

ANNEXURE - A
TERMS & CONDITIONS

A. SPECIAL CONDITIONS:

1. Bidder shall be either OEM of the requested make or the authorized dealer / stockiest of the respective OEM. In case of authorized dealer / stockiest, then, they must submit the OEM Authorization Letter along with their tender, failing which the tender will be rejected.
2. **Delivery Period:** Supply shall be completed **within 4 to 6 weeks** from the date of award of the Purchase Order by HAL.
3. **Delivery Terms :** F.O.R HAL Aircraft Division, Vimanapura Post, Bangalore-560017.
4. **Payment Terms:** 100% payment shall be made through RTGS/ NEFT/ CORE within 30 days from the date of receipt and acceptance of items at HAL. The Supplier/Contractor must upload GSTR-1 with their GST Invoices, immediately subsequent to supplies to HAL to enable HAL for ITC claim. In case of failure to comply this, then, HAL shall recover the GST paid for such invoices not uploaded in the GSTIN.
5. Vendor has to provide respective HSN Code against each line item and shall send us copy of GST registration certificate.
6. Items shall be supplied as per the requirement as specified against each line item of the specification compliance sheet. Non compliance to specification matrix sheet will be liable for rejection.
7. **Price Validity:** Price quoted should be net and unless otherwise specified should remain valid for our acceptance for a minimum period of **3 months** from the tender due date and the materials offered should be kept under provisional reservation for this quotation.
8. The offer and supply shall be in accordance with the Technical Specification requested as per Annexure-1 enclosed. Offers not meeting the Technical Specification shall not be considered for evaluation and award of Order.

B. GENERAL CONDITIONS:

1. The Bidder must provide their Profile in the Appendix-1 attached.
2. **LATE TENDERS / DELAYED TENDERS:** HAL will not be responsible for the loss or delay in receipt of tender documents/tenders in transit. HAL reserves the right to reject Late / Delayed / incomplete tenders. Bid received after the due date and time specified in the tender shall be considered as late tender and will not be considered.
3. **TENDER DUE DATE EXTENSION:** The Company may, in exceptional circumstances and at its discretion, on giving reasonable reason in Company website / press can extend the deadline for the submission of Tenders in which case all rights and obligations of the Company and Tenderers, previously subject to the original deadline will thereafter be subject to deadline as extended.
4. **PRICE:** Price quoted should be on F.O.R. Destination basis, for delivery at our HAL Aircraft Division, Bangalore inclusive of all charges including transit insurance.
5. **Your quotation must be in the unit in which the quantity is indicated in the enquiry. If it is otherwise, conversion data must be furnished.**
6. Manufacturer's name and country of origin of the materials offered must be clearly specified. Complete details and illustrated literature must accompany all quotations (if applicable).
7. Applicable descriptive literature / catalogue (if any), may please be enclosed with your offer. In case you are quoting for an alternative part number it should be confirmed that the offered part is fully interchangeable with the required part.
8. Quotation should be free from correction, over-writing, etc.
9. All drawings (photo/sketches) sent by us should be returned with your quotations, if you are unable to quote our drawings/photos/sketches should also be returned immediately along with your regret letter.
10. TENDERERS should clearly mention whether the prices hold good when the full quantity of enquiry is not ordered but only a part of it. Unless otherwise mentioned, it would be assumed that the rates hold good even when lesser quantities than those enquired of are ordered. Any increase in prices at a later date for ordering lesser quantities will not be agreed to.
11. **SHELF LIFE:** Where stores offered have a limited shelf-life, kindly indicate the life involved and confirm that in the event of an order from us, only newly manufactured stores with the maximum possible shelf-life at the time of dispatch will be offered for shipment. In respect of rubber items such as seals etc., having care date, the item should not have been manufactured earlier than 6 months of dispatch.
12. Delivery time required for supplies should be indicated in the offer.

