of CIF for other packages, if any, shall be intimated in NIT.</p> <p>It will be the sole responsibility of the Bidders to avail Zero customs Duty benefit against the PAC issued by NLC/BHEL within the contractual delivery period.</p> <p>In the event of withdrawal of/changes in the deemed export benefits and/or mega power project status and/or eligibility for zero CD by Govt. of India within contractual delivery period, the resultant impact on related taxes and duties shall be reimbursed at actual on submission of documentary proof but not beyond the contractual delivery period.</p>





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		<p>The project is also entitled to Zero Excise Duty benefit. Hence, the bidder has not to quote the Excise Duty (for self-manufactured items only) in their offer. To avail this benefit, PAC for Mega Project status shall be issued to the main vendor for its self-manufactured items only. Bidder has to pass the benefit of zero Excise Duty to BHEL.</p> <p>Concessional Sales Tax against issuance and exchange of form 'C' & 'E1/E2' / VAT, as applicable, is to be quoted by the bidder in their offer.</p> <p>Bidders has to note that in order to derive the total Cost to BHEL following pricing elements shall also be considered in evaluation:</p> <ol style="list-style-type: none"> i. VAT (as applicable), ii. Freight (including service Tax), iii. Service Tax (for Supply Packages). iv. Concessional Sales Tax (for Mandatory Spares, if applicable) <p align="center"></p> <p>However,</p> <ol style="list-style-type: none"> i. Service Tax quoted in case of Turn-Key packages shall not be considered in evaluation. ii.  Consideration of quoted Concessional Sales Tax (on main supplies) in evaluation shall be intimated during Techno-Commercial evaluation of bids. iii. Consideration of quoted VAT (if applicable) in evaluation shall be re-confirmed during Techno-Commercial evaluation of bids. <p>VAT for Intra-state despatch shall be reimbursed subject to conditions specified in Annexure I.</p> <p>Entry Tax/ Octroi : Not Applicable.</p>
18.B	Taxes & Duties (For Order Directly to Foreign Bidders)	<p>In case of Order on foreign Vendor, the dispatches shall be on FOB (Port of Dispatch) basis and the Taxes Duties in the country of dispatch (origin) shall be borne by Foreign Bidder & to be accounted in the prices quoted to BHEL/PEM/NOIDA.</p> <p>Evaluation shall be done as per provisions of GCC.</p>
19.0	Packing, Identification & marking	<ul style="list-style-type: none"> • The supplier shall include and provide for securely protecting and packing the materials so as to avoid loss or damage during handling & transport by air, sea, rail and road. • All packing shall allow for easy removal and checking at site. Special precaution shall be taken to prevent rusting of steel and iron parts during transit by sea. Gas seals or other materials shall be adopted by the Contractor for protection against moisture during transit. • The number of each package in a shipment shall be shown in fraction, numerator showing number of the package and the denominator showing total number of packages in a lot / consignment. The packages number shall be generally prepared in the sequence in which they will be required for erection. <p>Each package delivered under the Contract shall be marked by and at the expense of the supplier and such marking must be distinct and in English language (all previous irrelevant markings being carefully obliterated). Such marking shall show the description and quantity of contents, the name and</p>

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		<p>address of consignee, the gross weight and net weight of the package, the name of the Contractor with a distinctive number of mark sufficient for purposes of identification. All markings shall be carried out with such materials as to ensure quickness of drying, fastness and indelibility. Each equipment or parts of equipment shall, when shipped or railed or otherwise dispatched be tagged with reference to the assembly drawings and corresponding part numbers. Each bale or package shall contain a packing note quoting specifically the name of the Contractor, the number and date of contract and the name of the office placing the contract, nomenclature of the stores and include a schedule of parts for each complete equipment giving the part numbers with reference to the assembly drawing and the quantity of each part, drawings nos. and tag numbers.</p> <ul style="list-style-type: none"> • Rotor bearings should not be used as a support while packing. • Besides wherever necessary, packing shall bear a special marking "TOP", "BOTTOM", "DO NOT TURN OVER", "KEEP DRY", "HANDLE WITH CARE", etc. • All packing cases, containers (excluding marine container), packing and other similar materials shall be new. • Notwithstanding anything stated in this clause, the Contractor shall be entirely responsible for loss, damage or depreciation or deterioration to the materials & supplies due to faulty and/or insecure packing. • One copy of respective standard manufacturer's erection instruction/operation instruction manual shall be kept in each package/container for immediate reference. • Each and every package box shall be marked with the following, as a minimum: <ul style="list-style-type: none"> (i). Name and address of Consignee : (ii). Project reference : (iii). Contract No.: (iv). Packing No.: (1/10, 2/10, 3/10 when there are 10 packages For one consignment) (v). Net Weight/Gross Weight : (vi). Port of Loading : (vii). Destination Port : Chennai (viii). Packing Mark : [symbols indicating "TOP" and other special markings as per clause 10.10.(4) & 10.10.(6) above] (ix). Type of Equipment : <ul style="list-style-type: none"> "E" (for Equipment supply) "T" (for Tools & Tackles) "S" (for Mandatory Spares) • Two copies of packing list should be kept in case/package No. 1 of each consignment of the goods and four copies in each case (three inside the box and one copy in a special packet at the outer side of the Box).
20.0	Commissioning spares	<p>The commissioning spares shall be properly packed separately in separate box and each spare shall be properly tagged giving details (to match the description given in the packing slip) to facilitate their proper identification. Three copies of packing list is to be kept inside the box and one copy in a special packet at the outer side of the Box.</p>

