

PRICE VARIATION FORMULA FOR CABLES-ANNEXURE-A
SCREENED CONTROL CABLES
5X800 MW YADADRI TPS

1. Prices shall be variable as per Price Variation Formula (Formula of enclosed IEEMA CIRCULAR NO. IEEMA (PVC)/Instrumentation Cable/2014). The price variation shall be limited to +20% of Total ex-Works Prices actual supplied (cable size wise) and -ve price variation shall be unlimited. Rates for working out price variation shall be as per rates published by IEEMA.

2. Base date for prices:

Initial Price (As per IEEMA)

Base date shall be 1st working day of the previous month to the date of issue of Tender Enquiry.

Final Price (As per IEEMA)

The first working day of month, one month prior to the date on which cable is notified as being ready for inspection i.e. TPIA inspection call raise on web portal.

3. PVC shall be payable within contractual delivery period (including any extension thereto).

Enclosure: - Formula along with factors of IEEMA CIRCULAR NO.

IEEMA (PVC)/Instrumentation Cable/2014


(AMIT MEENA
DY-MGR)

Cir. No: 89/DIV/Cable/05

11 July 2014

To all members of Cable division of IEEMA
SEBs, Utilities and other listed purchasing organizations

Sub: Price Variation Clause for 'Instrumentation Cables'

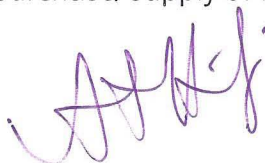
Members of IEEMA Cable division especially Instrumentation Cable manufacturers had decided to evolve a new PV clause for 'Instrumentation Cables'. Members may recall IEEMA has circulated draft PV clause for 'Instrumentation Cables' after collection & compilation of all the necessary data from manufactures vide circular no. 40/DIV/Cable/05 dated 21st March 2014.

These PV formulae are derived on weight basis, the weight of raw materials like Copper and Steel is considered for following different type of Instrumentation Cables:

1. **Pair Instrumentation Over all Screen Cables**
2. **Pair Instrumentation Individual and Over all Screen Cables**
3. **Triad Instrumentation Over all Screen Cables**
4. **Triad Instrumentation Individual and Over all Screen Cables**

The weight factors of Copper & Steel for all the above four types of Cables are also enclosed along with draft PV clause.

We are making this PV clause operational with effect from 1st July 2014. We request and recommend to incorporate this new PV clause in all your tenders/contracts of purchase/supply of Instrumentation Cables.



Deputy Director General

Encl: as above

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IEEMA (PVC)/Instrumentation Cable/2014

Effective from: 1st July 2014

Material Price Variation Clause For Instrumentation Cables

The Price quoted/confirmed is based on the input cost of raw materials/components as on the date of quotation, and the same is deemed to be related to the prices of raw materials as specified in the price variation clause given below. In case of any variation in these prices, the price payable shall be subject to adjustment up or down in accordance with the formulae provided in this document.

Terms used in price variation formulae:

P Price payable as adjusted in accordance with above appropriate formula **(in Rs/Km)**

Po Price quoted/confirmed **(in Rs/Km)**

COPPER

CuF Variation factor for copper

Cu Price of CC copper rods. This price is as applicable on first working day of the month, one month prior to the date of delivery.

Cu_o Price of CC copper rods. This price is as applicable on first working day of the month, one month prior to the date of tendering.

STEEL

FeF Variation factor for steel

Fe Price of Steel Strips/steel wire. This price is as applicable on the first working day of the month, one month prior to the date of delivery.

Fe_o Price of steel strips/steel wire. This price is as applicable on first working day of the month, one month prior to the date of tendering.

The above prices and indices are as published by IEEMA vide Circular reference IEEMA(PVC)/CABLE/--/-- prevailing as on 1st working day of the month i.e. one month prior to the date of tendering.

The date of delivery is the date on which the cable is notified as being ready for inspection/dispatch (in the absence of such notification, the date of manufacturer's dispatch note is to be considered as the date of delivery) or the contracted delivery date (including any agreed extension thereto), whichever is earlier.

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IEEMA (PVC)/Instrumentation Cable/2014

Effective from: 1st July 2014

Notes

- (a) All prices of raw materials are exclusive of modvatable excise/CV duty amount and exclusive of any other central, state or local taxes, octroi, etc.
- (b) All Prices are as on first working day of the month.
- (c) The details of prices are as under:
 1. Price of CC copper rods (in Rs/MT) is ex-works price as quoted by the primary producer.
 2. Price of galvanized steel strip / steel wire (in Rs/MT) is ex-works price as quoted by the manufacturer for Round steel Wire and Flat steel strip (the relevant price of steel strip or steel wire is to be selected depending upon the type of armouring of the cable).

Price variation formula for 'Instrumentaion Cables'

$$P = P_o + CuF (Cu - Cu_o) + FeF (Fe - Fe_o)$$

1. For Pair Instrumentation Over all Screen Cables

Tables References:

Cu POS	Copper Factor
Fe POS	Steel Factor

2. For Pair Instrumentation Individual and Over all Screen Cables

Tables References:

Cu PIS	Copper Factor
Fe PIS	Steel Factor

3. For Triad Instrumentation Over all Screen Cables

Tables References:

Cu TOS	Copper Factor
Fe TOS	Steel Factor

4. For Triad Instrumentation Individual & Overall Screen Cables

Tables References:

Cu TIS	Copper Factor
Fe TIS	Steel Factor


Deputy Director General
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Copper Factors for Instrumentation Cables - CuF

Cu POS

Pair Instrumentation Over all Screen Cables

No. of Pairs Cable size in sq.mm	0.5 sq.mm	0.75 sq.mm	1.0 sq.mm	1.5 sq.mm	2.5 sq.mm
1	0.0142	0.0185	0.0233	0.0326	0.0500
2	0.0258	0.0345	0.0440	0.0625	0.0978
3	0.0353	0.0484	0.0626	0.0904	0.1433
4	0.0448	0.0623	0.0811	0.1183	0.1888
5	0.0578	0.0800	0.1022	0.1467	0.2356
6	0.0662	0.0926	0.1210	0.1768	0.2829
7	0.0756	0.1067	0.1378	0.2000	0.3245
8	0.0852	0.1204	0.1582	0.2327	0.3741
9	0.0933	0.1334	0.1734	0.2534	0.4134
10	0.1046	0.1485	0.1959	0.2893	0.4665
11	0.1111	0.1600	0.2089	0.3067	0.5023
12	0.1236	0.1764	0.2333	0.3452	0.5580
13	0.1289	0.1867	0.2445	0.3600	0.5912
14	0.1378	0.2000	0.2623	0.3867	0.6356
15	0.1467	0.2134	0.2800	0.4134	0.6801
16	0.1618	0.2322	0.3080	0.4573	0.7409
17	0.1645	0.2400	0.3156	0.4667	0.7690
18	0.1734	0.2534	0.3334	0.4934	0.8134
19	0.1822	0.2667	0.3512	0.5201	0.8579
20	0.1911	0.2800	0.3689	0.5467	0.9023
21	0.2000	0.2934	0.3867	0.5734	0.9468
22	0.2089	0.3067	0.4045	0.6001	0.9912
23	0.2178	0.3200	0.4223	0.6267	1.0357
24	0.2381	0.3437	0.4575	0.6813	1.1068
25	0.2356	0.3467	0.4578	0.6801	1.1246
26	0.2445	0.3600	0.4756	0.7068	1.1690
27	0.2534	0.3734	0.4934	0.7334	1.2135
28	0.2623	0.3867	0.5112	0.7601	1.2579
29	0.2711	0.4001	0.5290	0.7868	1.3024
30	0.2800	0.4134	0.5467	0.8134	1.3468
31	0.2889	0.4267	0.5645	0.8401	1.3913
32	0.2978	0.4401	0.5823	0.8668	1.4357
33	0.3067	0.4534	0.6001	0.8934	1.4802
34	0.3156	0.4667	0.6179	0.9201	1.5246
35	0.3245	0.4801	0.6356	0.9468	1.5691
36	0.3334	0.4934	0.6534	0.9735	1.6135
37	0.3423	0.5067	0.6712	1.0001	1.6580
38	0.3512	0.5201	0.6890	1.0268	1.7024
39	0.3600	0.5334	0.7068	1.0535	1.7469
40	0.3689	0.5467	0.7245	1.0801	1.7913
41	0.3778	0.5601	0.7423	1.1068	1.8358
42	0.3867	0.5734	0.7601	1.1335	1.8802
43	0.3956	0.5867	0.7779	1.1601	1.9247
44	0.4045	0.6001	0.7957	1.1868	1.9691
45	0.4134	0.6134	0.8134	1.2135	2.0136
46	0.4223	0.6267	0.8312	1.2402	2.0580
47	0.4312	0.6401	0.8490	1.2668	2.1025
48	0.4710	0.6759	0.9010	1.3410	2.2009

Copper Factors for Instrumentation Cables - CuF

Cu PIS

Pair Instrumentation Individual and Over all Screen Cables

No. of Pairs Cable size in sq.mm	0.5 sq.mm	0.75 sq.mm	1.0 sq.mm	1.5 sq.mm	2.5 sq.mm
1	0.0133	0.0178	0.0222	0.0311	0.0489
2	0.0349	0.0437	0.0531	0.0717	0.1069
3	0.0490	0.0621	0.0763	0.1041	0.1570
4	0.0630	0.0806	0.0994	0.1389	0.2071
5	0.0800	0.1022	0.1245	0.1689	0.2578
6	0.0937	0.1200	0.1484	0.2042	0.3103
7	0.1067	0.1378	0.1689	0.2311	0.3556
8	0.1218	0.1569	0.1948	0.2692	0.4107
9	0.1334	0.1734	0.2134	0.2934	0.4534
10	0.1503	0.1943	0.2417	0.3349	0.5122
11	0.1600	0.2089	0.2578	0.3556	0.5512
12	0.1785	0.2313	0.2882	0.4001	0.6128
13	0.1867	0.2445	0.3023	0.4178	0.6490
14	0.2000	0.2623	0.3245	0.4489	0.6979
15	0.2134	0.2800	0.3467	0.4801	0.7468
16	0.2350	0.3053	0.3812	0.5305	0.8141
17	0.2400	0.3156	0.3912	0.5423	0.8446
18	0.2534	0.3334	0.4134	0.5734	0.8934
19	0.2667	0.3512	0.4356	0.6045	0.9423
20	0.2800	0.3689	0.4578	0.6356	0.9912
21	0.2934	0.3867	0.4801	0.6668	1.0401
22	0.3067	0.4045	0.5023	0.6979	1.0890
23	0.3200	0.4223	0.5245	0.7290	1.1379
24	0.3479	0.4535	0.5673	0.7911	1.2165
25	0.3467	0.4578	0.5690	0.7912	1.2357
26	0.3600	0.4756	0.5912	0.8223	1.2846
27	0.3734	0.4934	0.6134	0.8534	1.3335
28	0.3867	0.5112	0.6356	0.8846	1.3824
29	0.4001	0.5290	0.6579	0.9157	1.4313
30	0.4134	0.5467	0.6801	0.9468	1.4802
31	0.4267	0.5645	0.7023	0.9779	1.5291
32	0.4401	0.5823	0.7245	1.0090	1.5780
33	0.4534	0.6001	0.7468	1.0401	1.6269
34	0.4667	0.6179	0.7690	1.0712	1.6758
35	0.4801	0.6356	0.7912	1.1024	1.7247
36	0.4934	0.6534	0.8134	1.1335	1.7736
37	0.5067	0.6712	0.8357	1.1646	1.8225
38	0.5201	0.6890	0.8579	1.1957	1.8713
39	0.5334	0.7068	0.8801	1.2268	1.9202
40	0.5467	0.7245	0.9023	1.2579	1.9691
41	0.5601	0.7423	0.9246	1.2891	2.0180
42	0.5734	0.7601	0.9468	1.3202	2.0669
43	0.5867	0.7779	0.9690	1.3513	2.1158
44	0.6001	0.7957	0.9912	1.3824	2.1647
45	0.6134	0.8134	1.0135	1.4135	2.2136
46	0.6267	0.8312	1.0357	1.4446	2.2625
47	0.6401	0.8490	1.0579	1.4757	2.3114
48	0.6887	0.8936	1.1186	1.5587	2.4186

Steel Factors for Instrumentation Cables - FeF**Fe POS****Pair Instrumentation Over all Screen Cables**