13. SUBMISSION OF TENDER:

- a) The bidder is required to submit bids directly to HAL either through post/courier/drop in sealed cover with clear marking of bidder details. The cover should be marked with tender no., due date and bidders postal address. Response received, without bearing the bidder address will not be entertained. Bid submitted by the bidder's authorized dealer/ distribution/channel partner should accompany with ink signed authorization letter of the bidder to whom tender has been originally issued. In the absence of authorization letter, the bids submitted shall be considered an unsolicited.
- b) Unsigned Fax / Manual quotations / tenders will not be considered. Unsigned e-mail quote will be rejected if the bidder confirms that the bid is not submitted by him / his authorized person or no confirmation is received within one week / the time stipulated by the authorized person of HAL.
- c) In case of bid documents are bulky and cannot be dropped in the tender box, the same can be handed over to **Mr. Alex G, Manager (Purchase)**.

14. OPENING OF TENDER:

- a) Tender will be opened on the specified date and time at HAL Aircraft Division as mentioned in Page-1 of Tender Document. Bidders or their authorized reps who are desirous to attend the tender opening may forward written confirmation with name of authorized person and designation prior to tender opening.
- b) During the tender opening only the important particulars like price, payment and delivery terms will be read out.

15. TENDER EVALUATION CRITERIA:

- a) The tender will be evaluated on **Package Basis**.
- b) Bid with lowest price confirming to the specification will be considered for placement of Order.
- c) If two or more bidders quote the same price, HAL reserves the right to seek revised offer from the same bidder and placing order on revised L1 offer. If same situation prevails, then HAL reserves the right to place order on any of them.
- d) Conditional discount will not be considered in evaluation of tender.
- e) Applicability of Taxes (GST) should be explicitly indicated by the bidder in his response either in percentage or in absolute terms. In the absence of this input the offer would be considered all inclusive.

16. TAXES: GST wherever leviable and intended to be claimed from HAL should be distinctly shown along with the prices quoted. Where this is not done, no claim for GST will be admitted at a later stage on any ground whatsoever. **Please provide GST no.**

17. LIQUIDATED DAMAGES (LD):

- a) The time for and the date of delivery of the stores stipulated in the Purchase Order shall be deemed to be the essence of the Contract, and delivery must be completed on or by the dates mentioned in the Purchase Order or the tender. In the event of delay in supplies, HAL shall be entitled at their option to recover from the Contractor as agreed liquidated damages, and not by way of penalty, a sum of 0.5% of the price of any stores which the contractor has failed to deliver as aforesaid, for each week or part thereof during which the delivery of such stores may be in arrears subject to a maximum of 10% of the price of the stores in default. GST @ 18% on applicable LD amount will also be deducted.
- b) In the event of failure to supply the goods even after issuing a reasonable delivery extension notice after the promised delivery date, HAL shall have the right to purchase the ordered items else where, without further notice to the vendor, the stores not delivered or others of a similar description (where exactly complying with the particulars are not available), at the risk and cost of the supplier, HAL's decision in this respect shall be final.
- c) If the bidder does not agree to the LD clause of the IFT, the difference in LD % from the bid to the LD% in the IFT, will be loaded to the price quoted, with 2% weightage factor.
The LD factor loading shall be as per the following formula:
Amount to be loaded on basic price= $0.02 \times (M-L) \times Q / M$
where M = Max LD% as per IFT
L = Max LD% agreed by bidder
Q = Quoted basic price.

18. SUB-CONTRACT: Neither of the parties of this contract shall be entitled without the other party's consent to assign or transfer to a third party all or party of the benefits or obligations of this contract.