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21.0	Mandatory Spares	The Mandatory spares shall be properly packed separately in separate box indicating Mandatory Spares in bold letters and each spare shall be properly tagged giving details i.e. item number of the equipment in line with the Ultimate Customer Contract & Number per item (to match the description given in the packing slip) to facilitate their proper identification by ultimate customer M/s NLC. Three copies of packing list along with Manufacturing drawing no. Reference, Catalogue reference etc. is to be kept inside the box and one copy in a special packet at the outer side of the Box.		
22.0	Submission of Final Drawing / Documents along with O&M Manual, Type Test Certificates (if any)	As per GCC/ Technical specification/ Kickoff meeting.		
	Prepared By	Checked & Reviewed By	Vetted By Finance	Approved By
Name:	DHEERAJ SINGH	ASIF IQBAL QURAISHI	SHALINI DAS	Perminder Singh
Designation:	ENGINEER	SR. MANAGER	DY. MANAGER	AGM/DH
Signature:			<i>checked w.r.t taxes & duties.</i>	
Date:	16.03.15	16/03/15	<i>Shalini</i> 16/3/15	18/3/15

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Annexure-I

SPECIAL CONDITIONS OF CONTRACT (REV 01)

FOR 2 X 500 MW NEW NEYVELI TPP (SG Package), Job No. 400

In order to avail the benefit of input tax credit available to BHEL in case of VAT leviable on intra-state transaction between BHEL and vendor, & to fulfill the compliances as per requirements of applicable State's VAT law, the following modality shall be applicable:

BHEL has identified a nodal agency in each State to take care of VAT compliances in the State in which project is located. For the subject project nodal agency shall be :

BHEL HPBP, TIRUCHIRAPALLI – 620014, Tamil Nadu
VAT TIN No. 33243560005

Nodal agency is defined as Buyer in such cases, where VAT is applicable.

Vendors' original tax invoice for intra State transactions is one of important documents for availing Input Tax credit. In this regard the following may be noted by all vendors for strict compliance:

- As a general rule, a tax invoice must be original, must contain vendor's TIN No with full address, invoice no & date, product description with unit rate, quantity, value, VAT rate, VAT amount, gross value of bill, **buyer i.e. BHEL's address with TIN No**, (as given above) special marking like "Original" and/or "valid for input credit"/ Buyer can take credit against this" etc as per applicable State VAT law.
- Please note that BHEL's address and TIN to be mentioned in vendors tax invoice shall be **principal place of business & applicable TIN No. of nodal agency of BHEL, as given above.** In no case the vendors, invoices shall be addressed to BHEL PEM nor shall they contain our TIN as buyer.
- As original tax invoice of vendors are to be furnished to nodal unit for assessment/VAT audit purposes, extra copy of Original invoice is required to be submitted by vendors for retaining with bank payment voucher.
- Original tax invoice along with extra copy of Original Tax invoice in line with respective state VAT law shall be essential document to be submitted by vendor for claiming payment.
- Vendor shall also furnish a certificate/statement/document as prescribed under applicable State VAT law. Please note that some of the States requires additional certificate/documents e.g. Haryana requires certificate in form C-4 in addition to original tax invoice.
- Please note that reimbursement/payment of VAT shall be subject to furnishing of Vat complaint tax invoice and other certificate/document as per applicable State VAT law.
- Tax invoice must show Vat rate & VAT amount separately and in no case all inclusive prices is to be shown in the tax invoice since input credit is not admissible in case VAT is not indicated separately.
- In case vendor is unable to furnish Vat compliant tax invoice & other certificate/document, VAT shall not be reimbursed by BHEL.
- Where the supplies are made from within the same state where the project is located, the vendor has to provide VAT Tax invoice for such supplies even if the price quoted is all inclusive.



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