No. of Pairs Cable size in sq.mm	0.5 sq.mm	0.75 sq.mm	1.0 sq.mm	1.5 sq.mm	2.5 sq.mm
1	0.1490	0.1565	0.1635	0.1735	0.1930
2	0.2190	0.2335	0.2470	0.2665	0.2595
3	0.2360	0.2545	0.2690	0.2900	0.2680
4	0.2390	0.2580	0.2715	0.2945	0.2830
5	0.2630	0.2820	0.2420	0.2805	0.3155
6	0.2840	0.3160	0.2805	0.2995	0.3430
7	0.2840	0.2595	0.2805	0.2995	0.3430
8	0.3235	0.2930	0.3030	0.3315	0.3780
9	0.2805	0.3180	0.3290	0.3590	0.4205
10	0.2970	0.3215	0.3455	0.3755	0.4385
11	0.3005	0.3255	0.3490	0.3805	0.4435
12	0.3055	0.3440	0.3680	0.3880	0.4520
13	0.3265	0.3530	0.3780	0.4105	0.4785
14	0.3265	0.3530	0.3780	0.4105	0.4785
15	0.3490	0.3765	0.4015	0.4365	0.5195
16	0.3490	0.3765	0.4015	0.4365	0.5195
17	0.3590	0.4005	0.4140	0.4635	0.5470
18	0.3590	0.4005	0.4265	0.4635	0.5470
19	0.3590	0.4005	0.4265	0.4635	0.5470
20	0.3830	0.4240	0.4535	0.4920	0.5760
21	0.3830	0.4240	0.4535	0.4920	0.5760
22	0.4065	0.4520	0.4785	0.5310	0.6190
23	0.4065	0.4520	0.4810	0.5310	0.6190
24	0.4305	0.4770	0.5070	0.5595	0.6475
25	0.4305	0.4770	0.5070	0.5595	0.6475
26	0.4305	0.4770	0.5070	0.5595	0.6475
27	0.4355	0.4820	0.5245	0.5660	0.6700
28	0.4570	0.5045	0.5345	0.5895	0.6950
29	0.4570	0.5045	0.5345	0.5895	0.6950
30	0.4570	0.5045	0.5345	0.5895	0.6950
31	0.4795	0.5285	0.5595	0.6150	0.7225
32	0.4820	0.5285	0.5595	0.6150	0.7225
33	0.4820	0.5285	0.5595	0.6150	0.7225
34	0.4920	0.5520	0.5835	0.6410	0.7500
35	0.4920	0.5520	0.5835	0.6410	0.7500
36	0.4920	0.5520	0.5835	0.6410	0.7500
37	0.4920	0.5520	0.5835	0.6410	0.7500
38	0.5145	0.5760	0.6225	0.6550	0.7805
39	0.5145	0.5760	0.6225	0.6550	0.7805
40	0.5145	0.5760	0.6225	0.6550	0.7805
41	0.5395	0.6025	0.6475	0.6975	0.8230
42	0.5395	0.6025	0.6475	0.6975	0.8230
43	0.5395	0.6025	0.6475	0.6975	0.8230
44	0.5635	0.6265	0.6735	0.7250	0.8540
45	0.5635	0.6265	0.6760	0.7250	0.8540
46	0.5635	0.6265	0.6760	0.7250	0.8540
47	0.5635	0.6265	0.6760	0.7250	0.8540
48	0.5635	0.6265	0.6760	0.7375	0.8665

Steel Factors for Instrumentation Cables - FeF**Fe PIS****Pair Instrumentation Individual and Over all Screen Cables**

No. of Pairs Cable size in sq.mm	0.5 sq.mm	0.75 sq.mm	1.0 sq.mm	1.5 sq.mm	2.5 sq.mm
1	0.1880	0.1980	0.2070	0.2220	0.2410
2	0.2315	0.2460	0.2595	0.2815	0.2755
3	0.2505	0.2690	0.2820	0.2495	0.2830
4	0.2645	0.2830	0.2420	0.2805	0.3155
5	0.2895	0.2730	0.2805	0.3005	0.3430
6	0.2755	0.2980	0.3005	0.3280	0.3730
7	0.2755	0.2980	0.3005	0.3280	0.3730
8	0.2980	0.3215	0.3455	0.3740	0.4230
9	0.3230	0.3490	0.3730	0.4040	0.4685
10	0.3405	0.3655	0.3765	0.4215	0.4885
11	0.3430	0.3690	0.3815	0.4265	0.4945
12	0.3490	0.3765	0.4015	0.4470	0.5160
13	0.3715	0.3990	0.4255	0.4720	0.5420
14	0.3715	0.3990	0.4255	0.4720	0.5420
15	0.3955	0.4240	0.4510	0.5020	0.5720
16	0.3955	0.4240	0.4510	0.5020	0.5720
17	0.4190	0.4495	0.4795	0.5295	0.6150
18	0.4190	0.4495	0.4795	0.5295	0.6150
19	0.4190	0.4495	0.4795	0.5295	0.6150
20	0.4445	0.4770	0.5060	0.5570	0.6450
21	0.4445	0.4895	0.5060	0.5695	0.6450
22	0.4695	0.5045	0.5345	0.5870	0.6885
23	0.4695	0.5045	0.5345	0.5870	0.6885
24	0.4970	0.5310	0.5620	0.6285	0.7210
25	0.4970	0.5310	0.5620	0.6285	0.7210
26	0.4970	0.5310	0.5620	0.6285	0.7210
27	0.5035	0.5495	0.5810	0.6360	0.7410
28	0.5135	0.5610	0.6050	0.6610	0.7690
29	0.5135	0.5610	0.6050	0.6610	0.7690
30	0.5260	0.5610	0.6050	0.6610	0.7690
31	0.5495	0.5845	0.6300	0.6885	0.7990
32	0.5495	0.5845	0.6300	0.6885	0.7990
33	0.5495	0.5845	0.6300	0.6885	0.7990
34	0.5735	0.6225	0.6585	0.7285	0.8405
35	0.5735	0.6225	0.6585	0.7285	0.8405
36	0.5735	0.6225	0.6585	0.7285	0.8405
37	0.5735	0.6225	0.6585	0.7285	0.8405
38	0.5990	0.6485	0.6850	0.7575	0.8740
39	0.5990	0.6485	0.6850	0.7575	0.8740
40	0.5990	0.6485	0.6850	0.7575	0.8740
41	0.6250	0.6775	0.7135	0.7880	0.9180
42	0.6250	0.6775	0.7135	0.7880	0.9180
43	0.6250	0.6775	0.7135	0.7880	0.9180
44	0.6485	0.7050	0.7410	0.8165	0.9495
45	0.6485	0.7050	0.7410	0.8165	0.9495
46	0.6485	0.7050	0.7410	0.8165	0.9495
47	0.6485	0.7050	0.7410	0.8165	0.9495
48	0.6485	0.7050	0.7535	0.8290	0.9620

General Points of PQR

1. Offers of the JV companies/ Joint Bidders/ bidders having collaboration/ licensing agreement/ MOU/ Indian subsidiaries shall be evaluated as follows:
 - a. If bidder happens to be an Indian subsidiaries of foreign OEM, then the credentials of the foreign OEM can also be considered for meeting PQR.
 - b. If bidder happens to be the Joint Venture Company, then the credentials of any of JV partners can be also considered for meeting PQR.
 - c. If bidder happens to bid jointly with their partner, then credentials of both the partners will be considered for meeting PQR as per distribution of the work. In all such cases, lead bidder as specified in bid documents shall be responsible for overall execution of the contract and all guarantee/ warranty.
 - d. If bidder happens to be the having valid collaboration agreement/ MOU/ licensing agreement with some other company, then the credentials of collaborator/ MOU partner/ licensing company can also be considered for meeting PQR.

Note: If bidder(s) qualifies on the basis of credentials of his principal/ JV partner/ Collaborator/ joint bidder etc., then the principal/ JV partner/ Collaborator/ MOU partner/ joint bidder shall be responsible for overall design vetting and warranty/ guarantee of the package. The scope matrix clearly defining their respective roles including design vetting, manufacturing of critical component, E&C etc. etc. and warranty/ guarantee shall be submitted along with the offer.

2. Bidder to note that the arrangement of bidding (joint bid partners/ collaborator/ MOU partner/ licensing company etc.) once offered to BHEL as a part of bidding documents cannot be changed till the execution of the project.
3. Consideration of offer shall be subject to customer's approval of bidders, if applicable.
4. Bidder to submit all supporting documents in English. If documents submitted by bidder are in language other than English, a self-attested English translated document should also be submitted.
5. Any other project specific requirement shall be as per Annexure-I and bidder shall submit relevant supporting documents.
6. Notwithstanding anything stated above, BHEL reserves the right to assess the capabilities and capacity of the bidder/collaborators to perform the contract, should the circumstances warrant such assessment in the overall interest of BHEL.
7. After satisfactory fulfillment of all the above criteria/ requirement, offer shall be considered for further evaluation as per NIT and all the other terms of the tender.

GST related Corrigendum to GCC Rev 06

Clause Ref:	Existing Clause as:	Replaced/ New Clause as:
Clause No.4 of GCTC (General commercial terms and conditions)	TAXES AND DUTIES 4.1 EXCISE DUTY 4.1.1 Seller/ Contractor is required to ensure that excise duty including cess, if any, is quoted as per the existing tariff on the date of the offer and all benefits as per existing rules have been considered. 4.1.2 Excise duty actually incurred by Seller/ Contractor on self-manufactured items alone shall be reimbursed against documentary evidence. Excise duty paid by Purchaser on inputs, bought out items, raw materials and components consigned directly to site from sources other than Seller/ Contractor's factory/ works shall be included by the bidder in the quoted basic price. 4.1.3 If excise duty is paid under protest or dispute, it shall not be reimbursed till the dispute is settled. If the Seller/ Contractor claims/ obtains any refund of the excise duty paid, the same shall be refunded to the Purchaser immediately 4.1.4 Invoice cum Excise duty gate pass (Excise Invoice) should contain the name of the ultimate consignee as per Order/ Contract/ Special Conditions of Contract. 4.1.5 If required by Purchaser, the Seller / Contractor will provide a certificate stating that CENVAT benefit has been availed of on the inputs and the same has been passed on to the Purchaser. 4.1.6 Excise duty shall be paid at actuals against documentary evidence but restricted to the amount and percentage indicated in the Order/ Contract. 4.2 SALES TAX / VALUE ADDED TAX (VAT) 4.2.1 Central Sales Tax / Value Added Tax shall be reimbursed only if the same is paid by the Seller / Contractor to the respective Govt. authorities on direct sales by the Seller/ Contractor to the Purchaser, meeting all statutory requirements and availing all exemptions/ concessions under the respective Central Sales Tax / Value Added Tax Acts. The offer should clearly indicate CST/ VAT percentage and the total	TAXES AND DUTIES 4.1 CGST/SGST/UTGST/IGST 4.1.1 Seller/ Contractor is required to ensure that CGST/SGST/UTGST/IGST (whichever is applicable) is quoted as per the existing tariff on the date of the offer and all benefits as per existing laws have been considered. 4.1.2 It is the responsibility of the seller/contractor to issue the Tax Invoice strictly as per the format prescribed under the relevant applicable GST law (CGST Act/SGST Act/UTGST Act/IGST Act). Vendor to indicate the proper GSTN Registration/ HSN code in their tax invoice. 4.1.3 The purchaser is registered in the State of Uttar Pradesh vide following GST registration number: 09AAACB4146P22C 4.1.4 Seller/contractor is required to mention the above registration number in their tax invoice unless stated otherwise in NIT/SCC. 4.1.5 CGST/SGST/UTGST/IGST shall be paid at actuals against Tax Invoice but restricted to the amount and percentage in the order/contract

