



GENERAL PURCHASE CONDITIONS (GPC)
[Rev.2]
(DOMESTIC TENDERING UPTO Rs. 25 LACS)

FOR

PROCUREMENT OF GOODS

Haridwar Natural Gas Pvt Ltd

(Domestic Tendering upto Rs. 25 Lacs)

GAIL (INDIA) LIMITED

GENERAL PURCHASE CONDITIONS (GPC) [Rev.2]

1.0 Consignee: C&P In-charge, GAIL (India) Ltd, (complete address.....). Any expenditure and/or demurrage incurred in respect of a wrong delivery shall be recovered from supplier.

2.0 INTERPRETATIONS & PRIORITY OF CONTRACT DOCUMENTS

The documents forming the Contract [i.e. all obligations, commitments, promises agreed upon between parties for supply of Goods including execution of the Services (if any) as per Purchase Order (PO) and its subsequent amendment(s), if any] are to be read together and interpreted as mutually explanatory of one another. In case of direct inconsistency, then unless otherwise provided in the Contract, the priority of the Contract Documents shall be in accordance with following sequence:

- (i) Purchase Order
- (ii) Fax of Acceptance
- (iii) Specific Technical Specification/Job Specifications (pertaining to Scope of Supply)
- (iv) Drawings
- (v) Special Purchase Conditions (SPC) / Special Conditions of Contract (SCC)
- (vi) General Technical Specifications (if applicable)
- (vii) Instructions to Bidders (ITB)
- (viii) General Purchase Conditions (GPC)
- (ix) Any other document forming part of the Contract

Amendment issued after Purchase Order shall take precedence over respective clauses of Contract Document.

In case any provision of the Contract Document is found to be invalid, illegal or otherwise not enforceable by any court of law, such finding shall not affect the remaining provisions hereto and they shall remain binding on the parties hereto.

3.0 GST on finished products shall be reimbursed by Purchaser and Supplier shall be entirely responsible for all other taxes, duties, license fees etc. incurred until the delivery of the contracted goods to the Purchaser. Further, within the contractual delivery period, the statutory variation in applicable GST (CGST & SGST/UTGST or IGST) shall be to the GAIL's account

TDS

- (i) TDS as applicable will be deducted by GAIL under section 194Q of the Income Tax Act, 1961 on Purchases exceeds Rs. 50 Lakhs or limit defined therein from time to time during the financial year.
- (ii) Since GAIL is liable to deduct Income Tax TDS under section 194Q, the provision of TCS as per section 206C(1H) of the Income Tax Act, 1961 shall not be applicable.
- (iii) Higher rate of TDS for non-filers of ITR

As per Section 206AB of Income Tax Act, 1961, in case of any vendor/customer who does not file their Income Tax Return for both of the two previous years preceding to current year and aggregate amount of TDS is more than or equal to Rs. 50,000/- in each of those previous two years (or limit defined by Govt. from time to time), then TDS will be deducted at the higher of following rates:

- (I) Twice the rate mentioned in relevant TDS section.
- (II) Twice the rate or rates in force
- (III) 5%

4.0 PRICE REDUCTION SCHEDULE (PRS) FOR DELAYED DELIVERY: In case of delay in delivery of equipment/materials or delay in completion, total Contract Price / Purchase Order Value shall be reduced by ½% (half percent) of the total Purchase Order Value per complete week of delay or part thereof [which is genuine pre-estimate of the loss/damage agreed between the Supplier and Purchaser without any proof of the actual loss/or damage caused by such breach/delay] subject to a maximum of 5% (five percent) of the total Purchase Order Value. In case of such delays, the invoice value shall be reduced proportionately before release of payment. In case the invoice value is not reduced proportionately for the delay, the Purchaser may deduct the amount so payable by Supplier from any amount falling due to the Supplier or by recovery against performance guarantee. Decision of the Purchaser in the matter shall be final and binding on the Supplier. The Purchase Order Value referred in this PRS clause is the FOT Dispatch point value including value of incidental Services (i.e. excluding GST and Freight/Inland Transportation).

Delivery shall be deemed to have been made:

- a) In case of FOT despatch point Purchase Order, on evidence that the goods have been loaded on the carrier. The date of LR/GR shall be considered as the date of delivery.
- b) In case of FOT site Purchase Order, date of receipt of Goods by Purchaser at the designated site(s) shall be considered as the date of delivery.

In a supply Contract, if a portion of supply completed in all respect within the contractual delivery period and which can be used for commercial operation, the PRS shall be applicable only on remaining supplies which are completed beyond the contractual delivery period, @½ % (half percent) of the delayed delivery value maximum upto 5% (five percent) of the total Purchase Order Value.

Decision of the Purchaser in the matter of usage for commercial operation shall be final and binding.

In case of Annual Rate Contract (ARC), the PRS shall be applicable on the value of Release Order /Individual Order(s) and not on the value of ARC. The Purchase Order Value is subject to Price Reduction Schedule clause

PRS is the reduction in the consideration / Purchase Contract Value on account of delays in delivery and in such case Supplier should submit invoice for reduced value as per PRS clause. If Supplier has raised the invoice for full value, then Supplier should issue Credit Note towards the applicable PRS amount with applicable taxes, failing which GAIL will release the payment after giving effect of the PRS clause with corresponding reduction of taxes charged on Supplier's invoice.

