

COMMERCIAL TERMS AND CONDITIONS

(APPLICABLE TO FOREIGN BIDDERS)

I PRICES:

- a) The prices shall remain fixed and firm till the contractual delivery and are on **Cost & Freight (CFR) Nhava Sheva/Mumbai Port, India** basis as per Incoterms 2010. The offer shall be inclusive of charges for the following:-
- Main equipment,
 - Accessories & Handling Gear.
 - Installation Material
 - On Board spares
 - Inspection
 - Factory Acceptance Test
 - Tools & Test equipments.
 - Commissioning Spares,
 - Drawings & documents (both in soft & prints),
 - Technical assistance for installation, STW, HATS and SATs.
 - Preservation, de-preservation & re-preservation, as and when required till delivery of ship.
 - Guarantee
 - Training to Ship staff & GSL personnel at OEM's works and onboard ship etc.
 - Packing, forwarding, delivery charges, other charges and ocean freight up to **CFR Nhava Sheva/Mumbai Port, India** basis.
 - Comprehensive AMC for 05 years maintenance of ships post warranty period.
 - Base and Depot spares for 5 years maintenance of equipment.
 - Dedicated suitable containers as required (Air conditioned / Humidity controlled, if required). Details to be discussed during Pre-bid meeting.
- b) Firms shall indicate **CFR Nhava Sheva/Mumbai Port, India** prices in **PRICE BID FORMAT- Annexure V**. Please refer to loading factors **Enclosure-V** regarding applicability of loading charges.
- c) Bidder shall submit unpriced commercial offer along with Techno commercial offer.

Note: All applicable taxes and duties in the country of bidder/seller shall be borne by them.

II . TAXES, DUTIES, LEVIES

A) CUSTOM DUTY:

- a) Presently, not applicable on import of raw material/parts/equipment/accessories/OBS by GSL in India.
- b) However, Custom duty will be applicable on import of Base and Depot spares, which will be borne by GSL at actual at the time of custom clearance.

B) Direct Tax and Service tax (payable in India) on assistance for installation, STW, II, HATs, and SATs

1. DIRECT TAX:

- i) The seller is liable for payment of applicable direct tax on the subject services provided in India at the rate of Direct Tax applicable under Double Tax Avoidance Agreement with the respective countries or Direct Tax @ 43.26 (44 %) on net profits.
- ii) Income Tax arising to Seller on payments due in foreign currency shall have to be borne by the Seller. Seller will have to submit the Tax Determination Certificate and a Permanent Account Number from Income Tax department in India to enable Buyer to deduct TDS.
- iii) TDS (tax deducted at source) certificate shall be provided by Buyer for the tax deducted on the basis of Tax Determination Certificate provided by the Seller.
- iv) Income tax arising in India on income of personnel deployed by Bidder/Seller shall be paid and borne by the Bidder/Seller.

2. SERVICE TAX:

Service tax will be paid extra as applicable. Present rate of service tax is 14.5%.

C) INDIGENOUS CONTENT

All presently applicable taxes, duties, levies on indigenous content in India shall be on sellers account. Any increase or decrease in rates or introduction of new taxes , duties etc by Central or State Govt. of India subsequent to submission of bid shall be payable by/or refundable to the buyer against documentary proof. Bidder should clearly indicate in the price bid the presently applicable taxes, duties, levies etc.

III. IMPORT LICENCE:

GSL is allowed to import goods/items covered under the Ministry of Commerce Notifications S.O. No. 1056 (E) dated 31.12.1993 into India under "Appendix 39A, Para 3(1) (a) of Ministry of Commerce, Govt. of India, DGFT Order 93 dtd 31/12/1993, of Hand Book of Procedure, Export Import Policy 2015-2020" which should be prominently displayed on all shipping documents.

IV. PACKING & FORWARDING:

- i) Complete items shall be strongly and securely packed for export in minimum cubic space in such a manner as to prevent damages and pilferages during transit both by land and from point of Sea port from the port of shipment to its final destination at Goa Shipyard Ltd, Vasco Da Gama, Goa (India) via Nhava Seva / Mumbai Sea port. Metal parts whenever necessary shall be well slushed to prevent rust in transit. **All charges for packing, forwarding, delivery and other charges are included in above prices. All the damages and losses arising out of insufficient packing will have to be borne by the Seller.** Each package shall be plainly marked and numbered upon 4 sides and top thereof as per the case marking given below. Letters and numbers shall be at least 3 inches high whenever possible. No marking other than as directed shall be put upon the said packages. Bidder/Seller shall ensure that the goods are dispatched by dedicated containers only.
- ii) If equipment /items are required to be stored in climatically controlled environment, same are to be supplied along with appropriate containers this shall remain part of the deliverable.