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	amount along with concessional form(s), if any. 4.2.2 Purchaser is registered in NOIDA, U.P. vide following Registration Numbers: Central Sales Tax Registration No. : ND – 5341151 w.e.f. 01-07-2006 UP Trade Tax Registration No. : ND – 0345307 w.e.f. 01-07-2006 UP TIN No. : 09765702874 4.2.3 Central Sales Tax/ Value Added Tax shall be reimbursed, as per tariff applicable, but restricted to the percentage and amount shown in the Order/ Contract. If it is shown as included in the quoted price/ not applicable, it will not be reimbursed by the Purchaser. 4.2.4 Purchaser proposes to make sale-in-transit under section 6 (2) (b) of Central Sales Tax Act where goods movement is inter-state. Form-C shall be issued and exchanged against Form-E1/E2 based on quarterly transactions. Seller/Contractor is required to submit his request in the format enclosed at Annexure-VI within 30 days from end of the Quarter, giving State-wise invoice details. 4.2.5 VAT invoices, in format prescribed by the respective State Sales Tax Act, have to be submitted in the name of Nodal Agency specified in Special Conditions of Contract. 4.3 SERVICE TAX 4.3.1 Service Tax paid by the Service Provider /contractor to the Government authorities directly shall only be reimbursed at actuals against documentary evidence, but restricted to the rate and amount mentioned in the order/contract. The offer should clearly indicate the percentage and the total amount of service tax. 4.3.2 Service provider/Contractor to ensure their registration for “Intended Service” to be provided, before claiming Service tax under the “intended category”. Decision of BHEL shall be final w.r.t. the “Intended category” in which the service will be falling. 4.3.3 If required by the Purchaser, the Service Provider/Contractor will provide a certificate stating that “CENVAT Benefit has been availed of on the input and the	4.2 OTHER TAXES & LEVIES 4.2.1 All taxes/duties/Cess other than CGST/SGST/UTGST/IGST shall be deemed to be included in the Ex-Works prices unless specified otherwise by the bidder in the price bid. No variation in other taxes and duties shall be payable by Purchaser. 4.3 CUSTOMS DUTY
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	same has been passed on to the purchaser” or “CENVAT Benefit has not been availed of on the inputs”. 4.4 OTHER TAXES & LEVIES All taxes and duties other than Excise Duty, Sales Tax/ VAT, Service Tax shall be deemed to be included in the Ex-Works prices unless specified otherwise by the bidder in the price bid. No variation in other taxes and duties shall be payable by Purchaser. However, statutory variation in Octroi will be payable extra against documentary evidence. 4.5 CUSTOMS DUTY 4.5.1 Customs Duty element for imported items as per Special Conditions of Contract shall be included in the Ex-Works prices. No variation in customs duty and exchange rate for imported items shall be payable by Purchaser. 4.5.2 Seller/ Contractor shall arrange for his own import license, if required, since Purchaser will not provide any import license. Therefore, Seller/ Contractor alone shall be responsible for any delay in getting import license or non-availability of the same or completion of other related formalities. Purchaser shall not be responsible for any financial liability, whatsoever, on this account. 4.5.3 Essentiality Certificate or Project Authority Certificate (PAC) as per Import Policy, if required to avail concessional customs duty, shall be clearly specified in the offer. Import content (CIF value in rupees) with list of items, quantity, foreign currency, country of origin etc., shall be submitted by the bidder as part of Price bid. 4.6 DIRECT TAX 4.6.1 Purchaser shall not be liable towards income tax of whatever nature including variations thereof, arising out of this Order/ Contract, as well as tax liability of the Seller/ Contractor and his personnel.	4.3.1 Customs Duty/IGST/Goods and Services compensation cess under Goods and Services Tax (Compensation to States) Act, 2017 element for imported items as per Special Conditions of Contract shall be included in the Ex-Works prices. 4.3.2 Seller/ Contractor shall arrange for his own import license, if required, since Purchaser will not provide any import license. Therefore, Seller/ Contractor alone shall be responsible for any delay in getting import license or non-availability of the same or completion of other related formalities. Purchaser shall not be responsible for any financial liability, whatsoever, on this account. 4.3.3 Essentiality Certificate or Project Authority Certificate (PAC) as per Import Policy, if required to avail concessional customs duty, shall be clearly specified in the offer. Import content (CIF value in rupees) with list of items, quantity, foreign currency, Country of origin etc., shall be submitted by the bidder as part of Price bid. 4.4 DIRECT TAXES 4.4.1 Purchaser shall not be liable towards income tax of whatever nature including variations thereof, arising out of this Order/ Contract, as well as tax liability of the Seller/ Contractor and his personnel. 4.4.2 Deductions of Tax at source at the prevailing rates shall be effected by the Purchaser before release of payment, as a statutory obligation, if applicable. TDS certificate will be issued by the Purchaser as per statutory provisions
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	4.6.2 Deductions of Tax at source at the prevailing rates shall be effected by the Purchaser before release of payment, as a statutory obligation, if applicable. TDS certificate will be issued by the Purchaser as per statutory provisions.	
	5.0 STATUTORY VARIATION 5.1 If the rates for taxes and duties in respect of the quoted materials and/ or services assumed by the Seller/ Contractor are less than the tariff prevailing at the time of tendering, Seller/ Contractor will be responsible for such under quotations. However, if the rates assumed are higher than the correct rates prevailing at the time of tendering, the difference will be to the credit of the Purchaser. 5.2 Statutory Variations in Excise Duty, Service Tax and Central Sales Tax/ Value Added Tax only on self-manufactured items/ services rendered by vendor himself on the rates prevailing at the time of delivery/ completion in comparison to the date of offer, will be to the account of the Purchaser. No other variations such as on customs duty, exchange rate, minimum wages, prices of controlled commodities, any other input etc. shall be payable by the Purchaser. 5.3 Notwithstanding the above, where the actual completion of the supply occurs beyond the period stipulated in the Order/ Contract or any extension thereof, variations referred to above, will be limited to the rates prevailing on the dates of such agreed completion periods only. For variations after the agreed completion periods, the Seller/ Contractor alone shall bear the impact for the upward revisions and for downward revisions; purchaser shall be given the benefit of reduction in taxes/ duties. This will be without prejudice to the levy of penalty for delay in delivery/ completion schedule. 5.4 Any new tax structure (like Goods & Services Tax) as and when implemented by the Government shall become applicable in addition to or in lieu of existing tax structure.	5.0 STATUTORY VARIATION 5.1 Statutory variation for CGST/SGST/UGST/IGST is available provided the actual completion of supply does not occur beyond the period stipulated in the order/contract or any extension (without levy of penalty). 5.2 For variation after the agreed completion periods, the seller/contractor alone shall bear the impact for the upwards revisions and adjust the price in their basic price in such a manner that total price with tax matches with the ex-works with taxes of Purchase Order/Contract. For downward revisions, purchaser shall be given the benefit of reduction in CGST/SGST/UGST/IGST. This will be without prejudice to the levy of penalty for delay in delivery/completion schedule. 5.4 No other variations such as on Custom Duty, exchange rate, minimum wages, prices of controlled commodities, any other input etc. shall be payable by the purchaser.

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Clause 8	8.0 TRANSPORTATION & FREIGHT CHARGES 8.1 All dispatches shall be through road carriers approved by Purchaser/ Bank, on freight pre-paid basis. 8.2 Road permit/ entry permit, if required as per law of the State, shall be arranged by Purchaser. 8.3 Freight charges (including Service Tax) shall be payable after delivery of the goods at the project site, on receipt of MRC or receipted LR on pro-rata basis.	8.0 TRANSPORTATION & FREIGHT CHARGES 8.1 All dispatches shall be through road carriers approved by Purchaser/ Bank, on freight pre-paid basis. 8.2 Road Permit/E-way bill, if required, will be arranged by Supplier.
	9.0 TERMS OF PAYMENT 9.1 SUPPLY PACKAGES 9.1.1 Ninety percent (90%) of basic price of materials supplied, as per PO, along with 100% taxes and duties (as applicable), shall be paid against receipt of material at site on pro-rata basis. 9.1.2 Ten percent (10%) of basic price of materials supplied will be released on pro-rata basis after receipt of Material Receipt Certificate (MRC) from project site engineer of Owner/ Purchaser, on submission of all final documents for the packages as detailed below, duly certified by Engg. Deptt. of purchaser, and submission of Form E1/ E2 against Form-C, if applicable. List of packages with required final documents is as per Annexure-X. 9.2 SUPPLY PACKAGES WITH PERFORMANCE GUARANTEE / DEMONSTRATION TEST AT SITE IN VENDOR'S SCOPE 9.2.1 Eighty Five percent (85%) of basic price of materials supplied, as per PO / approved billing schedule, along with 100% taxes and duties (as applicable), shall be paid against receipt of material at site on pro-rata basis. 9.2.2 Ten percent (10%) of basic price of materials supplied will be released on pro-rata basis after receipt of Material Receipt Certificate (MRC) from project site engineer of Owner/ Purchaser and submission of Form E1/ E2 against Form-C, if applicable. 9.2.3 Five percent (5%) of the total basic price of materials and PG/ Demonstration test charges shall be released after submission of all final documents as per Technical	9.0 TERMS OF PAYMENT 9.1 SUPPLY PACKAGES Payment of basic price of materials supplied alongwith freight and taxes and duties (as applicable), shall be paid against receipt of material at site on pro-rata basis. 10% of basic price of materials supplied will be retained as security deposit which will be released on pro – rata basis after receipt of Material Receipt Certificate (MRC) from project site engineer of owner/purchaser on submission of all the final documents for the packages as detailed below, duly certified by engineering department of purchaser. List of packages with required final documents is as per Annexure-X. 9.2 Supply packages with performance guarantee/demonstration test at site in vendor's scope Payment of basic price of materials supplied, as per PO/ as per approved billing schedule, along with freight and taxes and duties (as applicable), shall be paid against receipt of material at site on pro-rate basis. 15% of basic price of materials supplied will be retained as security deposit which will be released on pro – rata basis as details below: a) 10% will be released after receipt of Material Receipt Certificate (MRC) from project site engineer of owner/purchaser.

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Specifications and successful completion of the Performance Guarantee (PG)/ Demonstration Test at site. Note: If the Performance Guarantee/ Demonstration Test is not conducted up to 24 months from supply completion for reasons not attributable to the vendor, then last 5% payment will be released against Bank Guarantee of an equivalent amount, valid for 12 months. This bank guarantee will be in addition to Contract Performance Bank Guarantee for 10% of the contract value (excluding taxes, duties and freight). 9.3 SUPPLY PAYMENT FOR TURNKEY PACKAGES (E&C IN VENDOR'S SCOPE) 9.3.1 Eighty Five percent (85%) of basic price of materials supplied, as per approved billing schedule, along with 100% taxes and duties (as applicable), shall be paid against receipt of material at site on pro-rata basis. OR i) Five percent (5%) lump sum payment of total basic price (excluding taxes, duties & freight) against approval of design documents and quality plan as certified by Engineering. Design documents and quality plan shall be as defined in the Technical Specifications. ii) Eighty percent (80%) of basic price of materials supplied, as per approved billing schedule, along with 100% taxes and duties (as applicable), shall be paid against receipt of material at site on pro-rata basis. 9.3.2 Five percent (5%) of basic price of materials supplied along with freight, if applicable, will be released on pro-rata basis after submission of Material Receipt Certificate (MRC) from project site engineer of Owner/ Purchaser and submission of Form E1/ E2 against Form-C, if applicable. Collection of Material Receipt Certificate from Site/ Owner and its submission for claiming the payment shall be the responsibility of the Seller/ Contractor. 9.3.3 Ten percent (10%) of the total basic price shall be released after i) submission of all final documents as per Technical Specifications and ii) successful completion of	b) 5% will be released after submission of final documents as per technical specification and successful completion of the performance guarantee (PG)/ Demonstration test at site. Note: If the Performance Guarantee/ Demonstration Test is not conducted up to 24 months from supply completion for reasons not attributable to the vendor, then 5% security deposit will be released against Bank Guarantee of an equivalent amount, valid for 12 months. This bank guarantee will be in addition to Contract Performance Bank Guarantee for 10% of the contract value (excluding taxes, duties and freight). 9.3 SUPPLY PAYMENT FOR TURNKEY PACKAGES (E&C IN VENDOR'S SCOPE) 9.3.1 Payment of basic price of materials supplied, as per approved billing schedule, along with freight, taxes and duties (as applicable), shall be paid against receipt of material at site on pro-rata basis. 15% of basic price of materials supplied will be retained as security deposit which will be released on pro – rata basis as details below: a) 5% will be released on pro-rata basis after submission of Material Receipt Certificate (MRC) from project site engineer of owner/purchaser. Collection of Material Receipt Certificate from site/owner and its submission for claiming the payment shall be the responsibility of the Seller/Contractor. b) 10% will be released after i) submission of all final documents as per Technical Specifications and ii) successful completion of Performance Guarantee (PG)/ Demonstration Test and handing over of the system/ package, if applicable, as per Order/ Contract
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	Performance Guarantee (PG)/ Demonstration Test and handing over of the system/ package, if applicable, as per Order/ Contract. 9.4 ERECTION & COMMISSIONING PAYMENT FOR TURNKEY PACKAGES 9.4.1 Eighty percent (80%) payment on pro-rata basis for the work completed, as per approved billing schedule, shall be released by Site authorities/ Region on submission of protocols, duly signed by BHEL Site/ Owner. 9.4.2 Ten percent (10%) of the total value shall be released by Site authorities/ Region on successful commissioning of the complete system/ package. 9.4.3 Ten percent (10%) of the total value shall be released by Site authorities/ Region on successful completion of PG/ Demonstration test(s) and handing over system/ package to the Owner, as applicable. 9.5 PG TEST, INSTALLATION CHECK, SUPERVISION OF ERECTION / COMMISSIONING CHARGES 100% payment shall be released after successful completion of the activity, on Site certification. 9.6 Vendors shall submit documents for payment directly to BHEL. Payment will be released within 60 days after receipt of complete documents as per order/ contract (45 days for vendors qualified and registered as Micro or Small as per MSMED Act). To be eligible for payment as Micro and Small category, vendors shall submit annual certification for validation from designated authority under MSMED Act or Chartered Accountant within first quarter of every financial year. . <u>Note:</u> 1) For indigenous suppliers, if the documents are routed through Bank, then all bank charges will be to vendor's account. 2) Foreign bidders can opt for payment (less agency commission, if applicable) through irrevocable and unconfirmed letter of credit. In that case for	9.4 ERECTION & COMMISSIONING PAYMENT FOR TURNKEY PACKAGES 9.4.1 Eighty percent (80%) payment on pro-rata basis for the work completed, as per approved billing schedule, shall be released by Site authorities/ Region on submission of protocols, duly signed by BHEL Site/ Owner. 9.4.2 Ten percent (10%) of the total value shall be released by Site authorities/ Region on successful commissioning of the complete system/ package. 9.4.3 Ten percent (10%) of the total value shall be released by Site authorities/ Region on successful completion of PG/ Demonstration test(s) and handing over system/ package to the Owner, as applicable. 9.5 PG TEST, INSTALLATION CHECK, SUPERVISION OF ERECTION / COMMISSIONING CHARGES 100% payment shall be released after successful completion of the activity, on Site certification. 9.6 Vendors shall submit documents for payment directly to BHEL. Payment will be released within 60 days after receipt of complete documents as per order/ contract (45 days for vendors qualified and registered as Micro or Small as per MSMED Act). <u>Note:</u> 1) Vendors are required to issue Tax Invoice inclusive of PVC value (if applicable) wherever indices are available. 2) For indigenous suppliers, if the documents are routed through Bank,
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	evaluation purpose, prices of foreign bidders will be loaded on account of payment through LC, equal to loading specified against 'Payment through Bank' in Annexure-VIII. No loading will be done if foreign vendors agree for 90 days usance LC or submit the documents on collection basis for payment within 90 days of submission of complete documents. 3) LC opening/ negotiation/ confirmation charges will be to vendor's account. 4) Form C/ E1/E2 are not applicable for foreign bidders. 5) In extreme case of vendors not agreeing to link 10% payment with submission of Form E1/ E2 against Form-C as above, their prices will be loaded as per Annexure-VIII. 6) Any negative PVC, if not adjusted in earlier payments, will be adjusted at the time of MRC payment. 7) Payment terms for mandatory spares shall be as per clause 9.1.	then all bank charges will be to vendor's account. 3) Foreign bidders can opt for payment (less agency commission, if applicable) through irrevocable and unconfirmed letter of credit. In that case for evaluation purpose, prices of foreign bidders will be loaded on account of payment through LC, equal to loading specified against 'Payment through Bank' in Annexure-VIII. No loading will be done if foreign vendors agree for 90 days usance LC or submit the documents on collection basis for payment within 90 days of submission of complete documents. 4) LC opening/ negotiation/ confirmation charges will be to vendor's account. 5) Payment terms for mandatory spares shall be as per clause 9.1. 9.7 The applicable TDS under CGST/SGST/UGST/IGST/ Goods and Services (Compensation to States) Act will be deducted from the payments. 9.8 Other clauses 1. Vendor/Supplier will intimate & upload the Tax invoice along with LR/RR(as applicable) on web portal & intimate BHEL immediately on removal of goods from vendor/supplier works. In case of Services, Vendor is required to upload the Tax invoice on Web Portal immediately after raising the invoice. BHEL will issue the delivery order/instruction to dispatch the material to the customer as indicated in SCC. 2. All payments against Tax Invoice to vendors/contractors shall be released only after:
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		a) Vendor/contractor declaring such invoice in GSTR-1 within the prescribed timeline as per the relevant Act. b) The tax component charged by the vendor in the invoice should be matched with the details uploaded by vendor in GSTR-1. c) Confirmation of payment of GST thereon by vendor on GSTN portal 3. In case, any GST credit is delayed/denied to BHEL due to non/delayed receipt of goods and/or tax invoice or expiry to timeline prescribed in the relevant Act for availing such ITC, or any other reasons not attributable to BHEL, tax amount shall be recoverable from the vendor/contractor along with interest levied/leviable on BHEL. 4. Wherein GST liability arises on BHEL under reverse charge, any interest levied/leviable due to any reasons not attributable to BHEL shall be recovered from the vendor/contractor.
Clause 9	9.7 DOCUMENTS TO BE SUBMITTED BY VENDOR 9.7.1 For Recognition of Dispatch Copy of the following documents by e-mail/ fax immediately on despatch: a. Invoice b. LR along with Delivery Order c. Packing List d. Insurance Intimation e. Dispatch Clearance 9.7.2 For Claiming Payments (under clause 9.1.1, 9.2.1, 9.3.1): a. Invoice – original+1 copy b. Receipted LR (signed & stamped)/ confirmation from site regarding receipt of packages/ Boxes original/ copy	9.7 All same a. to be replaced with “GST compliant invoice” in 9.7.1, 9.7.2, 9.7.3 Modification in the clause Duty drawback documents “As per applicable law” (original+1 copy.)