In case any financial implication arises on GAIL due to issuance of invoice without reduction in price or non-issuance of Credit Note, the same shall be to the account of Supplier. GAIL shall be entitled to deduct / setoff / recover such implication(s) together with penalties and

interest, if any, against any amounts payable by GAIL to the Supplier under this Purchase Order or under any other contract or from forfeiture of Contract Performance Guarantee.

The Purchase Order shall be continued to be in force till the delivery of Goods or written Notice from Purchaser to Supplier for cancellation/termination of Purchase Order.

5.0 CONTRACT PERFORMANCE SECURITY (CPS):

In case the Purchase Order Value exceeds Rs 5.0 (Five) lakhs (excluding GST), the Supplier shall furnish Contract Performance Security (CPS) within 30 days from the date of FOA/Purchase Order (in case no FOA), in the form of Demand Draft/Bank Guarantee/direct online transfer to the Purchaser, in the format attached as Appendix-I, for an amount equivalent to 10% (ten percent) of the total Purchase Order Value excluding GST on finished goods or for the amount mentioned in the Tender Document / FOA.

The proceeds of CPS shall be appropriated by the Purchaser as compensation for any loss resulting from the Supplier's failure to complete his obligations under the Purchase Order without prejudice to any of the rights or remedies the Purchaser may be entitled to as per terms and conditions of Purchase Order. The proceeds of this CPS shall also govern the successful performance of Goods and Services during the entire period of Contractual Warrantee/Guarantee.

In case of forfeiture of Contract Performance Security/ Security Deposit, the forfeited amount will be considered inclusive of tax and tax invoice will be issued by GAIL. The forfeiture amount will be subject to final decision of GAIL based on other terms and conditions of order/ contract.

The CPS shall be valid for the duration upto the expiry of Warrantee /Guarantee period with claim period as per format attached as Appendix-I. The Bank Guarantee will be discharged by Purchaser within 3 months from the date of expiration of the Supplier's entire obligations, including any warrantee obligations, under the Purchase Order.

All compensation, claim or other sums of money payable by the Supplier to the Purchaser under terms of this Purchase Order may be deducted from or paid by the encashment or sale of a sufficient part of his Contract Performance Security or from any sums which may be due or may become due to the Supplier by the Purchaser of any account whatsoever and in the event of his CPS being reduced by reasons of any such deductions or sale of aforesaid, the Supplier shall within ten days thereafter make good in bank drafts/Bank Guarantee as aforesaid any sum or sums which may have been deducted from or realised by sale of his CPS, or any part thereof. The Supplier shall pay to the Purchaser on demand any balance remaining due. No interest shall be payable by the Purchaser for sum deposited as CPS and no claim whatsoever in this regard shall be entertained by Purchaser.

6.0 INSPECTION, TESTING & EXPEDITING: Purchaser or its representative shall have the right to inspect and / or test the goods to confirm their conformity to the specifications of Purchase Order. The inspection & tests may be conducted on the premises of the Supplier at the point of delivery and / or at the goods final destination. All reasonable facilities & assistance including access to drawings & production data shall be furnished by Supplier to purchaser free of cost.

When stores are rejected by the consignee, the same will be intimated to the supplier with the details of such rejected stores as well as the reason for their rejections and that the material will

be lying at the consignee's premises at the risk and cost of supplier. The supplier will also be called upon either to remove the materials or to give instructions as to their disposal within 14 days and in the case of dangerous/infested and perishable materials within 48 hrs, failing which the consignee will either return the materials to the supplier on freight to pay or otherwise dispose them off at the supplier's risk and cost. The consignee will also intimate the concerned paying authority, quantity of the material so rejected so as to recover the freight charges from the supplier. The purchaser shall also be entitled to recover handling and stores charges for the period during which the rejected material are not removed, @ 5% (five percent) of the material for each month or part of a month till such rejected material are finally disposed off without relieving the Supplier from any other related liability. In the event of the Supplier's failure to remove the same within a period of 6 months or as decided by the Purchaser, the Purchaser may take action for removal through auction or private sale on behalf of the Supplier and at his risk in all respects. The Supplier shall be liable to pay the Purchaser the handling & storage charges plus overhead charges @ 15% (fifteen percent) of sale value of such materials. In case of negative or zero sale value, the overhead charges shall be applicable on the handling & storage charges. The decision of Purchaser w.r.t. such removal and the amount of the proceeds shall be final and binding on the Supplier. The Purchaser shall in no way be responsible for any deterioration or damage to the such material under any circumstances whatsoever.

