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or else in writing, shall be sent by the Contractor to the Inspecting Officer when the Goods or material to be supplied are ready for inspection and test, and no Goods shall be delivered or dispatched until the Inspecting Officer has certified in writing that such Goods have been inspected and approved by him.

(b) In cases where the Inspecting Authority specified in the Contract requires on behalf of the Purchaser that inspection of the raw materials to be used and/or stage inspection during the manufacturing process of the component/ Goods, etc. is also to be done, notice through the online portal of the Purchaser/ Inspecting agency, if available, or else in writing, shall be sent by the Contractor to the Inspecting Officer to visit his premises/works to test the raw materials and/or conduct necessary inspection during the manufacturing process of the component/ Goods, etc. as deemed essential.

(c) Notification of Result of Inspection: Unless otherwise provided in the specification of schedule, the examination of the Goods will be made as soon as practicable after the same have been submitted for inspection and the result of the examination will be notified to the Contractor.

(d) Inspection Notes: On the Goods being found acceptable by the Inspecting Officer he shall furnish the Contractor with necessary copies of Inspection Notes duly completed, for being attached to the Contractor's bill in support thereof.

(e) In case the Contract is concluded with traders/ agents for the items, which are peculiar to the railways, traders/ agents should indicate the source of supply (manufacturer) and the inspection for such items should be carried out at manufacturer's premises rather than the premises of a trader/ agent, to ensure genuineness and quality of Goods. Such Goods, unless otherwise specified in the Contract, shall be dispatched to the Consignee directly from the manufacturer's premises, without routing through the premises of such traders/ agents.

6.2 Marking of Goods:

(a) The Contractor shall, if so required, at his own expense, mark all the approved Goods with a recognized Government or Purchaser's mark. The Goods which cannot be so marked shall, if so, required by the Inspecting Officer, be packed at his own expense in suitable packages or cases, each of which shall be sealed and marked with such mark.

(b) The Inspecting Officer shall also have power to mark the rejected Goods with a rejection mark so that they may be easily identified, if re-submitted for inspection.

6.3 Facilities for test and Examination:

(a) The Contractor shall, at his own expense afford to the Inspecting Officer all reasonable facilities as may be necessary for satisfying himself, that the Goods are being and/ or have been manufactured in accordance with the particulars.

(b) The Inspecting Officer shall have full and free access at any time during the execution of the Contract to the Contractor's work for the purpose aforesaid, and he may require the Contractor to make arrangements for inspection of the Goods or any part thereof or any material at his premises or at any other place specified by the Inspecting Officer and if the Contractor has been permitted to employ the services of a Sub-Contractor, he shall in his Contract- with the Sub-Contractor, reserve to the Inspecting Officer a similar right.

6.4 Cost of Tests:

(a) The Contractor shall provide, without any extra charge, all materials, tools, labour and assistance of every kind which the Inspecting Officer may demand of him for any test and examination, other than special or independent test, which he shall require to make on the Contractor's Premises and the Contractor shall bear and pay all costs attendant thereon.

(b) If the Contractor fails to comply with the conditions aforesaid, the Inspecting Officer shall, in his sole judgment, be entitled to remove for test and examination all or any of the Goods manufactured by the Contractor to any premises other than his (Contractor's) and in all such cases the Contractor shall bear the cost of transport and/or carrying out such tests elsewhere. A certificate in writing of the Inspecting Officer, that the Contractor has failed to provide the facilities and the means, for test examination shall be final.

6.5 Delivery of Goods for Test:

The Contractor shall also provide and deliver for test, free of charge, at such place other than his premises as the Inspecting Officer may specify, such material or Goods as he may require.

6.6 Liability of Costs for Special or Independent Tests:

In the events of rejection of Goods or any part thereof by the Inspecting Officer in the consequence of the sample which is removed to the laboratory or other places of test, being found on test not in conformity with the Contract and in the event of the failure of the Contractor for any reason to deliver the Goods passed on test within the stipulated period, the Contractor shall, on demand pay to the Purchaser all costs incurred in the inspection and/or test. Cost of test shall be assessed at the rate charged by the laboratory to private persons for similar work.

6.7 Method of Testing:

(a) The Inspecting Officer shall have the right to put all the Goods or materials forming part of the same or any part thereof to such tests as required for the Goods specified in the Contract.

(b) The Contractor shall not be entitled to object on any ground whatsoever to the method of testing adopted by the Inspecting Officer.

6.8 Goods Expended in Test:

Unless otherwise provided for in the Contract if the test proves satisfactory and the

Goods or any instalment thereof is accepted, the quantity of the Goods or materials expended in the test will be deemed to have been taken delivery of by the Purchaser and be paid for as such.

6.9 Powers of Inspecting Officer:

The Inspecting Officer shall have the power: —

(a) before any Goods or part thereof are submitted for inspection, to certify that they cannot be inspected in accordance with the Contract owing to the adoption of any unsatisfactory method of manufacture.