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	c. Delivery order- 2 copies d. Packing List - clearly showing number of packages, gross weight and net weight. - original+1 copy e. MDCC from BHEL/ Customer – as per SCC – 2 copies f. Guarantee Certificate – Original + 1 copy g. Insurance Intimation - 2 copies CQIR / Inspection Reports – Original+1 copy i. PVC Calculation and copy of all applicable indices, if PVC applicable. – 2 copies j. Duty drawback documents (original excise invoice, original disclaimer certificate, original certificate from excise authority for payment of excise duty), if applicable. – original + 1 copy 9.7.3 For Claiming Freight Payment a. Invoice – Original + 1 copy b. Receipted LR (signed & stamped)/ confirmation from site regarding receipt of packages/ Boxes original/ copy c. Transporter's document indicating the freight amount. Original money receipt to be submitted if required as per SCC. 9.7.4 For Claiming MRC Payment a. Invoice – Original + 1 copy b. Copy of MRC 9.7.5 For Claiming Payment for Services involving Service Tax a. Invoice as per rule 4A of Service Tax Act – Original + 1 copy b. Copy of Service Tax registration certificate c. Copy of challan for Service Tax payment	
Clause 3.0 Instruction to bidders	Total erection & commissioning charges including service tax should be minimum 20% (or as specified in NIT) of the total quoted package price (excluding mandatory spares but including all taxes and freight), failing which the break-up of prices shall be adjusted accordingly for ordering.	Total erection & commissioning charges including applicable tax but excluding freight along with GST should be minimum 20% (or as specified in NIT) of the total quoted package price (excluding mandatory spares but including all taxes and freight), failing which the break-up of prices shall be adjusted accordingly for ordering.

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Clause 16.0 Instruction to bidder	For deviations w.r.t. Payment terms, Liquidated damages, Firm prices and submission of E1/ E2 forms before claiming 10% payment, if a bidder chooses not to give any cost of withdrawal of deviation loading as per Annexure-VIII will apply.	For deviations w.r.t. Payment terms, Liquidated damages, Firm prices before claiming 10% payment, if a bidder chooses not to give any cost of withdrawal of deviation loading as per Annexure-VIII will apply.
Clause 16.0 of GCTC	Purchaser reserves the right to recover from the Seller/ Contractor, as agreed liquidated damages and not by way of penalty, a sum equivalent to half ($\frac{1}{2}$) percent of the total contract price per week or part thereof, subject to a maximum of ten (10) percent of the total contract price excluding elements of taxes, duties and freight, if the Seller/ Contractor fails to deliver any part of the ordered stores within the period stipulated in the Order/ Contract. For Turnkey packages (Supply and E&C in vendor's scope), Liquidated Damages shall be levied on the total contract value of both Supply and E&C orders (excluding taxes, duties and freight) if E&C completion of the package is delayed beyond the contractual completion date or extension thereof. Liquidated Damages will not be withheld from supply payment. LR/ GR/ RR date for indigenous supplies and AWB/ BL date for FOB contracts shall be treated as the date of dispatch for levying LD as per Clause 16. However, for indigenous supply if receipted LR date is beyond three months from the date of LR, such excess period shall also be considered for LD purpose. 2. In case of any amendment/ revision, LD shall be linked to the amended/ revised contract value and delivery date(s)	Purchaser reserves the right to recover from the Seller/ Contractor, as agreed liquidated damages and not by way of penalty, a sum equivalent to half ($\frac{1}{2}$) percent plus applicable GST of the total contract price per week or part thereof, subject to a maximum of ten (10) percent of the total contract price excluding elements of taxes, duties and freight, if the Seller/ Contractor fails to deliver any part of the ordered stores within the period stipulated in the Order/ Contract. For Turnkey packages (Supply and E&C in vendor's scope), Liquidated Damages shall be levied on the total contract value of both Supply and E&C orders (excluding taxes, duties and freight) if E&C completion of the package is delayed beyond the contractual completion date or extension thereof. Liquidated Damages will not be withheld from supply payment. LR/ GR/ RR/ eway bill date for indigenous supplies and AWB/ BL date for C&F contracts shall be treated as the date of dispatch for levying LD as per Clause 16. However, for indigenous supply if receipted LR/eway bill date is beyond three months from the date of LR/e-way bill, such excess period shall also be considered for LD purpose. 2. In case of any amendment/ revision, LD shall be linked to the amended/ revised contract value and delivery date(s)

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Deviation sheet- Cost of Withdrawal	Point no-9 For deviations w.r.t. Payment terms, Liquidated damages, Firm prices and submission of E1/ E2 forms before claiming 10% payment, if a bidder chooses not to give any cost of withdrawal of deviation loading as per Annexure-VIII of GCC, Rev-06 will apply. For any other deviation mentioned in un-priced copy of this format submitted with Part-I bid but not mentioned in priced copy of this format submitted with Priced bid, the cost of withdrawal of deviation shall be taken as NIL.	For deviations w.r.t. Payment terms, Liquidated damages, Firm prices before claiming 10% payment, if a bidder chooses not to give any cost of withdrawal of deviation loading as per Annexure-VIII of GCC, Rev-06 will apply. For any other deviation mentioned in un-priced copy of this format submitted with Part-I bid but not mentioned in priced copy of this format submitted with Priced bid, the cost of withdrawal of deviation shall be taken as NIL.
Annexure-VI		Deleted
Annexure-VIII		Following changes in annexure-8, (remaining portion of annex-8 is same): C) LIQUIDATED DAMAGES If maximum limit asked for is 10% or 5% of Undelivered Portion – 10% value of the total quoted price including GST & freight. If maximum limit asked is less than 10 % of contract value loading shall be to the extent to which not agreed by bidder (at offered value) . E) DEVIATION TO SUBMISSION OF FORM E1/ E2 BEFORE CLAIMING 10% PAYMENT 10% of Ex-Works supply value.
New clauses:		
a) In case of discrepancy in CGST/SGST/UTGST/IGST rate corresponding to HSN ;code and quotes rates, the evaluation shall be done on quoted price and correct CGST/SGST/UTGST/IGST rate shall be considered for ordering (limited to quoted FOR Site Price) b) The bidder should have been registered with the appropriate authority under relevant GST laws. c) The bidder to specify in their offer (part 1 bid) the category of registration under GST i.e. registered dealer and composite dealer d) No CGST/SGST/UTGST/IGST will be reimbursed to composite dealer. In the event of any GST quoted by composite dealer, the same shall be considered for evaluation purpose. However, the ordering will be done without considering the tax. e) In the event of any change in the status of vendor from composite to regular dealer after the submission of the bid but before the supply, no reimbursement of CGST/SGST/UTGST/IGST will be made. However, the vendor has to raise the invoice strictly, as per the law, by adjusting their ex-works price.		



PROJECT:-

PACKAGE:-

TENDER ENQUIRY REFERENCE:-

NAME OF ENDOR:-

SL NO	VOLUME SECTION	PAGE NO.	CLAU SE NO.	TECHNICAL SPECIFICATION TENDER DOCUMENT	COMPLETE DESCRIPTION OF DEVIATION	COST OF WITHDRAWAL OF DEVIATION	REFERENCE OF PRICE SCHEDULE ON WHICH COST OF WITHDRAWAL OF DEVIATION IS APPLICABLE	NATURE OF COST OF WITHDRAWAL OF DEVIATION (POSITIVE OR NEGATIVE)	REASON FOR QUOTING DEVIATION
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TECHNICAL DEVIATIONS

COMMERCIAL DEVIATIONS

PARTICULARS OF BIDDERS AUTHORIZED REPRESENTATIVE

NAME	DESIGNATIONS	SIGN & DATE

NOTES:

- For self manufactured items of bidder, cost of withdrawal of deviation will be applicable on the basic price (i.e. excluding taxes, duties & freight) only.
- For directly dispatchable items, cost of withdrawal of deviation will be applicable on the basic price including taxes, duties & freight.
- All the bidders have to list out all their Technical & Commercial Deviations (if any) in detail in the above format.
- Any deviation not mentioned above and shown separately or found hidden in offer, will not be taken cognizance of.
- Bidder shall submit duly filled unpriced copy of above format indicating "quoted" in "cost of withdrawal of deviation" column of the schedule above along with their Techno-commercial offer, wherever applicable.
- Bidder shall furnish price copy of above format along with price bid.
- The final decision of acceptance/ rejection of the deviations quoted by the bidder shall be at discretion of the Purchaser.
- Bidders to note that any deviation (technical/commercial) not listed in above and asked after Part-I opening shall not be considered.
- For deviations w.r.t. Payment terms, Liquidated damages, Firm prices ~~and submission of E1/ E2 forms~~ before claiming 10% payment, if a bidder chooses not to give any cost of withdrawal of deviation loading as per Annexure-VIII of GCC, Rev-06 will apply. For any other deviation mentioned in un-priced copy of this format submitted with Part-I bid but not mentioned in priced copy of this format submitted with Priced bid, the cost of withdrawal of deviation shall be taken as NIL.
- Any deviation mentioned in priced copy of this format, but not mentioned in the un-priced copy, shall not be accepted.
- All techno-commercial terms and conditions of NIT shall be deemed to have been accepted by the bidder, other than those listed in unpriced copy of this format.
- Cost of withdrawal is to be given separately for each deviation. In no event bidder should club cost of withdrawal of more than one deviation else cost of withdrawal of such deviations which have been clubbed together shall be considered as NIL.
- In case nature of cost of withdrawal (positive/negative) is not specified it shall be assumed as positive.
- In case of discrepancy in the nature of impact (positive/ negative), positive will be considered for evaluation and negative for ordering.

INTEGRITY PACT**Between**

Bharat Heavy Electricals Ltd. (BHEL), a company registered under the Companies Act 1956 and having its registered office at "BHEL House", Siri Fort, New Delhi - 110049 (India) hereinafter referred to as "The Principal", which expression unless repugnant to the context or meaning hereof shall include its successors or assigns of the ONE PART

and

_____, (description of the party along with address), hereinafter referred to as "The Bidder/ Contractor" which expression unless repugnant to the context or meaning hereof shall include its successors or assigns of the OTHER PART

Preamble

The Principal intends to award, under laid-down organizational procedures, contract/s for

_____. The Principal values full compliance with all relevant laws of the land, rules and regulations, and the principles of economic use of resources, and of fairness and transparency in its relations with its Bidder(s)/ Contractor(s).