7.0 GUARANTEE / WARRANTY:

The supplier shall warrant that material supplied shall be free from all defects and faulty design, workmanship and manufacture and shall be of the highest grade and consistent with the established and generally accepted standards of the materials of the type and in full conformity with the specifications, drawings or samples, if any, and to be of sufficient size and capacity to fulfill all operating conditions, if specified.. If any trouble or defect, originating with the design, material, workmanship or operating characteristics of any materials, arises at any time prior to twelve (12) months from the date of the first commercial operation of the Plant or twenty four (24) months from the date of last shipment whichever period shall first expire, subsequent to written notification, Supplier shall, at his own expense and as promptly as possible, make such alterations, repairs and replacements as may necessary to permit the materials to function in accordance with the specifications and to fulfil the foregoing guarantees. However, in no case, warranty of repaired/replaced part shall exceed 24 months from the date of commissioning of original equipment or 36 months from last supply, whichever is earlier. This period excludes repair/replacement/rectification period of defective goods.

In case material shall have to be taken to Supplier's works for rectification etc., after giving necessary undertaking or security, Supplier shall take the Goods at his costs or Purchaser may, if so required by the Supplier, dispatch the Goods by quickest mode on "Freight-to-pay" basis to the Supplier's works. After repairs Supplier shall deliver the Goods at Site on freight pre-paid basis. All risks in transit to and fro and all expenses on account of to and fro freight, insurance, customs clearance, transportation and handling, port charges and customs duty etc. shall be borne by the Supplier.

8.0 PAYMENT TERMS:

100% Payment will be released within 15 days of receipt and acceptance of material / installation (if in the scope of Supplier) at site/stores through e-banking. In case of payment through bank, all bank charges shall be borne by the Supplier. No interest charges for delay in payments, if any, shall be payable by Purchaser.

For release of payment, the following documents is to be submitted by supplier/ vendor:

- i) Supplier's Invoice indicating, inter alia description and specification of the goods, quantity, unit price, total value;
- ii) Packing list;
- iii) LR/GR/consignment note;
- iv) Manufacturer's guarantee certificate and in-house inspection certificate (wherever applicable);
- v) Inspection certificate issued by purchaser's inspector (wherever applicable); and
- vi) Any other document(s) as and if required in terms of the contract.

As per CBDT Notification No. 95/2015 dated 30.12.2015, mentioning of PAN no. is mandatory for transactions related to procurement of goods / services exceeding Rs. 2 Lacs per transaction (as amended from time to time). In case Supplier do not have PAN no., they have to submit declaration in Form 60 along with invoice/ bill for each transaction.

Payment of Supplier shall be processed only after fulfilment of above requirement.

Further, after implementation of Vendor Invoice Management (VIM)Supplier/ Vendor to forward the invoice on VIM Collection Center or upload digital invoice on Portal (details of same will be provided in tender/contract). The copy of invoice and all other document mentioned above or in order/ contract is to be forwarded to address provided in order/contract.

9.0 PACKING & MARKING AND TRANSPORTATION:

While dispatching ordered stores, it will be the responsibility of the supplier to properly pack the consignment so as to enable its delivery at destination free from loss, damage or pilferage. Each packing must contain a list of items and sub-item(s) in case UOM is Set, and quantity packed therein. Each packing/bundle must be prominently marked with order no. and packing no. & consignee name & address.

In case Purchase Order is on FOT destination point basis, transport of the Goods upto the destination point as specified in the Purchase Order, shall be arranged and paid by the Supplier and the cost thereof shall be included in the Purchase Order Value.

As per the Section 3 of the “Carriage by Road Act 2007”, no person can engage in the business of a common carrier unless granted a certificate of registration to do so and any transportation of goods through unregistered common carrier is illegal. Accordingly, Goods should be transported through registered common carriers only.

The Supplier shall be held liable for all damages or breakages to the goods due to the defective or insufficient packing as well as for corrosion due to insufficient protection. Packaged equipment or material showing damage, defects or shortages resulting from improper packaging material or packing procedures or having concealed damage or shortages, at the time of unpacking shall be to the Supplier's account.

The consignment should be handed over to transporter with E-way bill (if applicable), wherever required as per law/act. In case such e-way bill is required to be issued by GAIL, the concerned designated order issuing authority may be contacted in this regard. It will be the responsibility of the supplier to ensure the compliance of the provisions relating to E-Way bill

before dispatch of the consignment and any financial implication arising due to non-compliance in this regard will be to the account of the supplier.

Wherever the items make a full truck load, the suppliers to dispatch such items in a full truck direct to the consignee on a door delivery basis to the site. In such cases, the supplier to send a consignee copy of the lorry receipt to the consignee along with the consignment and the consignment shall be booked to GAIL and not "self". The supplier should dispatch the consignments to the designated consignee. All dispatch documents, that is, railway/lorry receipt, goods consignment note, airway bill, invoices, packing list, freight memos, test certificate, and so on, shall be sent to the concerned authority which will arrange to make the payment. If the payment is to be made through the bank, all original documents are to be sent through the designated bank.

Where critical equipment is involved, suitable special instructions will be provided in SCC to the supplier about the mode of transport, loading, avoidance of transshipment and, if necessary, provision of escorts. In case of chemicals, powdery materials, liquid materials, and so on, supplier is to ensure proper packaging to avoid spillage en route, so as to avoid pollution problems and also to conform to the ISO 14001 standard (wherever applicable).