Case Marking:

GOA SHIPYARD LIMITED
VASCO DA GAMA,GOA (INDIA)

CASE NO.

ORDER NO.

NET WEIGHT

GROSS WEIGHT.....

OUTSIDE DIMENSIONS.....

MADE IN

The charges for packing & forwarding are to be included in the prices. Each packing in addition to aligning position { ↑ } shall be provided with identification tallies.

- iii) Every item in each case would be listed in a packing list and a copy of this would be kept inside the case as well as secured & pasted outside, duly protected by plastic sheet. Items not listed in the packing list would be deemed as not supplied. A complete and exhaustive bill of material for the equipments, items, tools, accessories, loose components would be forwarded for all items that are in your scope of supply, however minor the item be, 15 days before contractual delivery date. Each item should be provided with proper identification tallies.
- iv) Each case should have proper instruction, written at the appropriate place to handle the case safely. In addition to indicating the aligning position, each item would be provided with identification tallies, in aligning position, the description and part no. and it would tally with that of packing list. Weight of each case would prominently be written.
- v) In case of part consignment, every delivery / part delivery would be serialized and this serial no. would be indicated in the delivery challan / packing list for ease of correlation. The description of item in the challan would exactly be as per that in the Contract. The delivery challan would be addressed to Officer-in-Charge of Stores,
- vi) Goa Shipyard Limited, Vasco-da-Gama, Goa – 403 802, India. Every delivery challan / communication shall invariably contain the concerned contract reference. If items are supplied as free replacement/free of charge, it would be mentioned in the challan as “free supply items” and the relevant GSL reference against which the free supply is made should be indicated.

V. FREIGHT:

The quoted prices should be on **CFR Nhava Sheva/Mumbai Port, India basis**. Ocean freight from the Port of shipment upto Nhava Sheva/Mumbai Port, India is to be included in the quoted prices

VI. INSURANCE:

Marine insurance of goods from the port of shipment to our yard at Goa via Nhava Sheva/Mumbai Port, India will be arranged by Goa Shipyard Limited. The firm shall furnish details of consignment like description, No. of packages, weight, Invoice no & date with value of consignment, Bill of Lading. particulars immediately on booking the consignment with shipping company to arrange insurance. The details shall be forwarded by Fax. 0832-2512148 e-mail to eraja@goashipyard.com, vvshirodkar@goashipyard.com & contactus@goashipyard.com.

VII. SHIPPING INSTRUCTION:

- i) The consignment shall be dispatched to final port of discharge as Nhava Sheva/Mumbai Port, India by sea. The shipping arrangement is required to be made through authorized Shipping Company only or their Agent with a Certificate that the cargo carrying vessel is classed to 100A-1 in Lloyds Register or its equivalent category and is sea worthy.
- ii) The Bill of Lading would be drawn so as to show the following:
 - a) **SHIPPER (Consigner)** : Name of Seller
 - b) **CONSIGNEE** : The Chairman & Managing Director,
GOA SHIPYARD LIMITED,
(A Govt. of India Undertaking),
Vasco-da-Gama, Goa-403 802,
INDIA

VIII. INSPECTION

a) INSPECTION AT FIRM'S PREMISES: (Refer to Sr.No.3.1, 3.2(a) & 3.2 (c) of requisition no.LTA -1243-830000-01 of Enclosure-I).

- i) By Indian Navy and Shipyard reps at Seller premises/designated premises by Seller.
- ii) Factory Acceptance Test shall be performed at Seller premises prior to despatch in accordance with test procedures previously approved by Indian Navy. Shipyard and Indian Navy reserves the right to depute their representatives during the FATs of

Equipment. Seller to give eight week notice prior FATs to Shipyard for Deputation of reps as necessary.

b) Inspection at GSL:

- i) Receipt Inspection by Shipyard QA & Indian Navy rep at GSL, Goa. Seller may depute their rep for the receipt inspection at GSL.
- ii) By Indian navy rep On Board Ship for proving performance to their satisfaction.

c) The following documents shall be submitted by the firm:

- i) Manufacturer's Quality Assurance (QA) & Test Certificates.
- ii) Certificate of Conformity.
- iii) Factory Acceptance Test Report.

IX. INSPECTION CHARGES:

Inspection and testing charges, if any to be included in the quoted prices.

X. DELIVERY SCHEDULE:

Detailed FOB & CFR delivery schedule for 12 ship sets is enclosed at Annexure-VI

Note:

- 1. The date of Bill of Lading will be reckoned as date of FOB delivery for all the purposes including calculation of penalty as per UCP 600 Rules in vogue.
- 2. Part shipment permitted and transshipment not permitted.
- 3. Construction schedule of vessel mentioned is indicative only and may be reviewed during project progress; accordingly equipment deliveries may be suitably altered.