19. **QUALITY & WORKMANSHIP:** Generally the stores shall be of the best quality and workmanship. Contractor shall comply with the contract in all respects to the satisfaction of HAL. Where tenders are called for in accordance with 'particulars', the contractor's tenders to supply in accordance with such 'particulars' shall be deemed to be an admission on his part that he has fully acquainted himself with the details thereof and no claim on his part which may arise on account of non examination or insufficient examination of the 'particulars' will in any circumstances be considered. The contractor shall supply the stores in accordance with the 'particulars' unless any deviation is authorized as an exception expressly specified in the Purchase Order.
- The Stores/ Goods supplied shall conform to the standards, if mentioned in the Technical Specifications, or, where no applicable standard is mentioned, to the authoritative standards appropriate to the Goods' country of origin. Such standards shall be the latest issued by the concerned institution.
20. **GUARANTEE:** For a period of 12 calendar months, after the goods have been taken over by HAL, the contractor shall be responsible for any defects that may develop due to faulty materials, design or workmanship and shall remedy such defects at his own cost when called upon to do so by HAL who shall state in writing in what respect the portion is faulty. If it becomes necessary for the contractor to replace or renew any defective portion of the goods the contractor shall make such replacement or renewal without any extra cost to HAL.
21. **PACKING:** The Supplier will be held responsible for the stores being sufficiently and properly packed for tropical storage and for transport by rail, road, sea or air so as to ensure their being free from loss or injury on arrival at their destination. The packing and marking of packages shall be done by and at the expense of the Supplier. Each package shall contain a Packing Note quoting Purchase Order number and date showing its contents in detail. Each shall be properly marked with Purchase Order No., Consignee's name & address, package-handling instructions etc. The package shall have adequate provision for handling during transit.
22. The cushioning & packing materials used shall be made of bio-degradable materials only.
23. **RECEIPT & DESPATCH:** The Contractor is responsible for obtaining a clear receipt from the Transport Authorities specifying the goods dispatched. He will not book any consignment on a 'said to contain' basis. If he does so, he does it on his own responsibility. HAL will take no responsibility for short deliveries or wrong supply of goods when the same are booked on 'said to contain' basis. HAL shall pay for only such stores as are actually received by them in accordance with the contract.
24. **MSE Clause:** The MSEs those are registered with District Industries Centers (DICs)/ Khadi and Village Industries Commission(KVIC)/ Khadi and Village Industries Board(KVIB)/ Coir Board/ NSIC/ Directorate of Handicrafts and Handloom or any other body specified by Ministry of Micro, Small and Medium Enterprises (MoMSME) are eligible for availing benefits under Public Procurement Policy for MSEs Order 2012. To avail the benefits, such MSME Bidders must declare UAM (Udyog Aadhar Memorandum) Number and submit the copy of UAM certificate along with their bid. The MSE Bidders who fail to submit UAM Number shall not be able to avail the benefits available to them under the prevailing Public Procurement Policy for MSEs Order 2012.

Gol has declared on 1st June 2020 and published the guidelines and procedures for new classification and registration of MSMEs in the Gazette.

Accordingly, if you are coming under the new classification of MSMEs, then, please visit the Udyam Registration Portal and register yourself to get the Purchase Preference for MSEs. The new classification of MSME is as follows:

Category	New Classification
Micro	Investment does not exceed Rs. 1Cr & Turnover does not exceed Rs. 5Cr.
Small	Investment does not exceed Rs. 10Cr & Turnover does not exceed Rs. 50Cr.
Medium	Investment does not exceed Rs. 50Cr & Turnover does not exceed Rs. 250Cr.

It may please be noted that the existing MSMEs status registered prior to 30th June 2020 shall continue to be valid only for a period up to 31st Mar. 2021. Hence, please do the needful to get yourself registered in the Udyam Registration Portal at the earliest and forward the details such as copy of the Udyam Registration Certificate and the Udyam Registration Number to update the same in our ERP system.

25. **GeM Portal Registration** : Any bidder participating in the tender should also get registered in GeM portal and should provide GeM seller ID as a part of their offer. In case, such GeM seller ID not provided as a part of their offer, supplier need to take up with GeM Authority for on boarding on GeM portal and provide such details, which will be necessary requirement for placement of order by HAL for this tender.

26. **INSPECTION**: The acceptance of goods on receipt in HAL shall be subject to inspection and tests, if necessary, and HAL

Inspector's decision as regards acceptance/rejection of goods shall be final and binding on the parties.

27. **EXIT CLAUSE:**

a) In the event of unsatisfactory performance by the seller during the contract period, or any of the information provided by the seller is found to be untrue, or seller is found to have attempted to influence any person involved with the contract through unethical means, the contract shall be terminated with one month advance notice without any financial implications to Buyer. Notwithstanding the foregoing, in cases where it is found that a seller is engaged in unethical practices, they shall be barred from participating in the future contracts for a period of two years.

b) If there is a change in Buyer requirement, contract shall be terminated with three months advance notice. The liability of Buyer in this case will be agreed mutually. In the event of termination of contract by either party the seller shall ensure the following;

I. IPR's are transferred to Buyer to enable Buyer to proceed on the work with other Seller. Seller also will render all assistance till the other Seller fully take over the balance work.