10.0 TRANSIT INSURANCE & DESPATCH DOCUMENTS:

Transit Risk Insurance shall be arranged by GAIL unless specified in the Purchase Order. Immediately after shipment, the Supplier shall inform through e-mail the Purchaser as well as its insurance agent r giving the details of shipment regarding LR number and date, invoice no. & date with value, number of packages/cases, gross/net weight, value of goods and Purchase Order number along with Insurance policy no., for arranging transit insurance of the consignment, from the despatch point to the Site/warehouse of the consignee.

Purchaser's Insurance Agent & Insurance policy no.:

[The name and address of Insurance Agent and Insurance policy no. shall be mentioned in Tender Document/Purchase Order]

The dispatch documents shall consists of Invoice, Challan, Packing List, GR/LR, inspection/Test Certificate and any other document(s) as mentioned in the Purchase Order. Copies of dispatch documents should reach GAIL well in advance failing which any demurrage/wharfage etc. incurred on account of late/ non-receipt of dispatch document/wrong dispatches of consignment will be recovered from supplier. In case of documents through Bank, it may be noted that the documents will be retired only if the dispatches are made as per the terms of the purchase order.

11.0 It should be noted that if an order is placed on a higher tenderer as a result of this tender, in preference to the lowest acceptable offer, in consideration of an earlier delivery, the supplier will be liable to pay to GAIL the difference between the ordered rate and the rate quoted by the lowest acceptable tenderer in case he fails to complete the supply in terms of such order within the date of delivery specified in the tender and incorporated in the order. This is without prejudice to other rights under terms of order.

12.0 LIMITATION OF LIABILITY: Notwithstanding anything contrary contained herein, the aggregate total liability of Supplier, excluding his liability towards infringement of patent & trade mark or industrial design rights or willful misconduct or fraud, under the Purchase Order

or otherwise shall be limited to 100% of value of Purchase order. However, neither party shall be liable to the other party for any indirect and consequential damages, loss of profits or loss of production.

13.0 REPEAT ORDER: Purchaser reserves the right within six months of order to place repeat order up to 25% of ordered quantity without any change in unit price or other terms and conditions.

14.0 TERMINATION OF CONTRACT:

14.1 TERMINATION FOR DEFAULT

14.1.1 The Purchaser may, without prejudice to any other remedy for breach of Contract, by written notice of default sent to the Supplier, terminate the Contract in whole or in part:

(i) If the Supplier fails to deliver any or all of the Goods within the time period(s) specified in the Contract; or

(ii) If the Supplier fails to perform any other obligation(s) under the Contract, and

(iii) If the Supplier, in either of the above circumstances, does not cure his failure within a period of 30 days (or any such period as the Purchaser may authorize in writing) after receipt of the default notice from the Purchaser.

14.1.2 In the event the Purchaser terminates the Contract in whole or in part the Purchaser may procure, upon such terms and in such manner as it deems appropriate, goods similar to those undelivered and the Supplier shall be liable to the Purchaser for any excess costs for such similar Goods. However, the Supplier shall continue performance of the Contract to the extent not terminated.

14.1.3 In case of termination of Contract herein set forth (under clause 14) [except under conditions of Force Majeure (under clause 15)], the Purchaser is entitled to put Supplier on under Suspension and/or Holiday as per provisions of “Procedure for Action in Case of Corrupt/Fraudulent/Collusive/Coercive Practices” and “Procedure for Evaluation of Performance of Vendor/ Supplier/ Contractor/ Consultant” of Tender Document”.

14.2 TERMINATION FOR INSOLVENCY

The Purchaser, may at any time, terminate the Contract by giving written notice to the Supplier, without compensation to the Supplier, if the Supplier becomes bankrupt or otherwise insolvent, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the Purchaser.

14.3 TERMINATION FOR CONVENIENCE INCLUDING SHORT-CLOSURE

14.3.1 The Purchaser may, by written notice/communication to the Supplier, may short-close/terminate the Contract, in whole or part, at any time for his convenience. The notice/communication to the Supplier shall specify that short-closure/termination is for the Purchaser’s convenience, the extent to which performance of work under the Contract is

short-closed/terminated and the date upon which such short-closure/termination becomes effective.

14.3.2 The Goods that are complete and ready for shipment within 30 days after the Supplier's receipt of notice/communication of termination/short-closure shall be purchased by the Purchaser at the Contract terms and prices. For the remaining Goods, the Purchaser may opt:

- (i) to have any portion completed and delivered at the Contract terms and prices, and /or
- (ii) to cancel the remainder and pay to the Supplier an agreed amount for partially completed Goods and for materials and parts previously procured by the Supplier.

14.4 TERMINATION OF CONTRACT FOR CORRUPT/FRAUDULENT/ COLLUSIVE /COERCIVE PRACTICES AND NON-PERFORMANCE

If the Bidder/Supplier is found to have indulged in Corrupt/Fraudulent /Collusive/Coercive practices, the Contract shall be terminated and the Bidder/ Supplier shall be banned for future business with GAIL. The detailed procedure for banning including suspension in this regard is available on GAIL's website (www.gailonline.com).

