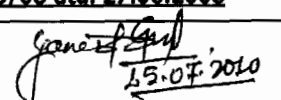


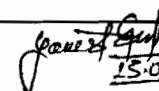
**PEM / PG-II-5, BHEL, PPEI, NOIDA****SPECIAL CONDITIONS OF CONTRACT (REV-05) Dtd. 15.07.2010****2x600 MW NORTH CHENNAI (STAGE-II) UNIT-1 & UNIT-2**

These Conditions shall be read and construed along with General Condition of Contract enclosed along with the tender enquiry. In case of any conflict or inconsistency the condition given in SCC shall prevail over the GCC.

		<b>1x600 MW UNIT-1</b>	<b>1x600 MW UNIT-2</b>
1.0	<b>Project Name :-</b>	<b>1x600 MW NORTH CHENNAI (STAGE-II) UNIT-1</b>	<b>1x600 MW NORTH CHENNAI (STAGE-II) UNIT-2</b>
2.0	<b>Customer :-</b>	TNEB ( Tamil Nadu Electricity Board)	
3.0	<b>Customer Consultant:-</b>	Development Consultants (P) Ltd., Chennai	
4.0	<b>Nearest Railway Station</b>	Attipattu Puddunagar 3 K.M from project site.(Chennai Central Railway Station 26 KM from Site)	
5.0	<b>Nearest Town</b>	Chennai , about 30 K.M from Site.	
6.0	<b>Nearest Airport</b>	Kamraj Domestic Airport Chennai (about 55 K.M from Site).	
7.0	<b>Consignee Address :-</b>	<b>A. FOR MAIN EQUIPMENT:-</b> BHARAT HEAVY ELECTRICALS LTD. TNEB-NORTH CHENNAI T.P.S. STAGE-II PROJECT ATHIPATTU, CHENNAI-600120, TAMIL NADU.  <b>B. FOR MANDATORY SPARES:-</b> BHARAT HEAVY ELECTRICALS LTD. TNEB-NORTH CHENNAI T.P.S. STAGE-II PROJECT ATHIPATTU, CHENNAI-600120, TAMIL NADU.	<b>A. FOR MAIN EQUIPMENT:-</b> BHARAT HEAVY ELECTRICALS LTD. TNEB-NORTH CHENNAI T.P.S. STAGE-II PROJECT ATHIPATTU, CHENNAI-600120, TAMIL NADU.  <b>** NO MANDATORY SPARES ORDERED FOR UNIT-2.</b>
8.0	<b>BHEL Site Office Address :-</b>	CONSTRUCTION MANAGER BHEL-SITE TAMIL NADU ELECTRICITY BOARD NORTH CHENNAI T.P.S. STAGE-II PROJECT ATHIPATTU, CHENNAI-600120, TAMIL NADU.	
9.0	<b>Customer Order Ref No:-</b>	<b>LOA No. ED/Proj./600MW NCTPS Stage-II /D.144/08/ Dtd. 19.01.2008</b>	<b>LOA No. CE/Proj/SE/E/T&amp;H(P)/EV/A2/600MW Unit II NCTPS Stage-II/D.258/08 dtd. 27.06.2008</b>



		1x600 MW UNIT-1	1x600 MW UNIT-2
10.0	<b>Mode of Dispatch:-</b>	By Road on Door Delivery and freight Pre-Paid Basis	
11.0	<b>Road Permit Required:-</b>	NO	
12.0	<b>LOA Date:-</b>	<b>19-01-2008</b>	<b>27-06-2008</b>
13.0	<b>Zero Date:-</b>	<b>18-02-2008</b>	<b>16-08-2008</b>
14.0	<b>Synchronization:-</b>	<b>36 Months</b>	<b>36 Months</b>
15.0	<b>Commissioning and PG test:-</b>	<b>39 Months</b>	<b>39 Months</b>
16.0	<b>Prior Dispatch intimation to BHEL Site Office and Underwriters :-</b>	<b>Yes, one set consisting of LR / RR copy, Packing List/ Challan indicating the items dispatched (with their weights) and letter informing the underwriters about the value of consignment and dispatch details to be sent to:</b> <b>a) BHEL Site office</b> <b>b) BHEL, PEM, PPEI-Noida (MM)</b>	
17.0	<b>Transit Insurance</b>	By BHEL (Vendor to intimate the underwriters quoting the Insurance Policy No. As below) :-	
17.0.01	<b>Policy No.</b>	<b><u>350600/44/08/5050000011</u></b>	<b>Marine - 500300/21/08/02/00000134</b> <b>SCE - 500300/44/08/04/40000112</b>
17.0.02	<b>Underwriters</b>	Mr.B.K.SACHDEVA Sr. Divisional Manager M/s National Insurance Co. Ltd Delhi Office-VI 302-304, Sahyog Building 58, Nehru Place New Delhi- 110 0019  Ph.No- 011-26432109 Mobile -9810145440 FAX NO. -011-26484112	Sh.K.K.Panda Officer-In-Charge Large Corporate Brokers M/s United India Insurance Co. Ltd. 6th Floor, "Kailash" Building, K G Marg New Delhi  Phone No: 011-43509330 Mobile No.9958069955 email ID- kkpanda@uiic.co.in corpcelldel@uiic.co.in  FAX No. -011-23355307
17.0.03	<b>Policy start Date:-</b>	14.11.2008	<b>19.03.2009</b>
17.0.04	<b>Policy Valid upto</b>	13.02.2012	<b>19.06.2012</b>
18.0	<b>Customer CST</b>	<b>ND-5341151</b>	
19.0	<b>Unloading at site</b>		
19.0.01	<b>For Supply Packages:-</b>	By BHEL Site (The Supplier shall give LR wise Gross Wt. & Net Wt. Of the consignment for the purpose of handling the consignment by BHEL site loading/unloading Contractor)	