XI. PAYMENT TERMS

A) PERFORMANCE SECURITY

- i) Successful Bidder shall furnish to GSL following Performance Security Guarantees, within Twenty One (21) days on signing of Contract / Issuance of Purchase Order. Page 6 of 11

- a) A Performance Security for 12.5% value of the order quoted in foreign currency , in the form of Bank Guarantee as given below

from any Bank of International repute in prescribed format **(Annexure-II)** duly counter guaranteed by any Indian Nationalized bank situated in India valid till expiry of guarantee period of 12 (Twelve) ship sets plus 3 (Three) months claim period.

Foreign bidder has a choice to submit performance Bank Guarantee from any Indian Nationalized Bank.

- b) **12.5%** (Twelve and half percent) value of the order quoted in Indian currency (INR), in the form of Bank Guarantee as given below from any Bank of International repute in prescribed format **(Annexure-II)** duly counter guaranteed by any Indian Nationalized bank situated in India valid till expiry of guarantee period of 12 (Twelve) ship sets plus 3 (Three) months claim period. Foreign bidder has a choice to submit performance Bank Guarantee from any Indian Nationalized Bank.

Note:

Performance Security Bank Guarantee mentioned at A (i) (a) above would stand progressively reduced to the extent of prorate value of each ship set on expiry of Guarantee period of the respective Ship.

B) MILESTONES FOR STAGE PAYMENT FOR SUPPLY OF IMPORTED (FOREIGN) ITEMS

- i) **STAGE-I: 10%** of total **CFR** value will be paid as Stage-1 payment on placement of order and on submission of following documents by SWIFT Transfer:
- Order Acceptance,
 - Pre-payment proforma invoice indicating details of bank account with SWIFT code
 - Declaration in Form 15 CB (format enclosed at **Annexure VII**)
 - Binding drawing
 - PERT chart

- ii) **STAGE-II: 60% of CFR** value of equipment/items/spares of each ship set subject to maximum 4 lots per ship sets will be paid by Irrevocable Letter of Credit through State Bank of India, Vasco-da-Gama, Goa, India or Bank of Maharashtra, Panjim, Goa, India or Corporation Bank, Panjim, Goa or Canara Bank, Panaji, Goa India on submission of following documents against each consignment. The documents listed at sl nos 1 to 9 are mandatory for clearance of cargo from customs.

- | | | |
|-----|--|--------------|
| 1) | Clean Ocean Bill of Lading | 1+ 4 Copies |
| 2) | Signed Commercial Invoice showing CFR Prices. | 1 + 4 copies |
| 3) | Packing list indicating the items, description of items included in each packing & shall have its own identification list. | 1 + 4 copies |
| 4) | Certificate of Country of Origin | 1 + 4 copies |
| 5) | Certificate of Conformity | 1 + 4 copies |
| 6) | Test & Inspection certificate of your Quality Assurance Dept. | 1 + 4 copies |
| 7) | Freight certificate | 1 + 4 copies |
| 8) | FATS inspection & Acceptance Certificate | 1 + 4 copies |
| 9) | Guarantee certificate | 1 + 4 copies |
| 10) | Dangerous/Hazardous declaration of goods | 1 + 4 copies |

Note: Firm to indicate shipment plan indicating number of lots for each ship set, however, per vessel maximum no of lots permitted is 4.

iii) STAGE- III: 10% value of equipment/items/spares of **the respective ship on** receipt inspection at GSL against commercial invoice and on submission of Receipt Inspection Report duly signed by GSL rep. The mode of payment will be SWIFT transfer. For receipt inspection, firm may depute their representative at Yard.

iv) STAGE- IV: Balance 20% of value of equipment/items/spares of the respective ship and 100% service charges towards installation and commission on successful completion of installation, commissioning and acceptance of equipment/items by owner and on submission of HATs and SATs report duly signed by the Indian Navy along with two separate invoices for goods and services for like amount. The mode of payment will be SWIFT transfer.

NOTE:

- 1) Documents at 1 to 8 are mandatory for negotiating documents thro Bank. In case of delay in providing the mandatory documents which results in delay in clearance and consequently result in payment of demurrage charges, the same will be charged to your account and will

be deducted from the above payment.

- 2) Bank charges for LC applicable in India will be borne by GSL and outside India will be borne by the Seller.
- 3) Irrevocable L/C will be opened 45 days prior to scheduled delivery with a validity of 90 days.
- 4) Any amendment to LC due to the fault of the Seller shall be at the cost of the Seller.