(b) to reject any Goods submitted as not being in accordance with the particulars.

(c) to reject the whole of the instalment tendered for inspection, if after inspection of such portion thereof as he may in his discretion think fit, he is satisfied that the same is unsatisfactory.

(d) the Inspecting Officer's decision as regards the rejection shall be final and binding on the Contractor.

6.10 Inspection towards the End of Delivery Period:

(a) If the Contract requires pre-dispatch inspection of the ordered Goods, the Contractor shall present the Goods for inspection well in advance of the end of delivery period to ensure completion of the inspection and delivery as per the Contract, within that period.

(b) The situation, where the Goods (part or whole of Contract quantity) is tendered for inspection towards the end of the delivery period resulting in inspection and delivery not being completed as per Contract conditions, shall be treated as a breach of the Contract. The Purchaser shall be entitled to take action as per provisions of Clause 13 or may, on written request of the Contractor, take action as per Clause 7.5.

(c) The Contractor shall not dispatch the Goods till such time as an extension in terms of sub-clause(b) above is granted by the Purchaser and accepted by the Contractor.

(d) Notwithstanding the above, if the Goods are dispatched by the Contractor before an extension letter as aforesaid is issued by the Purchaser it shall solely be at the risk and expense of the Contractor. The Purchaser shall be entitled to take action as per provisions of Clause 13 or may, on written request of the Contractor, take action as per Clause 7.5.

7. Delivery:

7.1 Notification of Delivery:

(a) Notification of delivery or dispatch in regard to each and every instalment shall be made to the Consignee, indenter (if so mentioned in the Contract) and to the Purchaser immediately on dispatch or delivery.

(b) The Contractor shall further supply to the Consignee, or the interim Consignee,

as the case may be, a packing account quoting the Contract number and date of dispatch of the Goods. All packages, containers, bundles and loose materials part of each and every instalment shall be fully described in the packing account and full details of the contents of the packages and quantity of materials shall be given to enable the Consignee to check the Goods on arrival at destination.

(c) The Railway Receipt/ Consignment Note or Bill of Lading, if any, shall be forwarded to the Consignee by registered post immediately on the dispatch of Goods. The Contractor shall bear and reimburse to the Purchaser demurrage charges, if any, paid by reason of delay on the part of the Contractor in forwarding the Railway Receipt, Consignment Note or Bill of Lading.

7.2 Progress Reports:

(a) The Contractor shall from time-to-time, render such reports concerning the progress of the Contract and/ or supply of the Goods in such form as may be required by the Purchaser.

(b) The submission, receipt and acceptance of such reports shall not prejudice the rights of the Purchaser under the Contract, nor shall operate as an estoppel against Purchaser merely by reason of the fact that he has not taken notice of/ or subjected to test any information contained in such report.

(c) Progressing of deliveries: The Contractor shall allow reasonable facilities and free access to his works and records to the Inspecting Officer, or such other Officer as may be nominated by the Purchaser for the purpose of ascertaining the progress of the deliveries under the Contract.

7.3 Delivery, Inspection and Acceptance of Goods:

(a) The Contractor shall, as may be required by the Purchaser, deliver the Goods as per the conditions of the Contract. The delivery will not be deemed to be complete until and unless the goods are inspected and accepted by the Inspecting Officer as provided in the contract.

(b) The Purchaser shall not be liable to render assistance to the Contractor in securing or to arrange for or provide transport to the Contractor unless it is so specifically stated in the Contract, notwithstanding that transport of the Goods, is controlled by or under the orders of the Government.

(c) Notwithstanding any inspection and approval by the Inspecting Officer on the premises of Contractor or manufacturer, as the case may be, property in the Goods shall not pass on to the Purchaser until the Goods have been received, inspected and accepted by the Consignee.

(d) No Goods shall be deliverable to the Consignee on Sundays and public holidays or beyond normal office hours without the written permission of the Consignee.

(e) Perishable Goods: For Goods with a limited shelf life, the Contractor shall ensure that at least 75% (or any other percentage stipulated in the Contract) of shelf life remains balance on delivery date. The Purchaser reserves its rights to reject expired or products with less than such specified shelf life.

7.4 Time is the essence of the Contract:

The time for and the date specified in the Contract or as extended for the delivery of the Goods shall be deemed to be of the essence of the Contract and delivery must be completed not later than the date so specified or extended.

7.5 Extension of Time for Delivery:

(a) If the Contractor fails to deliver the Goods as per the stipulated deadlines in the Contract, for any cause which the Purchaser may admit as reasonable ground for extension of time for delivery, the Purchaser shall allow such additional time as he considers to be justified by the circumstance of the case, and shall forgo the whole or such part, as he may consider reasonable, of his claim for such loss or damage due to delay in effecting delivery. Any failure or delay on the part of Sub-Contractor, though their employment may have been sanctioned by the Purchaser, shall not be admitted as a reasonable ground for any extension of time or for exempting the Contractor from liability for any such loss or damage as aforesaid. The decision of the Purchaser in this regard shall be final and binding on the Contractor.