  
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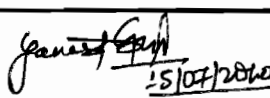
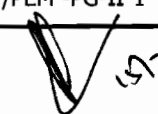
		1x600 MW UNIT-1	1x600 MW UNIT-2
19.0.02	For Turnkey (Supply Erection & Commissioning Packages:-	By Vendor	
20.0	<b>Storage at site</b>		
20.0.01	For Supply Packages:-	By BHEL Site	
20.0.02	For Turnkey (Supply Erection & Commissioning Packages:-	By Vendor	
21.0	<b>Movement of Material within Site</b>		
21.0.01	For Supply Packages:-	By BHEL Site	
21.0.02	For Turnkey (Supply Erection & Commissioning Packages:-	By Vendor	
22.0	<b>DOCUMENT REQUIRED FOR VENDOR PAYMENT.</b>	<p>the supplier shall provide the following Documents to MM :-</p> <p>A. Supplier Invoice – 8 Copy</p> <p>B. Copy of Consignee copy LR. (CONSIGNOR / LORRY COPY NOT REQD) – 8 Copies</p> <p>C. Copies of Packing List indicating Quantity/ Gross weight/ Net weight and TNEB approved BBU item no. against each item dispatched. – 8 Copies</p> <p>VERY IMP:- **IN PACKING LIST GROSS &amp; NET WEIGHT OF THE DESPATCHES TO BE CLEARLY INDICATED AGAINST EACH LR OTHERWISE VENDOR INVOICE SHALL NOT BE PROCESSED.</p> <p>D. BHEL MDCC – Original + 7 Copies</p> <p>E. CQIR REPORT OF BHEL (INSPECTION) – Original + 7 Copies</p> <p>F. Internal Test Reports and Test Certificates- 8 Copies</p> <p>NOTE: -</p> <p>The Supplier during inspection of Main supplies &amp; Mandatory Spares by BHEL,CQS / TNEB - IS shall obtain separate TNEB MDCC for Main Supplies &amp; separate TNEB MDCC for Mandatory spares in line with the approved Billing Break-Up (BBU).</p> <p style="text-align: right;"><i>James G. G.</i> 15/07/2010.</p>	