Due to non- performance of the Supplier leading to termination of the Contract, the Supplier shall be put on suspension list and also on holiday list of Purchaser for a period mentioned in the detailed procedure. The detailed procedure for evaluation of performance in this regard is available on GAIL's website (www.gailonline.com).

15.0 FORCE MAJEURE: Force Majeure shall mean and be limited to the following:

- (i) Act of terrorism;
- (ii) Riot, war, invasion, act of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection of military or usurped power;
- (iii) Ionizing, radiation or contamination, radio activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel, radioactive toxic explosive or other hazardous properties of any explosive assembly or nuclear component;
- (iv) Pandemic, Epidemics, earthquakes, flood, natural fire/wildfire, hurricanes, typhoons or other physical natural disaster, but excluding weather conditions regardless of severity; and
- (v) Freight embargoes, strikes at national or state-wide level or industrial disputes (more than 7 consecutive days) at a national or state-wide level where supplier's Works is located.

For the avoidance of doubt, inclement weather, third party breach, delay in supply of materials [other than conditions mentioned above at sl. no. (i) to (v)] or commercial hardship shall not constitute a Force Majeure event.

The Supplier shall advise Purchaser by a registered letter/courier duly certified by the local Chamber of Commerce or statutory authorities, the beginning and end of the above causes of delay within ten (10) days of the occurrence and cessation of such Force Majeure Conditions.

The extension of time for a period upto the period of delay attributable to the causes of Force Majeure shall be the sole remedy of the Supplier for any delay under this clause and the Supplier shall not be entitled in addition to or in lieu of such extension to claim any damages or compensation on any account whatsoever whether under the law governing contracts or any other law in force, and the Supplier hereby waives and disclaims any and all contrary rights.

In case force majeure conditions persists for period exceeding 02 (Two) Months, the Purchaser reserves the right to cancel the Purchase order or part of it.

Supplier shall categorically specify the extent of Force Majeure Conditions prevalent in their works at the time of submitting their bid and whether the same have been taken into consideration or not in their quotations. In the event of any force majeure cause, the Supplier or the Purchaser shall not be liable for delays in performing their obligations under this order and the delivery dates will be extended to the Supplier without being subject to price reduction for delayed deliveries, as stated elsewhere.

Payment in case of termination due to Force Majeure

In case of termination of Order/contract due to Force Majeure, the Supplier will get payment of goods supplied and/ or services performed as at the date of the commencement of the relevant event of Force Majeure.

The Supplier has no entitlement and Purchaser has no liability for:

- a) Any costs, losses, expenses, damages or the payment of any part of the Order/ Contract Price during an event of Force Majeure; and
- b) Any delay costs in any way incurred by the Supplier due to an event of Force Majeure.

16.0 DISPUTE RESOLUTION MECHANISM

16.1 CONCILIATION

All issue(s)/dispute(s) arising under the Contract, which cannot be mutually resolved within a reasonable time, may be referred for conciliation in accordance with GAIL Conciliation Rules 2010 as amended from time to time for speedier, cost effective and amicable settlement of disputes through conciliation. A copy of the said rules have been made available on GAIL's web site i.e. www.gailonline.com.

It would be only after exhausting the option of Conciliation as an Alternate Dispute Resolution Mechanism that the Parties hereto shall invoke Arbitration Clause. For the purpose of this clause, the option of 'Conciliation' shall be deemed to have been exhausted, even in case of rejection of 'Conciliation' by any of the Parties.

16.2 ARBITRATION

All issue(s)/dispute(s) excluding the matters that have been specified as excepted matters and listed at clause no. 16.2.6 and which cannot be resolved through Conciliation, such issue(s)/dispute(s) shall be referred to arbitration for adjudication by Sole Arbitrator.

The party invoking the Arbitration shall have the option to either opt for Ad-hoc Arbitration as provided at Clause 16.2.1 below or Institutionalized Arbitration as provided at Clause 16.2.2 below, the remaining clauses from 16.2.3 to 16.2.7 shall apply to both Ad-hoc and Institutional Arbitration:-

- 16.2.1 On invocation of the Arbitration clause by either party, GAIL shall suggest a panel of three independent and distinguished persons (Retd Supreme Court & High Court

Judges only) to the other party from the Panel of Arbitrators maintained by 'Delhi International Arbitration Centre (DIAC) to select any one among them to act as the Sole Arbitrator. In the event of failure of the other party to select the Sole Arbitrator within 30 days from the receipt of the communication from GAIL suggesting the panel of arbitrators, the right of selection of the sole arbitrator by the other party shall stand forfeited and GAIL shall appoint the Sole Arbitrator from the suggested panel of three Arbitrators for adjudication of dispute(s). The decision of GAIL on the appointment of the sole arbitrator shall be final and binding on the other party. The fees payable to Sole Arbitrator shall be governed by the fee Schedule of 'Delhi International Arbitration Centre'.