In order to achieve these goals, the Principal will appoint Independent External Monitor(s), who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

Section 1- Commitments of the Principal

1.1 The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles:-

1.1.1 No employee of the Principal, personally or through family members, will in connection with the tender for, or the execution of a contract, demand, take a promise for or accept, for self or third person, any material or immaterial benefit which the person is not legally entitled to.

1.1.2 The Principal will, during the tender process treat all Bidder(s) with equity and reason. The Principal will in particular, before and during the tender process, provide to all Bidder(s) the same information and will not provide to any Bidder(s) confidential/ additional information through which the Bidder(s) could obtain an advantage in relation to the tender process or the contract execution.

1.1.3 The Principal will exclude from the process all known prejudiced persons.

1.2 If the Principal obtains information on the conduct of any of its employees which is a penal offence under the Indian Penal Code 1860 and Prevention of Corruption Act 1988 or any other statutory penal enactment, or if there be a substantive suspicion in this regard, the Principal will inform its Vigilance Office and in addition can initiate disciplinary actions:

Amit Meena
(AMIT MEENA)
DI MGR/PG-II

Section 2 - Commitments of the Bidder(s)/ Contractor(s)

- 2.1 The Bidder(s)/ Contractor(s) commit himself to take all measures necessary to prevent corruption. He commits himself to observe the following principles during his participation in the tender process and during the contract execution.
- 2.1.1 The Bidder(s)/ Contractor(s) will not, directly or through any other person or firm, offer, promise or give to the Principal or to any of the Principal's employees involved in the tender process or the execution of the contract or to any third person any material, immaterial or any other benefit which he/ she is not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.
- 2.1.2 The Bidder(s)/ Contractor(s) will not enter with other Bidder(s) into any illegal or undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process.
- 2.1.3 The Bidder(s)/ Contractor(s) will not commit any penal offence under the relevant Indian Penal Code (IPC) and Prevention of Corruption Act; further the Bidder(s)/ Contractor(s) will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.
- 2.1.4 Foreign Bidder(s)/ Contractor(s) shall disclose the name and address of agents and representatives in India and Indian Bidder(s)/ Contractor(s) to disclose their foreign principals or associates. The Bidder(s)/ Contractor(s) will, when presenting his bid, disclose any and all payments he has made, and is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.
- 2.2 The Bidder(s)/ Contractor(s) will not instigate third persons to commit offences outlined above or be an accessory to such offences.
- 2.3 The Bidder(s)/ Contractor(s) shall not approach the Courts while representing the matters to IEMs and will await their decision in the matter.

Section 3 - Disqualification from tender process and exclusion from future contracts

If the Bidder(s)/ Contractor(s), before award or during execution has committed a transgression through a violation of Section 2 above, or acts in any other manner such as to put his reliability or credibility in question, the Principal is entitled to disqualify the Bidder(s)/ Contractor(s) from the tender process or take action as per the separate "Guidelines on Banning of Business dealings with Suppliers/ Contractors", framed by the Principal.

Section 4 - Compensation for Damages

- 4.1 If the Principal has disqualified the Bidder from the tender process prior to the award according to Section 3, the Principal is entitled to demand and recover the damages equivalent Earnest Money Deposit/ Bid Security.
- 4.2 If the Principal has terminated the contract according to Section 3, or if the Principal is entitled to terminate the contract according to section 3, the Principal shall be entitled to

demand and recover from the Contractor liquidated damages equivalent to 5% of the contract value or the amount equivalent to Security Deposit/ Performance Bank Guarantee, whichever is higher.

Section 5 - Previous Transgression

- 5.1 The Bidder declares that no previous transgressions occurred in the last 3 years with any other company in any country conforming to the anti-corruption approach or with any other Public Sector Enterprise in India that could justify his exclusion from the tender process.
- 5.2 If the Bidder makes incorrect statement on this subject, he can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason.

Section 6 - Equal treatment of all Bidders/ Contractors / Sub-contractors

- 6.1 The Principal will enter into agreements with identical conditions as this one with all Bidders and Contractors. In case of sub-contracting, the Principal contractor shall be responsible for the adoption of IP by his sub-contractors and shall continue to remain responsible for any default by his sub-contractors:
- 6.2 The Principal will disqualify from the tender process all bidders who do not sign this pact or violate its provisions.

Section 7 - Criminal Charges against violating Bidders/ Contractors /Subcontractors

If the Principal obtains knowledge of conduct of a Bidder, Contractor or Subcontractor, or of an employee or a representative or an associate of a Bidder, Contractor or Subcontractor which constitutes corruption, or if the Principal has substantive suspicion in this regard, the Principal will inform the Vigilance Office.

Section 8 - Independent External Monitor(s)

- 8.1 The Principal appoints competent and credible Independent External Monitor for this Pact. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.
- 8.2 The Monitor is not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. He reports to the CMD, BHEL.
- 8.3 The Bidder(s)/ Contractor(s) accepts that the Monitor has the right to access without restriction to all contract documentation of the Principal including that provided by the Bidder(s)/ Contractor(s). The Bidder(s)/ Contractor(s) will grant the monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his contract documentation. The same is applicable to Sub-contractor(s). The Monitor is under contractual obligation to treat the information and documents of the Bidder(s)/ Contractor(s) / Sub-contractor(s) with confidentiality in line with Non- disclosure agreement.
- 8.4 The Principal will provide to the Monitor sufficient information about all meetings among the parties related to the contract provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the Monitor the option to participate in such meetings.

- 8.5 The role of IEMs is advisory, would not be legally binding and it is restricted to resolving issues raised by an intending bidder regarding any aspect of the tender which allegedly restricts competition or bias towards some bidders. At the same time, it must be understood that IEMs are not consultants to the Management. Their role is independent in nature and the advice once tendered would not be subject to review at the request of the organization.
- 8.6 For ensuring the desired transparency and objectivity in dealing with the complaints arising out of any tendering process, the matter should be examined by the full panel of IEMs jointly as far as possible, who would look into the records, conduct an investigation, and submit their joint recommendations to the Management.
- 8.7 The IEMs would examine all complaints received by them and give their recommendations/ views to CMD, BHEL, at the earliest. They may also send their report directly to the CVO and the Commission, in case of suspicion of serious irregularities requiring legal/ administrative action. IEMs will tender their advice on the complaints within 10 days as far as possible.
- 8.8 The CMD, BHEL shall decide the compensation to be paid to the Monitor and its terms and conditions.
- 8.9 IEM should examine the process integrity, they are not expected to concern themselves with fixing of responsibility of officers. Complaints alleging mala fide on the part of any officer of the organization should be looked into by the CVO of the concerned organisation.
- 8.10 If the Monitor has reported to the CMD, BHEL, a substantiated suspicion of an offence under relevant Indian Penal Code/ Prevention of Corruption Act, and the CMD, BHEL has not, within reasonable time, taken visible action to proceed against such offence or reported it to the Vigilance Office, the Monitor may also transmit this information directly to the Central Vigilance Commissioner, Government of India.
- 8.11 The number of Independent External Monitor(s) shall be decided by the CMD, BHEL.
- 8.12 The word 'Monitor' would include both singular and plural.

Section 9 - Pact Duration

- 9.1 This Pact shall be operative from the date IP is signed by both the parties till the final completion of contract for successful bidder and for all other bidders 6 months after the contract has been awarded. Issues like warranty / guarantee etc. should be outside the purview of IEMs.
- 9.2 If any claim is made/ lodged during currency of IP, the same shall be binding and continue to be valid despite the lapse of this pact as specified above, unless it is discharged/ determined by the CMD, BHEL.

Section 10 - Other Provisions

- 10.1 This agreement is subject to Indian Laws and jurisdiction shall be registered office of the Principal, i.e. New Delhi.

- 10.2 Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.
- 10.3 If the Contractor is a partnership or a consortium, this agreement must be signed by all partners or consortium members.
- 10.4 Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intentions.
- 10.5 Only those bidders / contractors who have entered into this agreement with the Principal would be competent to participate in the bidding. In other words, entering into this agreement would be a preliminary qualification.

For & On behalf of the Principal

(Office Seal)

Place Noida

Date _____


(AMIT MEENA)
DYINGE/PS-2

For & On behalf of the Bidder/
Contractor

(Office Seal)

Witness: _____

(Name & Address) _____

Witness: _____

(Name & Address) _____

BANK GUARANTEE FOR PERFORMANCE SECURITY

Bank Guarantee No:

Date:

To

NAME

& ADDRESSES OF THE BENEFICIARY

Dear Sirs,

In consideration of the Bharat Heavy Electricals Limited ¹ (hereinafter referred to as the 'Employer' which expression shall unless repugnant to the context or meaning thereof, include its successors and permitted assigns) incorporated under the Companies Act, 1956 and having its registered office at _____ through its Unit at.....(name of the Unit) having awarded to (Name of the Vendor / Contractor / Supplier) having its registered office at _____ ² hereinafter referred to as the 'Contractor/Supplier', which expression shall unless repugnant to the context or meaning thereof, include its successors and permitted assigns), a contract Ref No.....dated³ valued at Rs.....⁴ (Rupees -----)/FC.....(in words.....) for⁵ (hereinafter called the 'Contract') and the Contractor having agreed to provide a Contract Performance Guarantee, equivalent to% (.... Percent) of the said value of the Contract to the Employer for the faithful performance of the Contract,

we,, (hereinafter referred to as the Bank), having registered/Head office at and inter alia a branch at being the Guarantor under this Guarantee, hereby, irrevocably and unconditionally undertake to forthwith and immediately pay to the Employer a maximum amount Rs ----- (Rupees -----) without any demur, immediately on a demand from the Employer, .

Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs. _____.

We undertake to pay to the Employer any money so demanded notwithstanding any dispute or disputes raised by the Contractor/ Supplier in any suit or proceeding pending before any Court or Tribunal relating thereto our liability under this present being absolute and unequivocal.

The payment so made by us under this Guarantee shall be a valid discharge of our liability for payment thereunder and the contractors/supplier shall have no claim against us for making such payment.

We thebank further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said Contract and that it shall continue to be enforceable till all the dues of the Employer under or by virtue of the said Contract have been fully paid and its claims satisfied or discharged.

We BANK further agree with the Employer that the Employer shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Contract or to extend time of performance by the said Contractor/Supplier from time to time or to postpone for any time or from time to time any of the powers exercisable by the Employer against the said Contractor/Supplier and to forbear or enforce any of the terms and conditions relating to the said Agreement and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Contractor/Supplier or for any forbearance, act or omission on the part of the Employer or any indulgence by the Employer to the said Contractor/Supplier or by any such matter or thing whatsoever which under the law relating to sureties would but for this provision have effect of so relieving us.

The Bank also agrees that the Employer at its option shall be entitled to enforce this Guarantee against the Bank as a principal debtor, in the first instance without proceeding against the Contractor and notwithstanding any security or other guarantee that the Employer may have in relation to the Contractor's liabilities.

This Guarantee shall remain in force upto and including.....⁶ and shall be extended from time to time for such period as may be desired by Employer.

This Guarantee shall not be determined or affected by liquidation or winding up, dissolution or change of constitution or insolvency of the Contractor/Supplier but shall in all respects and for all purposes be binding and operative until payment of all money payable to the Employer in terms thereof.

Unless a demand or claim under this guarantee is made on us in writing on or before the⁷we shall be discharged from all liabilities under this guarantee thereafter.

We, BANK lastly undertake not to revoke this guarantee during its currency except with the previous consent of the Employer in writing.

Notwithstanding anything to the contrary contained hereinabove:

- a) The liability of the Bank under this Guarantee shall not exceed.....⁸
- b) This Guarantee shall be valid up to⁹
- c) Unless the Bank is served a written claim or demand on or before¹⁰ all rights under this guarantee shall be forfeited and the Bank shall be relieved and discharged from all liabilities under this guarantee irrespective of whether or not the original bank guarantee is returned to the Bank.

We, _____ Bank, have power to issue this Guarantee under law and the undersigned as a duly authorized person has full powers to sign this Guarantee on behalf of the Bank.

For and on behalf of
(Name of the Bank)

Dated.....

Place of Issue.....

¹ NAME AND ADDRESS OF EMPLOYER I.e Bharat Heavy Electricals Limited

² NAME AND ADDRESS OF THE VENDOR /CONTRACTOR / SUPPLIER.

³ DETAILS ABOUT THE NOTICE OF AWARD/CONTRACT REFERENCE

⁴ PROJECT/SUPPLY DETAILS

⁵ BG AMOUNT IN FIGURES AND WORDS

⁶ VALIDITY DATE

⁷ DATE OF EXPIRY OF CLAIM PERIOD

⁸ BG AMOUNT IN FIGURES AND WORDS.