(b) If extension of time for delivery period is allowed, as above, by the Purchaser with damages, the amendment giving such an extension shall be subject to the following conditions:

(i) Levy Liquidated Damages (LD): recover from the Contractor as agreed liquidated damages and not by way of penalty a sum equivalent to ½ (half) % of the price of any Goods (including elements of taxes, duties, freight, etc.) which the Contractor has failed to deliver within the period fixed for delivery in the Contract for each week or part of a week during which the delivery of such Goods may be in arrears where delivery thereof is accepted after expiry of the aforesaid period. Upper limit for recovery of liquated Damages in Supply Contracts will be 10% (Ten percent) of value of delayed supplies irrespective of delays, unless otherwise provided, specifically in the Contract. The parties to this Contract willingly agree that this amount of damages is an agreed pre- estimate of damages caused to the Purchaser because of delay in supply of Goods by the Contractor. The Purchaser shall not be called upon by the Contractor to prove any damage/ loss in order to claim the damages due to delay in supply of Goods, if the damages so claimed by the Purchaser are as per this Clause. The Liquidated Damages shall be calculated on the gross value of supply (inclusive of GST) as provided for in the Contract.

(ii) Denial Clause (DC) as under:

(1) No increases in price on account of any statutory increase in or fresh Imposition of GST, customs duty or on account of any other taxes/ duty/ cess/ levy, leviable in respect of the Goods and incidental Works/ Services stipulated in the said Contract which takes place after the original delivery date, shall be admissible on such

of the said Goods, as are delivered after the said date; and

(2) Notwithstanding any stipulation in the Contract for an increase in price on any other ground, including price variation clause or foreign exchange rate variation, or any other variation clause, no such increase after the original delivery date shall be admissible on such Goods delivered after the said date.

(3) Nevertheless, the Purchaser shall be entitled to the benefit of any decrease in price on account of reduction in or remission of GST, customs duty or on account of any other Tax or duty or any other ground as stipulated in the price variation clause or foreign exchange rate variation or any other variation clause which takes place after the expiry of the original delivery date.

7.6 Consequences of Rejection:

If on the Goods being rejected by the Inspecting Officer or Interim Consignee or Consignee at the destination, the Contractor fails to make satisfactory supplies within the stipulated period of delivery, the Purchaser shall be at liberty to:

(a) require the Contractor to replace the rejected Goods forthwith but in any event not later than a period of 21 days from the date of rejection and the Contractor shall bear all cost of such replacement including freight, if any, on such replacing and replaced Goods but without being entitled to any extra payment on that or any other account, or

(b) terminate the Contract for the rejected quantity and take further action as per the provision of Clause 13.

(c) Where under the Contract some price is paid to the Contractor for the Goods so rejected, the Contractor shall be liable, in addition to his other liabilities, to refund of price recoverable in respect of such rejected Goods and to reimburse to the Purchaser the freight and all other expenses incurred by the Purchaser in this regard. The above said liability on the Contractor shall arise immediately after the issue of the communication of such rejection to him.

8. System of Payment:

8.1 Unless otherwise agreed upon between the parties, payment for delivery of the Goods will be made on submission of bills in the prescribed manner through online billing mode on authorised e-procurement portal of the Purchaser, in accordance with the instructions given in the Contract, by a cheque or demand draft or through online mode (through a branch of the Reserve Bank of India or State Bank of India transacting Government business) or through e-payment to the registered bank account of the Contractor at the option of the Purchaser.

8.2 Payment for the Goods or for each consignment thereof will be made to the Contractor on submission of bills accompanied by required document in accordance with the following procedure in Contracts where such a facility to the Contractor has specifically been agreed to by the Purchaser:-

(a) For dispatch by road or dispatch by rail on "FOR destination" basis, 95% payments for the Goods or each consignment thereof will be made to the Contractor against proof of inspection and proof of delivery in good condition at Consignee's end. Receipted Challan signed by the Gazetted officer at Consignee's end will be taken as the proof of delivery but not construe the acceptance by the Consignee. The balance 5% payment shall be made after receipt and acceptance of the material by the Consignee at his end.

(b) For dispatch by rail on "FOR station of dispatch" basis, 95% payments for the Goods or each consignment thereof will be made to the Contractor against proof of inspection and dispatch. The original railway receipt should be sent to the Accounts Officer responsible for payment along with 95% bill advising the particulars of dispatch to the Consignee. The Accounts Officer after passing the 95% bill should pass on the original railway receipt to the Consignee for taking delivery of the consignment. It should, however, be ensured that there is no delay in the Accounts Office transmitting the original railway receipt to the Consignee. The balance 5% payment shall be made after receipt and acceptance of the material by the Consignee at his end.