OR

- 16.2.2 If a dispute arises out of or in connection with this contract, the party invoking the Arbitration shall submit that dispute to any one of the Arbitral Institutions i.e ICADR/ICA/DIAC/SFCA and that dispute shall be adjudicated in accordance with their respective Arbitration Rules. The matter shall be adjudicated by a Sole Arbitrator who shall necessarily be a Retd Supreme Court/High Court Judge to be appointed/nominated by the respective institution. The cost/expenses pertaining to the said Arbitration shall also be governed in accordance with the Rules of the respective Arbitral Institution. The decision of the party invoking the Arbitration for reference of dispute to a specific Arbitral institution for adjudication of that dispute shall be final and binding on both the parties and shall not be subject to any change thereafter. The institution once selected at the time of invocation of dispute shall remain unchanged.
- 16.2.3 The cost of arbitration proceedings shall be shared equally by the parties.
- 16.2.4 The Arbitration proceedings shall be in English language and the seat, venue and place of Arbitration shall be New Delhi, India only.
- 16.2.5 Subject to the above, the provisions of Arbitration & Conciliation Act 1996 and any amendment thereof shall be applicable. All matter relating to this Contract and arising out of invocation of Arbitration clause are subject to the exclusive jurisdiction of the Court(s) situated at New Delhi.
- 16.2.6 List of Excepted matters:**
- (i) Dispute(s)/issue(s) involving claims below Rs 25 lakhs and above Rs 25 crores.
 - (ii) Dispute(s)/issue(s) relating to indulgence of Contractor/Vendor/Bidder in corrupt/fraudulent/collusive/coercive practices and/or the same is under investigation by CBI or Vigilance or any other investigating agency or Government.
 - (iii) Dispute(s)/issue(s) wherein the decision of Engineer-In-Charge/owner/GAIL has been made final and binding in terms of the Contract.
- 16.2.7 Disputes involving claims below Rs 25 Lakhs and above Rs. 25 crores:- Parties mutually agree that dispute(s)/issue(s) involving claims below Rs 25 Lakhs and above Rs 25 crores shall not be subject matter of Arbitration and are subject to the exclusive jurisdiction of the Court(s) situated at New Delhi.

16.3 GOVERNING LAW AND JURISDICTION:

The Contract shall be governed by and construed in accordance with the laws in force in India. The Parties hereby submit to the exclusive jurisdiction of the Courts situated at New Delhi for adjudication of disputes, injunctive reliefs, actions and proceedings, if any, arising out of this Contract.

16.4 DISPUTES BETWEEN CPSE'S/GOVERNMENT DEPARTMENT'S/ ORGANIZATIONS

Subject to conciliation as provided above, in the event of any dispute (other than those related to taxation matters) or difference relating to the interpretation and application of the provisions of commercial contract(s) between Central Public Sector Enterprises (CPSEs/ Port Trusts) inter se and also between CPSEs and Government Departments /Organizations), such dispute or difference shall be taken up by either party for resolution only through AMRCD as mentioned in OPE OM No. 4(1)/2013-DPE(GM)/FTS-1835 dated 22-05-2018.

Any party aggrieved with the decision of the Committee at the First level (tier) may prefer an appeal before the Cabinet Secretary at the Second level (tier) within 15 days from the date of receipt of decision of the Committee at First level, through its administrative Ministry/Department, whose decision will be final and binding on all concerned.

The above provisions mentioned at clause no. 16.1 to 16.4 shall supersede provisions relating to Conciliation, Arbitration, Governing Law & Jurisdiction and Disputes between CPSE's/ Government Department's/ Organizations mentioned elsewhere in tender document.

16.5 CONTINUANCE OF THE CONTRACT:

Notwithstanding the fact that settlement of dispute(s) (if any) may be pending, the parties hereto shall continue to be governed by and perform the work in accordance with the provisions under this Contract and no payment due or payable to the Supplier shall be withheld on account of such proceedings.

16.6 NON-APPLICABILITY OF ARBITRATION CLAUSE IN CASE OF BANNING OF VENDORS/ SUPPLIERS / BIDDERS INDULGED IN FRAUDULENT/ COERCIVE PRACTICES

Notwithstanding anything contained contrary in GCC or elsewhere in the Purchase Order, in case it is found that the Bidder/ Supplier indulged in fraudulent/ coercive practices at the time of bidding, during execution of the Contract and/or on other grounds as mentioned in GAIL's "Procedure for action in case Corrupt/ Fraudulent/ Collusive/Coercive Practices", the Bidder/Supplier shall be banned (in terms of aforesaid procedure) from the date of issuance of such order by GAIL (India) Ltd., to such Bidder/Supplier.

The Bidder /Supplier understands and agrees that in such cases where Bidder /Supplier has been banned (in terms of aforesaid procedure) from the date of issuance of such order by GAIL, such decision of GAIL shall be final and binding on the Bidder /Supplier and the 'Arbitration Clause' mentioned in the GCC or elsewhere in the Purchase Order shall not be applicable for any consequential issue /dispute arising in the matter.

17.0 Supplier shall protect and fully indemnify GAIL from any claim from infringement of patents, copyright, trademark and the like. In case of any claim in this regard, Supplier shall be solely responsible for any consequences/damages.