⁹ VALIDITY DATE

¹⁰ DATE OF EXPIRY OF CLAIM PERIOD

Note:

1. Units are advised that expiry of claim period may be kept 2/3 months after validity date.
2. In Case of Bank Guarantees submitted by Foreign Vendors-
 - a. **From Nationalized/Public Sector / Private Sector/ Foreign Banks (BG issued by Branches in India)** can be accepted subject to the condition that the Bank Guarantee should be enforceable in the town/city or at nearest branch where the Unit is located i.e. Demand can be presented at the Branch located in the town/city or at nearest branch where the Unit is located.
 - b. **From Foreign Banks (wherein Foreign Vendors intend to provide BG from local branch of the Vendor country's Bank)**
 - b.1 In such cases, in the Tender Enquiry/ Contract itself, it may be clearly specified that Bank Guarantee issued by **any of the Consortium Banks only** will be accepted by BHEL. As such, Foreign Vendor needs to make necessary arrangements for issuance of Counter- Guarantee by Foreign Bank in favour of the Indian Bank (BHEL's Consortium Bank). It is advisable that all charges for issuance of Bank Guarantee/ counter- Guarantee should be borne by the Foreign Vendor. The tender stipulation should clearly specify these requirements.
 - b.2 In case, Foreign Vendors intend to provide BG from Overseas Branch of our Consortium Bank (e.g. if a BG is to be issued by SBI Frankfurt), the same is acceptable. However, the procedure at sl.no. b.1 will required to be followed.
 - b.3 The BG issued may preferably be subject to Uniform Rules for Demand Guarantees (URDG) 758 (as amended from time to time). In case, of Foreign Vendors, the BG Format provided to them should clearly specify the same.
 - b.4 The BG should clearly specify that the demand or other document can be presented in electronic form.

**ANNEXURE TO MODEL CONCILIATION CLAUSE FOR CONDUCT OF
CONCILIATION UNDER THE BHEL CONCILIATION SCHEME, 2018**

BRIEF PROCEDURE FOR CONDUCT OF CONCILIATION PROCEEDINGS

1. The proceedings of Conciliation shall broadly be governed by Part-III of the Arbitration and Conciliation Act 1996 or any statutory modification thereof and as provided herein:
2. The party desirous of resorting to Conciliation shall send an invitation/notice in writing to the other party to conciliate specifying all points of Disputes with details of the amount claimed. The party concerned shall not raise any new issue thereafter. Parties shall also not claim any interest on claims/counter-claims from the date of notice invoking Conciliation till the conclusion of the Conciliation proceedings. If BHEL is to initiate Conciliation, then, the invitation to Conciliate shall be extended to the concerned Stakeholder in **Format 7** hereto. Where the stakeholder is to initiate the Conciliation, the notice for initiation of Conciliation shall be sent in **Format-8** hereto.
3. The party receiving the invitation/notice for Conciliation shall within 30 days of receipt of the notice of Conciliation intimate its consent for Conciliation along with its counter-claims, if any.
4. The Conciliation in a matter involving claim or counter-claim (whichever is higher) up to Rs 5 crores shall be carried out by sole Conciliator nominated by BHEL while in a matter involving claim or counter-claim (whichever is higher) of more than Rs 5 crores Conciliation shall be carried out by 3 Conciliators nominated by BHEL. The appointment of Conciliator(s) shall be completed and communicated by the concerned Department/Group of BHEL Unit/Division/Region/Business Group to the other party and the Conciliator(s) within 30 days from the date of acceptance of the invitation to conciliate by the concerned party in the **Format-9**. The details of the Claim, and counter-claim, if any, shall be intimated to the Conciliator(s) simultaneously in **Format-5**.
5. The Parties shall be represented by only their duly authorized in-house executives/officers and neither Party shall be represented by a Lawyer.
6. The first meeting of the IEC shall be convened by the IEC by sending appropriate communication/notice to both the parties as soon as possible but not later than 30 days from the date of his/their appointment. The hearings in the Conciliation proceeding shall ordinarily be concluded within two (2) months and, in exceptional cases where parties have expressed willingness to settle the matter or there exists possibility of settlement in the matter, the

proceedings may be extended by the IEC by a maximum of further 2 months with the consent of the Parties subject to cogent reasons being recorded in writing.

- 7.** The IEC shall thereafter formulate recommendations for settlement of the Disputes supported by reasons at the earliest but in any case within 15 days from the date of conclusion of the last hearing. The recommendations so formulated along with the reasons shall be furnished by the IEC to both the Parties at the earliest but in any case within 1 month from the date of conclusion of the last hearing.
- 8.** Response/modifications/suggestions of the Parties on the recommendations of the IEC are to be submitted to the IEC within time limit stipulated by the IEC but not more than 15 days from the date of receipt of the recommendations from the IEC.
- 9.** In the event, upon consideration, further review of the recommendations is considered necessary, whether by BHEL or by the other Party, then, the matter can be remitted back to the IEC with request to reconsider the same in light of the issues projected by either/both the Parties and to submit its recommendations thereon within the following 15 days from the date of remitting of the case by either of the Parties.
- 10.** Upon the recommendations by the Parties, with or without modifications, as considered necessary, the IEC shall be called upon to draw up the Draft Settlement Agreement in terms of the recommendations.
- 11.** When a consensus can be arrived at between the parties only in regard to any one or some of the issues referred for Conciliation the draft Settlement Agreement shall be accordingly formulated in regard to the said Issue(s), and the said Settlement Agreement, if signed, by the parties, shall be valid only for the said issues. As regards the balance issues not settled, the parties may seek to resolve them further as per terms and conditions provided in the contract.
- 12.** In case no settlement can be reached between the parties, the IEC shall by a written declaration, pronounce that the Conciliation between the parties has failed and is accordingly terminated.
- 13.** Unless the Conciliation proceedings are terminated in terms of para 22 (b), (c) & (d) herein below, the IEC shall forward his/its recommendations as to possible terms of settlement within one (1) month from the date of last hearing. The date of first hearing of Conciliation shall be the starting date for calculating the period of 2 months.

- 14.** In case of 3 members IEC, 2 members of IEC present will constitute a valid quorum for IEC and meeting can take place to proceed in the matter after seeking consent from the member who is not available. If necessary, videoconferencing may be arranged for facilitating participation of the members. However, the IEC recommendations will be signed by all members. Where there is more than one (1) Conciliator, as a general rule they shall act jointly. In the event of differences between the Members of IEC, the decision/recommendations of the majority of the Members of IEC shall prevail and be construed as the recommendation of the IEC.
- 15.** The Draft Settlement Agreement prepared by the IEC in terms of the consensus arrived at during the Conciliation proceedings between the Parties shall be given by the IEC to both the parties for putting up for approval of their respective Competent Authority.
- 16.** Before submitting the draft settlement agreement to BHEL's Competent Authority viz. the Board Level Committee on Alternative Dispute Resolution (BLCADR) for approval, concurrence of the other party's Competent Authority to the draft settlement agreement shall be obtained by the other party and informed to BHEL within 15 days of receipt of the final draft settlement agreement by it. Upon approval by the Competent Authority, the Settlement Agreement would thereafter be signed by the authorized representatives of both the Parties and authenticated by the members of the IEC.
- 17.** In case the Draft Settlement Agreement is rejected by the Competent Authority of BHEL or the other Party, the Conciliation proceedings would stand terminated.
- 18.** A Settlement Agreement shall contain a statement to the effect that each of the person(s) signing thereto (i) is fully authorized by the respective Party(ies) he/she represents, (ii) has fully understood the contents of the same and (iii) is signing on the same out of complete freewill and consent, without any pressure, undue influence.
- 19.** The Settlement Agreement shall thereafter have the same legal status and effect as an arbitration award on agreed terms on the substance of the dispute rendered by an arbitral tribunal passed under section 30 of the Arbitration and Conciliation Act, 1996.
- 20.** Acceptance of the Draft Settlement Agreement/recommendations of the Conciliator and/or signing of the Settlement Agreement by BHEL shall however, be subject to withdrawal/closure of any arbitral and/or judicial proceedings initiated by the concerned Party in regard to such settled issues.

- 21.** Unless otherwise provided for in the agreement, contract or the Memorandum of Understanding, as the case may be, in the event of likelihood of prolonged absence of the Conciliator or any member of IEC, for any reason/incapacity, the Competent Authority/Head of Unit/Division/Region/Business Group of BHEL may substitute the Conciliator or such member at any stage of the proceedings. Upon appointment of the substitute Conciliator(s), such reconstituted IEC may, with the consent of the Parties, proceed with further Conciliation into the matter either de-novo or from the stage already reached by the previous IEC before the substitution.
- 22.** The proceedings of Conciliation under this Scheme may be terminated as follows:
- a.** On the date of signing of the Settlement agreement by the Parties; or,
 - b.** By a written declaration of the IEC, after consultation with the parties, to the effect that further efforts at conciliation are no longer justified, on the date of the declaration; or,
 - c.** By a written declaration of the Parties addressed to the IEC to the effect that the Conciliation proceedings are terminated, on the date of the declaration; or,
 - d.** By a written declaration of a Party to the other Party and the IEC, if appointed, to the effect that the Conciliation proceedings are terminated, on the date of the declaration; or,
 - e.** On rejection of the Draft Settlement Agreement by the Competent Authority of BHEL or the other Party.
- 23.** The Conciliator(s) shall be entitled to following fees and facilities:

Sl No	Particulars	Amount
1	Sitting fees	Each Member shall be paid a Lump Sum fee of Rs 75,000/- for the whole case payable in terms of paragraph No. 27 herein below.
2	Towards drafting of settlement agreement	In cases involving claim and/or counter-claim of up to Rs 5crores. Rs 50,000/- (Sole Conciliator) In cases involving claim and/or counter-claim of exceeding Rs 5 crores but less than Rs 10 crores.

Sl No	Particulars	Amount
		Rs 75,000 (per Conciliator) In cases involving claim and/or counter-claim of more than Rs 10 crores. Rs 1,00,000/- (per Conciliator) Note: The aforesaid fees for the drafting of the Settlement Agreement shall be paid on the, Signing of the Settlement Agreement after approval of the Competent Authority or Rejection of the proposed Settlement Agreement by the Competent Authority of BHEL.
3	Secretarial expenses	Rs 10,000/- (one time) for the whole case for Conciliation by a Sole Member IEC. Where Conciliation is by multi member Conciliators –Rs 30,000/- (one time)- to be paid to the IEC
4	Travel and transportation and stay at outstation Retired Senior Officials of other Public Sector Undertakings (pay scale wise equivalent to or more than E-8 level of BHEL)	As per entitlement of the equivalent officer (pay scale wise) in BHEL.
	Others	As per the extant entitlement of whole time Functional Directors in BHEL. Ordinarily, the IEC Member(s) would be entitled to travel by air Economy Class.
5	Venue for meeting	Unless otherwise agreed in the agreement, contract or the Memorandum of Understanding, as the case may be, the venue/seat of proceedings shall be the location of the

Sl No	Particulars	Amount
		concerned Unit / Division / Region / Business Group of BHEL. Without prejudice to the seat/venue of the Conciliation being at the location of concerned BHEL Unit / Division / Region / Business Group, the IEC after consulting the Parties may decide to hold the proceedings at any other place/venue to facilitate the proceedings. Unless, Parties agree to conduct Conciliation at BHEL premises, the venue is to be arranged by either Party alternately.

- 24.** The parties will bear their own costs including cost of presenting their cases/evidence/witness(es)/expert(s) on their behalf. The parties agree to rely upon documentary evidence in support of their claims and not to bring any oral evidence in IEC proceedings.
- 25.** If any witness(es) or expert(s) is/are, with the consent of the parties, called upon to appear at the instance of the IEC in connection with the matter, then, the costs towards such witness(es)/expert(s) shall be determined by the IEC with the consent of the Parties and the cost so determined shall be borne equally by the Parties.
- 26.** The other expenditures/costs in connection with the Conciliation proceedings as well as the IEC's fees and expenses shall be shared by the Parties equally.
- 27.** Out of the lump sum fees of Rs 75,000/- for Sitting Fees, 50% shall be payable after the first meeting of the IEC and the remaining 50% of the Sitting Fees shall be payable only after termination of the conciliation proceedings in terms of para 22 hereinabove.
- 28.** The travelling, transportation and stay at outstation shall be arranged by concerned Unit as per entitlements as per Serial No. 4 of the Table at para 23 above, and in case such arrangements are not made by the BHEL Unit, the same shall be reimbursed to the IEC on actuals limited to their entitlement as per Serial No. 4 of the Table at Para 23 above against supporting documents. The IEC Member(s) shall submit necessary invoice for claiming the fees/reimbursements.

- 29.** The Parties shall keep confidential all matters relating to the conciliation proceedings. Confidentiality shall extend also to the settlement agreement, except where its disclosure is necessary for purposes of its implementation and enforcement or as required by or under a law or as per directions of a Court/Governmental authority/ regulatory body, as the case may be.
- 30.** The Parties shall not rely upon or introduce as evidence in any further arbitral or judicial proceedings, whether or not such proceedings relate to the Disputes that is the subject of the Conciliation proceedings:
- a.** Views expressed or suggestions made by the other party in respect of a possible settlement of the Disputes;
 - b.** admissions made by the other party in the course of the Conciliator proceedings;
 - c.** proposals made by the Conciliator;
 - d.** The fact that the other Party had indicated his willingness to accept a proposal for settlement made by the Conciliator.
- 31.** The Parties shall not present the Conciliator(s) as witness in any Alternative Dispute Resolution or Judicial proceedings in respect of a Disputes that is/was the subject of that particular Conciliation proceeding.
- 32.** None of the Conciliators shall act as an arbitrator or as a representative or counsel of a Party in any arbitral or judicial proceeding in respect of a Disputes that is/was the subject of that particular Conciliation proceeding.
- 33.** The Parties shall not initiate, during the Conciliation proceedings, any arbitral or judicial proceedings in respect of a Disputes that is the subject matter of the Conciliation proceedings except that a Party may initiate arbitral or judicial proceedings where, in his opinion, such proceedings are necessary for preserving his rights including for preventing expiry of period of limitation. Unless terminated as per the provisions of this Scheme, the Conciliation proceedings shall continue notwithstanding the commencement of the arbitral or judicial proceedings and the arbitral or judicial proceedings shall be primarily for the purpose of preserving rights including preventing expiry of period of limitation.
- 34.** The official language of Conciliation proceedings under this Scheme shall be English unless the Parties agree to some other language.