		1x600 MW UNIT-1	1x600 MW UNIT-2
23.0	<b>Requirement of Original documents:-</b>	Original LRs, Customer Original MDCCs and Packing lists with Gross and Net Weight should be handed over to BHEL-PEM by bidders for their payment from BHEL.	
24.0	<b>Price Variation (Adjustment):-</b>	<b>No Price variation applicable (Firm Prices)</b>	
25.0	<b>Material Receipt Certificate (MRC):-</b>		
25.0.01	For Supply Packages:-	For Supply Packages BHEL/PEM will arrange MRC from BHEL Site, however supplier/ contractor shall provide support for verification of material at site if required.	
25.0.02	For Turnkey (Supply Erection & Commissioning Packages) :-	For Turnkey i.e. Supply and Erection & Commissioning packages, Original MRC duly signed by customer (TNEB) & BHEL-Site is to be arranged by vendor for their MRC payment.	
26.0	<b>Despatch Markings:-</b>	<p>Each box/ Drum shall be marked with Capital Letters in Red indicating :  Main Supply OR Commissioning spare  1X600 MW NORTH CHENNAI TPS ST-II, UNIT-1 &amp; 2  Each package/Drum delivered under the Contract shall be marked by Supplier as per details listed below and such marking must be distinct and in English language (all previous irrelevant markings being carefully obliterated) for purposes of identification.  <b>Each and every box (package) shall be marked with following:-</b>  1) Name and address of the consignee:  2) Project reference:  3) Customer Contract No.:  4) Vendor Name:  5) PEM P.O. reference No.  6) Gross Weight/ Net Weight (Without Gross Weight/ Net Weight mention on LR, Vendors invoice can not be processed)  7) Packing No.: (1/10, 2/10, 3/10 when there are 10 packages for one consignment)  8) Packing Mark: (symbols indicating "TOP" and other special marking)  9) Type of Equipment: "E" (for equipment supply) "T" (for Tools &amp; Tackles)  "S" (for Mandatory Spares)</p> <p>Besides above necessary, packing shall bear a special marking "TOP", "BOTTOM", "DO NOT TURN OVER", "KEEP DRY", "HANDLE WITH CARE", etc.</p> <p><b>IMPORTANT:-</b>  One copy of respective standard manufacturer's erection instruction/operation manual shall be kept in each package/container for immediate reference by BHEL site.</p> <p><b>NOTE:-</b>  The Copy of complete Packing list for the consignment must be put inside the Box/ Boxes.  20 copies of supplier's Erection / Instruction manuals to be given to the BHEL, PEM, PPEI-Noida (MM) within 30 days of despatch for handing over to Customer/ BHEL site.  Each box/ Drum shall be marked with Capital Letters in Red indicating :  <b>Ultimate Destination:</b>  1X600 MW NORTH CHENNAI TPS ST-II UNIT- 1 &amp; 2</p>	
27.0	<b>Commissioning spares:</b>	The commissioning spares shall be properly packed separately in separate box and each spare shall be properly tagged giving details i.e dispatch (to match the description given in the packing slip) to facilitate their proper identification. One Copy of Packing list must be put inside the Box.	

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		1x600 MW UNIT-1	1x600 MW UNIT-2
28.0	<b>Mandatory Spares:-</b>	<p>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 TNEB approved BBU for Mandatory spares &amp; Number per item (to match the description given in the packing slip) to facilitate their proper identification by ultimate customer M/s TNEB. One Copy of Packing list must be put inside the Box along with Manufacturing drawing no. reference, Catalogue reference etc. <b>Mandatory Spares shall be handed over directly to TNEB stores other wise transportation charges shall be debited against transportation of materials from BHEL store to TNEB stores in Vendors account.</b></p> <p>The Supplier to note that separate TNEB MDCC shall be obtained for Mandatory spares from TNEB - BHEL-IS/ CQA.</p>	<p><b>** NO MANDATORY SPARES ORDERED FOR UNIT-2.</b></p>
29.0	<b>Taxes &amp; Duties:-</b>	<p>All Bidders to note that this is a <b>Mega, ICB (International Competitive Bidding) Project and Project Authority Certificate will be issued by TNEB (customer) to BHEL for availing zero custom duty on imported items.</b> Based on above PAC, BHEL/PEM shall issue ANNEXURE – I TO APPENDIX - 12 in favour of sub-contractor (vendor) to enable them avail benefit of NIL customs duty on Imports.</p> <p>The Bidder is required to indicate the Import contents i.e list of the item, Currency of Import and Country of Import at the time of submission of price offer. Bidder has to ensure that the benefit of availing Zero % custom duty is passed on to BHEL. Bidder shall also provide a certificate with a un-priced bid that zero % custom duty on the Import contents have been considered in their price offered to BHEL as per applicable PAC mentioned above. It shall be vendors responsibility to ensure and avail the deemed export benefits. BHEL shall not compensate vendor in case of rejection of vendor's claim by concerned authorities.</p> <p>All bidders to note being a Non-Mega Project &amp; ICB, the <b><u>Excise Duty and Central Sales Tax/VAT are to be included in their prices to BHEL</u></b> as per the nature of the project, and same shall be taken for evaluation purpose to arrive at the L1 bidder for this Project.</p>	<p>All Bidders to note that this is a <b>Mega &amp; Negotiated Project. Essentiality Certificate shall be issued by TNEB (customer) for availing concessional customs duty under Project Import Regulations.</b> Essentiality Certificate shall be issued by TNEB through BHEL for the items to be imported by vendor for specified items, limited to CIF content mentioned in offer / order, for availing Concessional Custom Duty. The list of imported items, quantity, CIF value (in Rupee) and Foreign currency along with the origin of country supplying raw material etc, shall be indicated in price bid. This list will be later on used as reference list for getting the Essentiality Certificate from Customer i.e M/s TNEB for this Project. Please note that no request later at Contract execution stage shall be entertained by BHEL PEM for additional CIF other than the that given in order. Thus complete care to be taken by Bidder for identifying the imported items under their scope / system at the enquiry stage .</p> <p><b>It may be noted that Custom Duty/CVD/SAD etc paid by the bidders (to Govt. Authorities) shall be reimbursable to BHEL by Ultimate customer TNEB. And same shall be reimbursed to Bidders by BHEL against submission of following documents:-</b></p> <ol style="list-style-type: none"> <li>1. Copy of overseas supplier's invoice alongwith vendor's invoice in original</li> <li>2. Copy of Bill of lading</li> <li>3. Copy of Packing slip</li> <li>4. Copy of customs attested bill of entry</li> <li>5. Proof of having made the payment to Govt. Authorities</li> <li>6. Undertaking that any other document reqd. by TNEB to reimburse the Custom Duty to BHEL shall be furnished by vendor</li> </ol> <p><b>Vendors shall be reimbursed the CD/CVD/SAD etc at actual against documentary proof (as mentioned above) limited to amount mentioned in their offer.</b></p> <p>Cont..... on page 6</p>