II. Transfer title and deliver all or any part thereof of the supplies, materials, work in progress, finished products, tooling, drawings and data produced or acquired by Seller specifically for the product being terminated.

III. Supply of products and its components / spares at least for a period of 2 years from the date of such termination.

c) The seller is declared bankrupt or becomes insolvent.

d) The delivery of material is delayed due to causes of Force Majeure by more than three months.

e) Based on the decision of the Arbitration Tribunal.

28. **FALL CLAUSE:**

a) The price charged for the stores supplied under the contract shall be in no event exceed the lowest price at which the contractor sells the stores or offers to sell stores of identical description to any persons/organizations including the purchaser of any department of the Central Govt. or any Dept. of the State Govt. or any statutory undertaking of the Central or State Govt., as the case may be during the period till the performance of the supply order placed and during currency of the contract is completed.

b) If at any time during the said period, the contractor reduces the sales price, sells or offers to sell such stores to any person/organization including the purchaser or any department of Central Govt. or any Dept. of State Govt., or any statutory undertaking of the Central or State Govt., as the case may be at a price lower than the price chargeable under the contract, he shall forthwith notify such reduction/sale or offer to sale to the Hindustan Aeronautics Limited and the price payable under the contract for the stores supplied after the date of coming into force of such reduction or sale or offer to sale shall stand correspondingly reduced.

29. **AGENT / AGENCY COMMISSION**: The seller confirms and declares to the buyer that the seller is the original manufacturer or authorized distributor / stockiest of original manufacturer or Govt. Sponsored /Designated Export Agencies (applicable in case of countries where domestic laws do not permit direct export by OEMS) of the stores referred to in this offer / contract /Purchase order and has not engaged any individual or firm, whether Indian or Foreign whatsoever, to intercede, facilitate or in any way to recommend to Buyer or any of its functionaries, whether officially or unofficially, to the award of the contract / purchase order to

the Seller; nor has any amount been paid, promised or intended to be paid to any such individual or firm in respect of any such intercession, facilitation or recommendation. The Seller agrees that if it is established at any time to the satisfaction of the Buyer that the present declaration is in any way incorrect or if at a later stage it is discovered by the Buyer that the Seller has engaged any such individual / firm, and paid or intended to pay any amount, gift, reward, fees, commission or consideration to such person, party, firm or institution, whether before or after the signing of this contract / purchase order, the Seller will be liable to refund that amount to the Buyer. The Seller will also be debarred from participating in any RFQ / Tender for new projects / program with Buyer for a minimum period of five years. The Buyer will also have a right to consider cancellation of the Contract / Purchase order either wholly or in part, without any entitlement or compensation to the Seller who shall in such event be liable to refund all payments made by the Buyer in terms of the Contract / Purchase order along with interest at the rate of 2% per annum above LIBOR (London Inter Bank Offer Rate) (for foreign vendors) and Base Rate of SBI (State Bank of India) plus 2% (for Indian vendors). The Buyer will also have the right to recover any such amount from any contracts / Purchase order concluded earlier with Buyer.