Format 5 to BHEL Conciliation Scheme, 2018
STATEMENT OF CLAIMS/COUNTER CLAIMS TO BE SUBMITTED TO THE
IEC BY BOTH THE PARTIES

1. Chronology of the Disputes
2. Brief of the Contract/MoU/Agreement/LOI/LOA
3. Brief history of the Disputes:
4. Issues:
5. Details of Claim(s)/Counter Claim(s):

SI. No.	Description of claim(s)/Counter Claim	Amount (in INR)Or currency applicable in the contract	Relevant contract clause

6. Basis/Ground of claim(s)/counter claim(s) (along with relevant clause of contract)

Note– *The Statement of Claims/ Counter Claims may ideally be restricted to maximum limit of 20 pages. Relevant documents may be compiled and submitted along with the statement of Claims/ Counter Claims. The statement of Claims/ Counter Claims is to be submitted to all IEC members and to the other party by post as well as by email.*

FORMAT FOR NOTICE INVOKING CONCILIATION CLAUSE BY BHEL FOR REFERRING THE DISPUTES TO CONCILIATION THROUGH IEC

To,

M/s. (Stakeholder's name)

Subject: **NOTICE FOR INVOCATION OF THE CONCILIATION CLAUSE OF THE CONTRACT BY BHEL**

Ref: Contract No/MoU/Agreement/LOI/LOA& date _____.

Dear Sir/Madam,

As you are aware, with reference to above referred Contract/MoU/Agreement/LOI/LOA, certain disputes have arisen, which, in spite of several rounds of mutual discussions and various correspondences have remained unresolved. The brief particulars of our claims which arise out of the above- referred Contract/MoU/Agreement/LOI/LOA are reproduced hereunder:

Sl. No.	Claim description	Amount involved

As you are aware, there is a provision in the captioned Contract/MoU/Agreement/LOI/ LOA for referring disputes to conciliation.

In terms of Clause -----of Procedure i.e., Annexure ----- to the Contract/MoU /Agreement / LOI / LOA, we hereby seek your consent to refer the matter to Conciliation by Independent Experts Committee to be appointed by BHEL. You are invited to provide your consent in writing to proceed with conciliation into the above mentioned disputes within a period of 30 days from the date of this letter along with details of counter-claims, if any, which you might have with regard to the subject Contract/ MoU/ Agreement/ LOI/ LOA.

Please note that upon receipt of your consent in writing within 30 days of the date of receipt of this letter by you, BHEL shall appoint suitable person(s) from the BHEL Panel of Conciliators.

This letter is being issued without prejudice to our rights and contentions available under the contract and law.

Thanking you
Yours faithfully

Representative of BHEL

Note: The Format may be suitably modified, as required, based on facts and circumstances of the case.

**FORMAT FOR NOTICE INVOKING CONCILIATION CLAUSE BY A
STAKEHOLDER FOR REFERRING THE DISPUTES TO CONCILIATION
THROUGH IEC**

To,

BHEL (Head of the Unit/Division/Region/Business Group)

Subject: **NOTICE FOR INVOCATION OF THE CONCILIATION CLAUSE OF THE
CONTRACT BY A STAKEHOLDER**

Ref: Contract No/MoU/Agreement/LOI/LOA& date _____.

Dear Sir/Madam,

As you are aware, with reference to above referred Contract/MoU/Agreement/LOI/LOA, certain disputes have arisen, which, in spite of several rounds of mutual discussions and various correspondences have remained unresolved. The brief particulars of our claims which have arisen out of the above-referred Contract/MoU/Agreement/LOI/LOA are enumerated hereunder:

Sl. No.	Claim description	Amount involved

As you are aware, there is a provision in the captioned Contract/MoU/Agreement/LOI/ LOA for referring inter-se disputes of the Parties to conciliation.

We wish to refer the above-said disputes to Conciliation as per the said Clause of the captioned Contract/MoU/Agreement/LOI/ LOA. In terms of Clause -----of Procedure i.e., Annexure ----- to the Contract/MoU /Agreement / LOI / LOA, we hereby invite BHEL to provide its consent in writing to proceed with conciliation into the above mentioned disputes within a period of 30 days from the date of this letter along with details of counter-claims, if any, which it might have with regard to the subject Contract/ MoU/ Agreement/ LOI/ LOA and to appoint suitable person(s) as Conciliator(s) from the BHEL Panel of Conciliators.

This letter is being issued without prejudice to our rights and contentions available under the contract and law.

Thanking you
Yours faithfully

Representative of the Stakeholder

Note: The Format may be suitably modified, as required, based on facts and circumstances of the case.

FORMAT FOR INTIMATION TO THE STAKEHOLDER ABOUT APPOINTMENT OF CONCILIATOR/IEC

To,

M/s. (Stakeholder's name)

Subject: **INTIMATION BY BHEL TO THE STAKEHOLDER AND CONCILIATOR(S) ABOUT APPOINTMENT OF CONCILIATOR/IEC**

Ref: Contract No/MoU/Agreement/LOI/LOA& date _____.

Sir,

This is with reference to letter dated ----- regarding reference of the disputes arising in connection with the subject Contract No /MoU/Agreement/LOI/LOA to conciliation and appointment of Conciliator(s).

In pursuance of the said letter, the said disputes are assigned to conciliation and the following persons are nominated as Conciliator(s) for conciliating and assisting the Parties to amicably resolve the disputes in terms of the Arbitration & Conciliation Act, 1996 and the Procedure ---- to the subject Contract/MoU/Agreement/LOI/LOA, if possible.

Name and contact details of Conciliator(s)

a)

b)

c)

You are requested to submit the Statement of Claims or Counter-Claims (strike off whichever is inapplicable) before the Conciliator(s) in Format 5 (enclosed herewith) as per the time limit as prescribed by the Conciliator(s).

Yours faithfully,

Representative of BHEL

CC: To Conciliator(s)... for Kind Information please.

Encl: As above

Note: The Format may be suitably modified, as required, based on facts and circumstances of the case.

INSTRUCTION REGARDING E-PROCUREMENT

Digital Certificate: To access an e-Tender, you need to have a Class-II/III Digital Signature Certificate (DSC) for Signing & Encryption (Required both digital signature certificate: Signing & Encryption) of bids issued by any of the valid Certifying Authorities (approved by Controller of Certifying Authorities) in India. Valid Digital Signature Certificate (DSC) must be installed in a computer system from where you want to access the website.

MINIMUM REQUIREMENT: (Mandatory)

- Computer with good Internet Connection.
- Operating System should be Windows Vista / Windows 7 and above.
- Web Browsers: Internet Explorer 9.0 (32-bit Browser only) & above

At first time login, to verify and approve your login profile & DSC, you are requested to contact e-Procurement Service Provider.

E-procurement service Provider details:

M/s e Procurement Technologies limited, Ahmedabad
B705. Wall Street II, Opp Orient Club, Near Gujrat college, Ellis Bridge, Ahmedabad, PIN 380 006.

Please get in touch with service provider at the earliest for required support.
The contact details of the service provider is given below:

Name	Contact Nos.	e-mail ID	Role	Location
Mukunthan	+91 6353215001	Trichy.bhel@eptl.in	Support Executive	Trichy
Tej Singh	+91 6353215002	Bhopal.bhel@eptl.in	Support Executive	Bhopal
Sanjeev Kumar	+91 6353215003	Jhansi.bhel@eptl.in	Support Executive	Jhansi
Gaurav Panwar	+91 6353215004	Haridwar.bhel@eptl.in	Support Executive	Haridwar
Mallikarjun	+91 6353215005	Bengaluru.bhel@eptl.in	Support Executive	Bangalore
Avinash Govu	+91 6353215007	Hyderabad.bhel@eptl.in	Support Executive	Hyderabad
Swapnil Hamilton	+91 7940270549	swapnil.h@eptl.in	Support Executive	HO – Ahmedabad
Hardik Oza	+91 7940270560	Hardik.oza@eptl.in	Support Executive	HO – Ahmedabad
Ankur Bhatt	+91 7940270590	ankur.bhatt@eptl.in	Support Executive	HO – Ahmedabad
Prashant Rajyaguru	+91 7940270545	prashant@eptl.in	Asst. Manager – Implementation & Support	HO – Ahmedabad
Dharam Rathod	+91 7940270596	dharam@eptl.in	Manager – Implementation & Support	HO – Ahmedabad
Pradip Parmar	+91 7940270532	pradip@eptl.in	Sr Mgr – Implementation & Support	HO – Ahmedabad
Devang Patel	+91 7940270576	devang@eptl.in	Sr Manager – Implementation & Support	HO – Ahmedabad

**Corporate Materials Management
BHEL New Delhi**

AA:MM:Agency
Dt. 06.08.2010

Guidelines regarding dealings with Indian Agents of Foreign Suppliers

1. BHEL shall deal directly with the foreign original equipment manufacturers (OEM)/ Foreign Principal, for all its purchases which are imported.
2. Wherever the foreign OEM/ principal desires to avail the services of an Indian Agent, the dealings with Indian Agents are to be regulated. The guidelines of BHEL in this regard have been drafted as per CVC circular no. 007/VGL/033 dated 04.12.2007.

Definition of Indian Agent

3. An Indian Agent of foreign principal is an individual, a partnership, an association of persons, a private or public Company, that carries out specific obligation(s) towards processing of BHEL tender or finalization or execution of BHEL's contract on behalf of the foreign supplier.

Recommendations

4. All NITs shall have the following terms regarding Indian agents of foreign principals:
 - i. BHEL shall deal directly with foreign vendors, wherever required, for procurement of goods. However, if the foreign principal desires to avail of the services of an Indian agent, then the foreign principal should ensure compliance to regulatory guidelines - which require mandatory submission of an Agency Agreement.
 - ii. It shall be incumbent on the Indian agent and the foreign principal to adhere to the relevant guidelines of Government of India, issued from time to time.
 - iii. The Agency Agreement should specify the precise relationship between the foreign OEM / foreign principal and their Indian agent and their mutual interest in the business. All services to be rendered by agent/ associate, whether of general nature or in relation to the particular contract, must be clearly stated by the foreign supplier/ Indian agent. Any payment, which the agent or associate receives in India or abroad from the OEM, whether as commission or as a general retainer fee should be brought on record in the Agreement and be made explicit in order to ensure compliance to laws of the country.
 - iv. Any agency commission to be paid by BHEL to the Indian agent shall be in Indian currency only.
 - v. Tax deduction at source is applicable to the agency commission paid to the Indian agent as per the prevailing rules.
 - vi. In the absence of any agency agreement, BHEL shall not deal with any Indian agent (authorized representatives / associate / consultant, or by whatever name called) and shall deal directly with the foreign principal only for all correspondence and business purposes.
 - vii. The "Guidelines for Indian Agents of Foreign Suppliers" enclosed at annexure -'A' shall apply in all such cases.

- viii. The supply and execution of the Purchase Order (including indigenous supplies/ service) shall be in the scope of the OEM/ foreign principal. The OEM/ foreign principal should submit their offer inclusive of all indigenous supplies/ services and evaluation will be based on 'total cost to BHEL'. In case OEM/ foreign principal recommends placement of order(s) towards indigenous portion of supplies/ services on Indian supplier(s)/ agent on their behalf, the credentials/ capacity/ capability of the Indian supplier(s)/ agent to make the supplies/ services shall be checked by BHEL as per the extant guidelines of Supplier Evaluation, Approval & Review Procedure (SEARP), before opening of price bids. In this regard, details may be checked as per Annexure-B (copy enclosed). It will be the responsibility of the OEM/ foreign principal to get acquainted with the evaluation requirements of Indian supplier/ agent as per SEARP available on www.bhel.com.

The responsibility for successful execution of the contract (including indigenous supplies/ services) lies with the OEM/ foreign principal. All bank guarantees to this effect shall be in the scope of the OEM/ foreign principal.