*General*  
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		1x600 MW UNIT-1	1x600 MW UNIT-2
29.0	<b>Taxes &amp; Duties:-</b>		<p>Continued from page 5.....</p> <p>Amount on account of CD/CVD/SAD etc mentioned by bidders in their offer shall not be considered for evaluation purpose, however, same shall be added in Ordering Value(P.O Value) and shall be reimbursed by BHEL against documentary proof as mentioned above.</p> <p>All bidders to note, this being a Non-Mega Negotiated(Domestic) Non-ICB Project, the <b>Excise Duty and Central Sales Tax/VAT are to be included in their prices to BHEL</b> as per the nature of the project, and same shall be taken for evaluation purpose to arrive at the L1 bidder for this Project.</p>
30.0	<b>VAT Clause</b>	As Per enclosed Annexure-I (Page1 of 1). VAT is not reimbursable by customer and hence no input credit for VAT shall be given to Bidders.	As Per enclosed Annexure-I (Page1 of 1) .VAT is not reimbursable by customer and hence no input credit for VAT shall be given to Bidders.
31.0	<b>Inspection Agency:-</b>	<p>BHEL &amp; TNEB</p> <p>Vendor shall give inspection call on TNEB format in line with approved QP to Regional BHEL-CQS WEB SITE with a copy of inspection call to BHEL-PEM (MM) for arranging Customer participation in inspection/ Joint inspection on the proposed date with an advance notice of 15 – 20 days. The MDCC shall be issued by TNEB based on Joint inspection report of BHEL CQS &amp; TNEB/ Customer Agency (as nominated by TNEB). The MDCC issued by TNEB/Customer in original shall be attached by bidders for their payment from BHEL.</p>	
32.0	Final Drawings / Documents Submission:-	Final Drawing / Documents to be submitted shall be as per Technical specifications otherwise it will be intimated during kickoff meeting.	
		<b>PREPARED BY</b>	<b>ISSUED BY</b>
	<b>Name:</b>	<b>G. C. Thakur</b>	<b>R P Gupta</b>
	<b>Designation:</b>	<b>Sr. Engineer / PEM -PG-II-1</b>	<b>AGM /PEM -PG-II-1</b>
	<b>Signature:</b>		
	<b>DATE:-</b>	<b>15th of July 2010</b>	<b>15th of July 2010</b>

## **Annexure-I**

### **SPECIAL CONDITIONS OF CONTRACT (REV-05) Dtd. 15.07.2010** **2x600 MW NORTH CHENNAI (STAGE-II) UNIT-1 & UNIT-2**

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, Trichy

VAT TIN No.: 33243560005

Nodal agency is defined as Buyer and BHEL/ PEM shall be paying agency 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. However for payment purposes, the invoice may mention BHEL PEM as paying authority.
- As original tax invoice of vendors are to be furnished to nodal unit for assessment/VAT audit purposes, extra copy of Original invoice is reqd to be submitted by vendors for retaining with PEM 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.

*Yamini Gul*  
15.07.2010