18.0 The Purchaser requires that Bidders/Suppliers observe the highest standard of ethics during the procurement and execution of the order. In pursuance of this policy, the Purchaser:

- i) will reject a proposal for award if it determines that the Bidder recommended for award has engaged in corrupt or fraudulent practices in competing for the Purchase Order in question;
- ii) will declare a firm ineligible, either indefinitely or for a stated period of time, if at any time the Purchaser determines that the firm has engaged in corrupt or fraudulent practices in competing for or in executing a contract.

19.0 CONFIDENTIALITY:

The Supplier and their personnel shall not, either during the term or within two (2) years after the expiration of this Contract, disclose any proprietary or confidential information related to work / Project, this Contract, or Purchaser's business or operations without the prior consent of the Purchaser.

20.0 ACTION IN CASE OF CORRUPT/ FRAUDULENT/ COLLUSIVE/ COERCIVE PRACTICES & POOR PERFORMANCE VENDOR PERFORMANCE EVALUATION

The Bidder(s)/Suppliers(s) are required to abide by the following documents available on GAIL's website (www.gailonline.com):

(i) PROCEDURE FOR ACTION IN CASE OF CORRUPT/ FRAUDULENT/ COLLUSIVE/ COERCIVE PRACTICES

The detailed procedure for action in case of Corrupt/ Fraudulent/ Collusive/ Coercive Practices containing provisions for putting a Bidder/Supplier on suspension and/or banning list (as the case may be) if such an agency has indulged in Corrupt/ Fraudulent/ Collusive/ Coercive Practices.

(ii) PROCEDURE FOR EVALUATION OF PERFORMANCE OF VENDORS/ SUPPLIERS/ CONTRACTORS/ CONSULTANTS

The detailed procedure for evaluation of performance of Supplier containing provisions for putting a Bidder / Supplier on suspension and/or holiday list (as the case may be).

(iii) FRAUD PREVENTION POLICY OF GAIL

Further, Bidder/Supplier accepts and certifies that they would adhere to the Fraud Prevention Policy of GAIL and shall not indulge themselves or allow others (working in GAIL) to indulge in fraudulent activities and that they would immediately apprise the Owner/GAIL/Employer / Organization(s) of the fraud/ suspected fraud as soon as it comes to their notice.

Enclosure: Appendix-I (PROFORMA OF "BANK GUARANTEE" FOR "CONTRACT PERFORMANCE SECURITY / SECURITY DEPOSIT)

Appendix-I

**PROFORMA OF "BANK GUARANTEE" FOR "CONTRACT PERFORMANCE SECURITY / SECURITY DEPOSIT
(ON NON-JUDICIAL STAMP PAPER OF APPROPRIATE VALUE)**

To, M/s GAIL (India) Limited _____	Bank Guarantee No.	
	Date of BG	
	BG Valid up to (expiry date)	
	Claim period up to (There should be three months gap between expiry date of BG & Claim period)	
	Stamp Sl. No./e-Stamp Certificate No.	

Dear Sir(s),

M/s. _____ having registered office at _____ (herein after called the "Contractor/Supplier" which expression shall wherever the context so require include its successors and assignees) have been placed/ awarded the job/work of _____ vide PO/LOA /FOA No. _____ dated _____ for GAIL (India) Limited having registered office at 16, Bhikaiji Cama Place, R.K. Puram, New Delhi (herein after called the "GAIL" which expression shall wherever the context so require include its successors and assignees).

The Contract conditions provide that the Supplier/Contractor shall pay a sum of Rs.[or currency of Contract] _____ (Rupees _____) as full Contract Performance Guarantee in the form therein mentioned. The form of payment of Contract Performance Guarantee includes guarantee executed by Nationalized Bank/Scheduled Commercial Bank, undertaking full responsibility to indemnify GAIL (India) Limited, in case of default.

The said M/s. _____ has approached us and at their request and in consideration of the premises we having our office at _____ have agreed to give such guarantee as hereinafter mentioned.

1. We _____ hereby undertake to give the irrevocable & unconditional guarantee to you that if default shall be made by M/s. _____ in performing any of the terms and conditions of the tender/order/contract or in payment of any money payable to GAIL (INDIA) LIMITED we shall on first demand pay without demur, contest, protest and/ or without any recourse or reference to the contractor to GAIL in such manner and at time, as GAIL may direct the said amount of Rupees _____ only or such portion thereof not exceeding the said sum as you may require from time to time.
2. You will have the full liberty without reference to us and without affecting this guarantee, postpone for any time or from time to time the exercise of any of the powers and rights conferred on you under the order/contract with the said _____ M/s. _____ and to enforce or to forbear from endorsing any powers or rights or by reason of time being given to the said M/s. _____ and such postponement forbearance would not have the effect of releasing the bank from its obligation under this debt.
3. Your right to recover the said sum of Rs. _____ (Rupees _____) from us in manner aforesaid is absolute & unequivocal and will not be affected or suspended by reason of the fact that any dispute or disputes have been raised by the said M/s. _____ and/or that any dispute or disputes are pending before any officer, tribunal or court or arbitrator or any other authority/forum and any demand

made by you in the bank shall be conclusive and binding. The bank shall not be released of its obligations under these presents by any exercise by you of its liberty with reference to matter aforesaid or any of their or by reason or any other act of omission or commission on your part or any other indulgence shown by you or by any other matter or changed what so ever which under law would, but for this provision, have the effect of releasing the bank.