30. **IMMUNITY TO GOVERNMENT OF INDIA:** It is understood and agreed that the Government of India is not a party to this agreement and has no liabilities, obligations or rights hereunder. It is expressly understood and agreed that HAL is an independent legal entity with power and authority to enter into contracts solely in its own behalf under the applicable Laws of India and General Principles Contract Law. The vendor shall agree, acknowledge and understand that HAL is not an agent, representative or delegate of the Government of India. It is further understood and agreed that the Government of India is not and shall not be liable for any acts, omissions, commissions, breaches or other wrongs arising out of the contract. Accordingly, vendor expressly waives, releases and foregoes any and all actions or claims against the Government of India arising out of this contract, not to sue the Government of India as to any manner, claim, cause of action or thing whatsoever arising out of or under this agreement.
31. **BRIBES & GIFTS:** Any bribe, commission, gift or advantage given, promised or offered by or on behalf of the contractor or his parties, agent or servant or any one on his or their behalf to any officer, servant, representative or agent of HAL or any person on his or their behalf in relation to the obtaining or to the execution of this or any other contract with HAL shall in addition to any criminal liability which the contractor may incur, subject the contractor to the cancellation of this and all other contracts with HAL thereof. Any question or dispute as to the commission of any offence under the present clause shall be settled by HAL in such manner and on such evidence or information as they may think fit and sufficient and their decision shall be final and conclusive.
32. **ARBITRATION:** In the event of any dispute arising out of or in connection with the subject matter of this Agreement, including any question regarding the existence, validity or termination, the parties shall first Endeavour to resolve such dispute amicably within 30 (thirty) days after the date of the notification by one party of such dispute to the other party. Should the parties fail to resolve any dispute amicably within the said 30 (thirty) days, all disputes or differences whatsoever arising between the parties out of or relating to the construction, meaning and operation or effect of this Contract or the breach thereof shall be settled by Arbitration in accordance with the Rules of Arbitration of the ICA and the award made in pursuance thereof shall be binding on the parties. The provisions of the Arbitration and conciliation Act 1996 or any statutory modifications thereof shall apply to such arbitration. The language of arbitration proceedings shall be English.
- The parties shall continue to perform their obligations under this Contract during the conciliation/arbitration proceedings. The cost of arbitration (including the fees and expenses of the arbitrators) shall be shared equally by the parties, unless the award specified otherwise. The seat of Arbitration shall be Bangalore.
- This article shall survive the termination or completion of this Contract.

33. **INDEMNITY:** The contractor shall at all times indemnify HAL against all claims which may be made in respect of the stores for infringement of any right protected by patent, registration of design or trade mark.
34. **GOVERNING LAW AND JURISDICTION:** The Court at Bangalore only shall have jurisdiction to deal with and to decide any legal matter whatsoever arising out of this contract. This Contract and the Terms & Conditions shall be interpreted and governed in accordance with the Laws of Republic of India.
35. **ENVIRONMENT COMPLIANCE:** Aircraft Division is certified for ISO 14001: 2015 on Environmental Management Systems. Copy of the Environmental Policy is enclosed. Vendor shall take all necessary steps to protect the environment, to avoid damage or nuisance to natural environment or others resulting from pollution, or other consequences arising from his activity/product/ services. Vendor shall comply with all applicable environmental laws and government regulations from time to time which may affect (directly or indirectly) or be applicable to the product/service/vendor's performance during the life cycle phase of the product /service concerning environmental Protection.
36. **QUALITY POLICY:** HAL, Aircraft Division is committed to Manufacture, Assembly and Supply of Aerospace Products and Services that consistently meet the applicable requirements of the Customer and other Interested Parties. The Division is committed to establishing, Implementing and Maintaining an effective Quality Management System and continually improving the Quality of Products, Processes and Services provided to ensure and enhance Customer Satisfaction.
37. HAL is not bound to accept the lowest or any quotation and reserves the right of accepting the whole or any part of the quotation or part of the quantity offered and you must supply the same at the rate quoted.
38. Any order, resulting from the enquiry, shall be governed by this **Terms and Conditions of Contract of HAL** and any party quoting against this enquiry shall be deemed to have read and understood these terms and conditions and to have quoted subject to these terms and conditions.
39. When counter terms and conditions of business have been offered by a TENDERER, HAL shall not be deemed to be governed by such terms and conditions unless specific written acceptance thereof has been given by HAL.
40. No condition and terms, notice of which has not been given in this enquiry by parties submitting quotations, shall be considered by HAL, if put forward in subsequent correspondence, after acceptance of orders etc.
41. In case any of the above conditions is not acceptable to the TENDERER, it should be specifically indicated in the Deviation Statement (Appendix-2) failing which it will be presumed that all the terms and conditions are acceptable.
42. **REPEAT ORDER :** HAL may place repeat order if required within 12 Months from the date of supplies with same prices, terms and conditions of original order.

SEAL & SIGNATURE OF THE BIDDER