C) MILESTONES FOR STAGE PAYMENT FOR SUPPLY OF INDIGENOUS CONTENT (INDIAN)

All payments shall be made in Indian Rupees only. The Mode of transfer shall be by RTGS Transfer. The requisite ECS mandate Form for making RTGS payment shall be furnished by the Bidder along with bid.

a) Stage-1 Payment : 10% of order value (FOR**) will be paid as Stage-1 payment on placement of order and on submission of following documents;**

- i) Order Acceptance.**
- ii) Proforma invoice along with ECS mandate Form for making RTGS payment .**
- iii) Binding drawing**
- iv) PERT chart**

b) Stage-2 On Dispatch: Sixty (60%) of the Price of each ship set shall be paid on receipt of Equipments/items/spares at GSL and on submission of following documents :

- | | |
|---|-------------|
| (i) Ink-signed Commercial invoice. | 1+ 4 Copies |
| (ii) Relevant Lorry receipt/Railway receipt. | 1+ 4 Copies |
| (iii) Manufacturer's Production Test certificate. | 1+ 4 Copies |
| (iv) Inspection and Factory Acceptance Test Certificate duly signed by owner/Shipyard reps. | 1+ 4 Copies |
| (v) Packing List. | 1+ 4 Copies |
| (vi) Guarantee Certificate. | 1+ 4 Copies |

c) Stage-3: 10% value of equipment/items/spares of **the respective ship set on receipt inspection at GSL against commercial invoice and on submission of clear receipt inspection report. For receipt inspection, firm may depute their representative at Yard.**

- d) Stage-4: Balance 20%** of value of equipment/items/spares of the respective ship set and 100% service charges towards installation and commission on successful completion of installation, commissioning and acceptance of equipment/items by owner and on submission of HATs and SATs report duly signed by the owner along with two separate invoices for goods and services for like amount.

XII. 5 YEARS ANNUAL MAINTENANCE CONTRACT (AMC)

Indian Navy desires to have Comprehensive AMC for a period of Five (05) years for MCM Suite. The Contract may be finalised by Indian Navy/Owner on mutually acceptable terms and conditions with the Bidder. AMC is expected to commence after expiry of guarantee period of the respective ship. Bidder to quote for AMC as per Price Bid Format-II for 5 years comprehensive annual maintenance contract along with techno-commercial offer.

XIII. PERMITS AND EXPORT LICENCE

i) The BIDDER/SELLER shall at its cost procure and maintain, and shall ensure that all the equipment suppliers procure and maintain all the regulatory approvals, consents, licenses including export licenses and permits required by any party hereunder as per Indian law or any applicable foreign law, to effect the transfer, provision of training, supervision and technical assistance services in accordance with the terms of this CONTRACT (collectively the "MCM Suite"). It is clarified that the BIDDER/SELLER's obligation under this Clause includes the maintenance, including by way of renewal of the approvals, consents, licenses and permits procured for the performance of obligations by the parties to this CONTRACT, such that they remain valid for the entire term of the CONTRACT or as may be renewed in accordance with its terms.

ii) The Shipyard if requested by the BIDDER/SELLER shall give the BIDDER/SELLER all such reasonable assistance at the BIDDER/SELLER's expense to facilitate the provision of an export approval, including the provision of any end use Certificates. Notwithstanding any assistance which may be sought from or provided by the Shipyard in terms of this clause, the discharge of all obligations by the BIDDER/SELLER under this contract shall always be at the BIDDER/SELLER's risk and cost.

XIV. BIDDER/SELLER's PERSONNEL IN INDIA

- i) For the purposes of carrying out its obligations under this Contract / Purchase Order, the BIDDER/SELLER may assign various members of its personnel to perform Works, or Services in the territorial jurisdiction of India. Subject as hereinafter provided nothing in this clause shall obligate the BIDDER/SELLER to make available any particular individual for the purpose aforesaid and the BIDDER/SELLER shall at any time or times be entitled to replace one individual with another. The Shipyard shall be given advance notice by the BIDDER/SELLER of any proposed change of key personnel.
- ii) The BIDDER/SELLER shall be responsible for the discipline administration and welfare of its personnel and also for designating their duties under this Contract / Purchase Order. In pursuance of their duties, the BIDDER/SELLER's personnel will comply with the Shipyard's security regulations.
- iii) The Shipyard undertakes following in relation to the BIDDER/SELLER's personnel deputed under the provisions of this Contract / Purchase Order:
 - (a) To ensure that the BIDDER/SELLER's personnel are provided with safe working conditions and allowed to pass and re-pass without avoidable hindrance.
 - (b) That in no circumstances shall such personnel be required to take part in or to work in the vicinity of any military conflicts, civil commotion or hostilities.
- iv) Bidder shall obtain requisite permits as per the Indian Law of its personnel deputed to perform works /or services in the territorial jurisdiction of India.
- v) Income tax arising in India on income of personnel deployed by Bidder/Seller shall be paid and borne by the Bidder/Seller.