4. The guarantee herein contained shall not be determined or affected by the liquidation or winding up or dissolution or changes of constitution or insolvency of the said supplier/contractor or any change in the legal constitution of the Bank or of GAIL but shall in all respects and for all purposes be binding and operative until payment of all money due to you in respect of such liabilities is paid.
5. The bank undertakes not to revoke this guarantee during its currency without your previous consent and further agrees that the guarantee shall continue to be enforceable until it is discharged by GAIL in writing. However, if for any reason, the supplier/contractor is unable to complete the supply/work within the period stipulated in the order/contract and in case of extension of the date of delivery/completion resulting extension of defect liability period/guarantee period of the supplier/contractor fails to perform the supply/work fully, the bank hereby agrees to further extend this guarantee at the instance of the supplier/contractor till such time as may be determined by GAIL. If any further extension of this guarantee is required, the same shall be extended to such required period on receiving instruction from M/s. _____ (contractor) on whose behalf this guarantee is issued.
6. Bank also agrees that GAIL at its option shall be entitled to enforce this Guarantee against the bank (as principal debtor) in the first instant, without proceeding against the supplier/contractor and notwithstanding any security or other guarantee that GAIL may have in relation to the supplier's/contractor's liabilities.
7. The amount under the Bank Guarantee is payable forthwith without any delay by Bank upon the written demand raised by GAIL. Any dispute arising out of or in relation to the said Bank Guarantee shall be subject to the exclusive jurisdiction of courts at New Delhi.
8. Therefore, we hereby affirm that we are guarantors and responsible to you on behalf of the Supplier/Contractor up to a total amount of _____ (amount of guarantees in words and figures) and we undertake to pay you, upon your first written demand declaring the Supplier/Contractor to be in default under the order/contract and without caveat or argument, any sum or sums within the limits of (amounts of guarantee) as aforesaid, without your needing to prove or show grounds or reasons for your demand or the sum specified therein.
9. We have power to issue this guarantee in your favor under Memorandum and Articles of Association and the undersigned has full power to do under the Power of Attorney, dated _____ granted to him by the Bank.
10. Notwithstanding anything contained herein:
 - a) The Bank's liability under this Guarantee shall not exceed (currency in figures)
 . (currency in words only)
 - b) This Guarantee shall remain in force upto _____ (this date should be expiry date of defect liability period / guarantee period of the Contract) and any extension(s) thereof; and
 - c) The Bank shall be released and discharged from all liability under this Guarantee unless a written claim or demand is issued to the Bank on or before the midnight of (indicate date of expiry of claim period which includes minimum 03 months from the expiry of this Bank Guarantee) and if extended, the date of expiry of the last extension of this Guarantee. If a claim has

been received by us within the said date, all the rights of GAIL under this Guarantee shall be valid and shall not cease until we have satisfied that claim.

Details of next Higher Authority of the Officials who have issued the Bank Guarantee:

Name

Designation

Yours faithfully,

Bank by its Constituted Attorney

Signature of a person duly
Authorized to sign on behalf of the Bank

**INSTRUCTIONS FOR FURNISHING
"CONTRACT PERFORMANCE SECURITY / SECURITY DEPOSIT" BY "BANK GUARANTEE"**

1. The Bank Guarantee by successful Bidder(s) will be given on non-judicial stamp paper as per 'stamp duty' applicable. The non-judicial stamp paper should be in name of the issuing bank. In case of foreign bank, the said Bank Guarantee to be issued by its correspondent bank in India on requisite non-judicial stamp paper and place of Bid to be considered as Delhi.
2. The Bank Guarantee by Bidders will be given from bank as specified in Tender.
3. A letter from the issuing bank of the requisite Bank Guarantee confirming that said Bank Guarantee and all future communication relating to the Bank Guarantee shall be forwarded to Purchaser.
4. If a Bank Guarantee is issued by a commercial bank, then a letter to Purchaser and copy to Consultant (if applicable) confirming its net worth is more than Rs. 100,00,00,000.00 [Rupees One Hundred Crores] or its equivalent in foreign currency along with documentary evidence.
5. In case claim period is not mentioned or same date is mentioned against validity and claim period, then the date of validity of BG shall be considered as three months prior to such date.
6. Supplier shall submit attached cover letter (Annexure) while submitting Contract Performance Security

MATTER TO BE MENTIONED IN COVERING LETTER TO BE SUBMITTED BY VENDOR ALONG WITH BANK GUARANTEE

1	BANK GUARANTEE NO	:				
2	VENDOR NAME / VENDOR CODE	:	NAME			
			VENDOR CODE			
3	BANK GUARANTEE AMOUNT	:				
4	PURCHASE ORDER/ LOA NO	:				
5	NATURE OF BANK GUARANTEE	:				
	(Please Tick (√) Whichever is Applicable		PERFORMANCE BANK GUARANTEE	SECURITY DEPOSIT	EMD	ADVANCE
6	BG ISSUED BANK DETAILS	(A)	EMAIL ID	:		
		(B)	ADDRESS	:		
		(C)	PHONE NO	:		