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Guidelines for Indian Agents of Foreign Suppliers

- 1.0 There shall be compulsory registration of agents for all Global (Open) Tender and Limited Tender. An agent who is not registered with BHEL shall apply for registration in the registration form in line with SEARP.
- 1.1 Registered agents will file an authenticated Photostat copy duly attested by a Notary Public/Original certificate of the Principal confirming the agency agreement and giving the status being enjoyed by the agent and the commission/ remuneration/ salary/ retainership being paid by the principal to the agent before the placement of order by BHEL.
- 1.2 Wherever the Indian representatives have communicated on behalf of their principals and the foreign parties have stated that they are not paying any commission to the Indian agents, and the Indian representative is working on the basis of salary or as retainer, a written declaration to this effect should be submitted by the party (i.e. Principal) before finalizing the order.
- 2.0 Disclosure of particulars of agents/ representatives in India, if any.**
- 2.1 Tenderers of Foreign nationality shall furnish the following details in their offers:
- 2.1.1 The Bidder(s)/ Contractor(s) of foreign origin shall disclose the name and address of the agents/ representatives in India if any and the extent of authorization and authority given to commit the Principals. In case the agent/ representative be a foreign Company, it shall be confirmed whether it is existing Company and details of the same shall be furnished.
- 2.1.2 The amount of commission/ remuneration included in the quoted price(s) for such agents/ representatives in India.
- 2.1.3 Confirmation of the Tenderer that the commission/ remuneration, if any, payable to his agents/ representatives in India, may be paid by BHEL in Indian Rupees only.
- 2.2 Tenderers of Indian Nationality shall furnish the following details in their offers:
- 2.2.1 The Bidder(s)/ Contractor(s) of Indian Nationality shall furnish the name and address of the foreign principals, if any, indicating their nationality as well as their status, i.e. whether manufacturer or agents of manufacturer holding the Letter of Authority of the Principal specifically authorizing the agent to make an offer in India in response to tender either directly or through the agents/ representatives.
- 2.2.2 The amount of commission/ remuneration included in the price (s) quoted by the Tenderer for himself.
- 2.2.3 Confirmation of the foreign principals of the Tenderer that the commission/ remuneration, if any, reserved for the Tenderer in the quoted price(s), may be paid by BHEL in India in equivalent Indian Rupees on satisfactory completion of the Project or supplies of Stores and Spares in case of operation items.
- 2.3 In either case, in the event of contract materializing, the terms of payment will provide for payment of the commission/ remuneration, if any payable to the agents/ representatives in India in Indian Rupees on expiry of 90 days after the discharge of the obligations under the contract.
- 2.4 Failure to furnish correct and detailed information as called for in paragraph 2.0 above will render the concerned tender liable to rejection or in the event of a contract materializing, the same liable to termination by BHEL. Besides this there would be a penalty of banning business dealings with BHEL or damage or payment of a named sum.

Annexure-B

This format is applicable only to Indian Suppliers/ Agents supplying indigenous portion of Foreign Purchases.

* In all other cases, extant guidelines of SEARP, 2010 are to be followed.

SEARP (SRF) Clause No	Detail
	Name & address of the firm
1.0	Products/ Systems / Services being considered for
2.0	General Information
2.2	Name of Chief Executive
2.3	Details of authorized signatory
3.0	Ownership Information
3.1	Type of firm
3.2	Nature of Business • <i>Attach authorization letter and agency agreement from Principal (from whom capital equipment is procured)</i> • <i>Attach copy of declaration from Foreign Principal for total guarantee/ warranty of indigenous supplies</i>
3.3	Year of establishment
3.4	Year of commencement of business
4.0	Registration particulars
4.1	Permanent Account No.
4.2 / 4.3	Sales Tax / TIN no
4.6	Service tax no. (in case of E&C)
5.0	Organisational strength
6.0	Other particulars
6.1	If the company is already registered with other units
6.2	Directors/ Partners, if related to any BHEL Employee
6.9	If any Ex BHEL Personnel employed by the Company
6.12	Details of pending legal issues with BHEL
6.13	Bank Account information
9.0	Financial information
9.6	Sales/ Turnover details of last 3 years (or from the date of incorporation whichever is less)

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BHEL FRAUD PREVENTION POLICY

1.0 Introduction

BHEL, a public sector enterprise, is an integrated power plant equipment manufacturer and one of largest engineering and manufacturing company in India engaged in design, engineering, manufacturing, construction, testing, commissioning and servicing of a wide range of products and services for core sectors of the economy viz. Power, Transmission, Industry, Transportation, Renewable energy, Oil & Gas and Defense.

All organizations are subject to risks of fraud. Frauds negatively impact the reputation and brand value of organization. Vigilant handling of fraud cases within organisation sends clear signals to the public, stakeholders and regulators about the management attitude towards fraud risks and organisation's fraud risk tolerance.

All levels of management, staff, internal and external auditors have responsibility for dealing with fraud risk.

Section 143(3) (i) of the Company Act, 2013 requires auditors to report about the adequacy of internal Financial controls in the Company and the operating effectiveness of such controls. Further, as per General Direction issued by C&AG vide circular No. 294/CA-II/Cord/A/cs instructions/30-2008 dated 22.04.2010, auditors are required to comment on Risk of Frauds in their reports.

BHEL has already put in place various policies, systems and procedures to guide employees for undertaking various transactions within and outside organisation to conduct the same in a transparent & uniform manner e.g. Purchase Policy, Works Policy along with Delegation of Powers (DOP), HR Policy, Conduct, Discipline and Appeal Rules for employees, Standing Orders etc. Keeping in view the BHEL approach in following Corporate Governance principles proactively, it is appropriate that a Fraud Prevention Policy is formulated and implemented

2.0 Policy Objectives

2.1 Objective of the Policy is to provide a system for detection, prevention and reporting of a fraud detected or suspected; and handling of such matters pertaining to fraud.

2.2 The Policy is expected to ensure and provide for the following:

2.2.1 To ensure that management is aware of its responsibilities for detection and prevention of fraud and for establishing procedures for preventing fraud and/or detecting fraud when it occurs.

BHEL FRAUD PREVENTION POLICY

2.2.2 To provide a clear guidance to employees and others dealing with BHEL forbidding them from involvement in any fraudulent activity and the action to be taken by them where they suspect any fraudulent activity;

2.2.3 To conduct investigations into fraudulent or suspected fraudulent activities; and

2.2.4 To provide assurance that any and all suspected fraudulent activity/ activities will be fully investigated.

2.2.5 To provide training on fraud prevention and identification.

3.0 Scope of Policy

The policy applies to fraud or suspected fraud in connection with business transactions with BHEL committed by employees, ex-employees working as advisors/ consultants, persons engaged on adhoc / temporary/ contract basis, vendors, suppliers, contractors, customers, lenders, consultants, service providers, any outside agencies or their employees/ representatives, or any other parties.

4.0 What is Fraud?

4.1 Fraud is any intentional act or omission designed to deceive others, resulting in the victim suffering a loss and/or perpetrator achieving a gain.

4.2 As per Section.447(1) of The Companies Act, 2013 Fraud is defined as follows:

- **"fraud"** in relation to affairs of a company or anybody corporate, includes (a) any act, (b) omission, (c) concealment of any fact or (d) abuse of position committed by any person or any other person with the connivance in any manner -
 - with intent to deceive,
 - to gain undue advantage from, or
 - to injure the interests of the company or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongful loss
- **"Wrongful gain"** means the gain by unlawful means of property to which the person gaining is not legally entitled.
- **"Wrongful loss"** means the loss by unlawful means of property to which the person losing is legally entitled.

BHEL FRAUD PREVENTION POLICY

5.0 Actions Constituting Fraud

5.1 While fraudulent or suspected fraudulent activity could have a very wide range of coverage, the following are some of the act(s) which constitute fraud.

5.2 The list given below is only illustrative and not exhaustive:-

5.2.1 Forgery or unauthorised alteration of any document or account belonging to the Company

5.2.2 Forgery or unauthorised alteration of cheque, bank draft, E-banking transaction(s) or any other financial instrument etc.

5.2.3 Misappropriation of funds, securities, supplies or others assets by fraudulent means etc.

5.2.4 Falsification of records, submitting fake claims or claims with altered documents / supporting, removing the documents from the files and / or replacing it by a fraudulent one etc.

5.2.5 Wilful suppression of facts/deception in matters of appointment, placements, submission of reports, tender committee recommendations etc. as a result of which a wrongful gain(s) is/are made to one and wrongful loss(s) to the others.

5.2.6 Utilizing Company funds / assets for personal or other than official purposes.

5.2.7 Verification and authorization / certification of bills for payment (goods / services) without completion of supply / completion of works as per Purchase Order / Work Order.

5.2.8 Destruction, disposition, removal of records or any other assets of the Company with an ulterior motive to manipulate and misrepresent the facts so as to create suspicion/suppression/cheating as a result of which objective assessment/decision would not be arrived at.

5.2.9 Wilful delay in reporting recoveries / adjustments from suppliers / vendors bills.

5.2.10 Allowing / unauthorized use of Company assets by outsiders like vendors / suppliers / sub-contractors.

5.2.11 Any other act that falls under the gamut of fraudulent activity.

BHEL FRAUD PREVENTION POLICY

6.0 Responsibility for Fraud Prevention

6.1 Following personnel's are responsible to ensure that there is no fraudulent act committed by them while performing any business transaction(s) with BHEL:

- Every employee
- Ex-employee working as advisor / consultant
- Person engaged on adhoc/temporary/contract basis
- Vendor / supplier / contractor / bidder / service provider
- Customer / Consultant
- Lender
- Any outside agency / their representative / employee who have a business relationship with BHEL

6.2 As soon as it is learnt that a fraud or suspected fraud has taken or is likely to take place, same should immediately be reported to Nodal officer

7.0 Nodal Officers and their Responsibility

7.1 Nodal Officer

Nodal officers shall be notified by management. All Direct Reporting Officers (DROs) to Unit Head / Construction Managers to be designated as Nodal Officers. List of Nodal Officer(s) would be displayed at BHEL web site / Intranet.

7.2 Fraud Prevention and Detection

All Nodal Officers shall be responsible for implementing the Fraud Prevention Policy of the Company and prevention and detection of fraud as per this Policy. It is the responsibility of all Nodal Officers to ensure that complete mechanism in respect of Fraud Prevention Policy is in place within his administrative / functional area of control.

7.2.1 Fraud Prevention

7.2.1.1 Create an ethical and transparent environment by training and implementing policies, guidelines and procedures.

7.2.1.2 Familiarise each employee with the types of improprieties that might occur in their area.

7.2.1.3 Educate employees regarding the measures to be taken for prevention and detection of fraud.

BHEL FRAUD PREVENTION POLICY

7.2.1.4 Create a culture whereby employees are encouraged to report any fraud or suspected fraud which comes to their knowledge, without any fear of victimization.

7.2.1.5 Promote awareness among the employees of ethical principles subscribed to by the Company through CDA Rules/Standing orders.

7.2.1.6 Maintain record of complaints/cases received and submit annual report to Nodal Officer in Corporate Finance.

7.2.2 Fraud Detection

Ensure that along with preventive controls, Detective mechanism are also in place. Some examples of detective mechanism are segregation of duties, reconciliation, audits, independent reviews, physical inspection, periodic inventory check, surprise checks etc.

8.0 Reporting of Fraud

8.1 All employees of BHEL, representative of vendors, suppliers, contractors, consultants, service providers or any other agencies doing any type of business with BHEL as soon as he / she comes to know of any fraud or suspected fraud or any other fraudulent activity must report such incident. Such reporting shall be made to the designated Nodal Officers.

The reporting of the fraud normally should be in writing. In case the reporter is not willing to furnish a written statement of fraud but is in position to give sequential and specific transaction of fraud / suspected fraud, then the officer receiving the information/Nodal Officer should record such details in writing as narrated by the reporter and also maintain the details about the identity of the official/ employee / other person reporting such incident.

In case the reporter ask for protection, the protection available under Clause 5.0 of Whistle Blower Policy of Company notified vide Corporate HR Circular no. 024/LLX/2014 dated 16.09.2014 shall be extended to the reporter.

8.2 All reports of fraud or suspected fraud shall be handled with utmost speed and shall be coordinated by Nodal Officers

8.3 Officer receiving input about any suspected fraud / Nodal officers shall ensure that all relevant records, documents and other evidence are immediately taken into custody and protected from being tampered with, destroyed or removed by suspected perpetrators of fraud or by any other official under his influence.

BHEL FRAUD PREVENTION POLICY

9.0 Investigating Procedure

9.1 The "Nodal Officer" shall act as co-ordinator and refer the details of the fraud/suspected fraud to Unit head for intimating the same to the concerned Director. The Director after considering report of Nodal Office / Unit head may refer the case to Internal Auditor (IA) or Corporate Vigilance for further investigation.

9.2 This input would be in addition to the intelligence, information and investigation of cases of fraud being investigated by the Vigilance Deptt. on their own as part of their day to day functioning.

9.3 After completion of the investigation, appropriate action which could include administrative action, disciplinary action, civil or criminal action or closure of the matter if it is proved that fraud is not committed etc. depending upon the outcome of the investigation shall be undertaken.

9.4 Vigilance Department or IA shall report to concerned Director the result of the investigation undertaken by them to seek orders for further action.

10.0 Incorporation of Fraud Prevention Policy in Tenders /MOUs etc.

10.1 A clause may be added in all the NITs that

"The Bidder along with its associate/collaborators/sub-contractors/sub-vendors/ consultants/ service providers shall strictly adhere to BHEL Fraud Prevention Policy displayed on BHEL website <http://www.bhel.com> and shall immediately bring to the notice of BHEL Management about any fraud or suspected fraud as soon as it comes to their notice."

10.2 Fraud Prevention policy and List of Nodal Officers shall be hosted on BHEL web site, vendor portals of Units/ Regions intranet.

11.0 Administration and Review of the Policy

The Chairman and Managing Director, BHEL shall be the Appropriate Authority for administration and revision of this Policy.