8.3 In all other Contracts or in Contracts where the Inspecting Officer also acts as the interim Consignee or where inspection is carried on by the Consignee himself at destination and in all cases of local delivery full payment shall be made on submission of "Final 100% bill" supported by the Inspection Certificates and Consignee's receipt and acceptance certificate as aforesaid to the Accounts Officer concerned.

Note: The system of 95% and 5% payment is not applicable to claims amounting to ₹25,000/- or below.

8.4 Application for payment against time-barred Claims:

All claims against the Purchaser shall be legally time-barred after three years calculated from the date when the payment falls due. The Purchaser is entitled to, and it shall be lawful for him to reject such claims.

9. Withholding and lien in respect of sums claimed:

9.1 Whenever any claim or claims for payment of a sum of money arises out of or under the Contract against the Contractor, the Purchaser shall be entitled to withhold and also have a lien to retain such sum or sums in whole or in part from the security, if any, deposited by the Contractor and for the purpose aforesaid, the Purchaser shall be entitled to withhold the said cash security deposit or the security, if any, furnished as the case may be and also have a lien over the same pending finalisation or adjudication of any such claim. In the event of the security being insufficient to cover the claimed amount or amounts or if no security has been taken from the Contractor, the Purchaser shall be entitled to withhold and have lien to retain to the extent of the such claimed amount or amounts referred to supra, from any sum or sums found payable or which at any time thereafter may become payable to the Contractor under the same Contract or any other

Contract with the Purchaser or the Government pending finalisation or adjudication of any such claim.

It is an agreed term of the Contract that the sum of money or moneys so withheld or retained under the lien referred to above, by the Purchaser will be kept withheld or retained as such by the Purchaser till the claim arising out of or under the Contract is determined by any of the dispute resolution mechanism as indicated in the Contract or by the competent court as prescribed under Clause 2.7(c), as the case may be, and that the Contractor will have no claim for interest or damages whatsoever on any account in respect of such withholding or retention under the lien referred to supra and duly notified as such to the Contractor.

9.2 For the purpose of Clause 9.1, where the Contractor is a partnership firm or a limited company, the Purchaser shall be entitled to withhold and also have a lien to retain towards such claimed amount or amounts in whole or in part from any sum found payable to any partner/ limited company, as the case may be, whether in his individual capacity or otherwise.

9.3 Lien in respect of Claims arising from other Contracts:

(a) Any sum of money due and payable to the Contractor (including the security deposit returnable to him) under the Contract may be withheld or retained by way of lien by the Purchaser or Government against any claim of the Purchaser or Government in respect of payment of a sum of money arising out of or under any other Contract made by the Contractor with the Purchaser or Government.

(b) It is an agreed term of the Contract that the sum of money so withheld or retained under this clause by the Purchaser or Government will be kept withheld or retained as such by the Purchaser or Government till his claim arising out of the same Contract or any other Contract is either mutually settled or determined through dispute resolution mechanism as indicated in the Contract or by the competent court as prescribed under Clause 2.7(c), as the case may be, and that the Contractor shall have no claim for interest or damages whatsoever on this account or on any other ground in respect of any sum of money withheld or retained under this clause and duly notified as such to the Contractor.

10. Warranty/ Guarantee:

(a) The Contractor hereby covenants that it is a condition of the Contract that all Goods furnished to the Purchaser under this Contract shall be of the highest grade, free of all defects and faults and of the best materials, quality, manufacture and workmanship throughout and consistent with the established and generally accepted standards for materials of the type ordered and in full conformity with the Contract specification, drawing or sample, if any and shall, if operable, operate properly.

(b) The Contractor also guarantees that the said Goods would continue to conform to the description and quality as aforesaid, for a period of 30 months after their delivery and this warranty shall survive notwithstanding the fact that the Goods may have been inspected, accepted and payment therefore made by

the Purchaser. If a longer/ shorter period of warranty/ guarantee is specified in the Particulars or any other Contract documents, same shall be applicable instead of period specified in this clause.

(c) If during the aforesaid period, the said Goods be discovered not to conform to the description and quality aforesaid or have deteriorated, otherwise than by fair wear and tear, the decision of the Purchaser in that behalf being final and conclusive, the Purchaser will be entitled to reject the said Goods or such portions thereof as may be discovered not to conform to the said description and quality (by way of issue of "Warranty Rejection Advice"). On such rejection, the Goods will be at the Contractor's risk.

Upon receipt of such rejection notice, the Contractor shall, within 60 days, expeditiously repair or replace, at the option of the Purchaser, the defective Goods or parts thereof, free of cost, at the ultimate destination. Alternatively, the Contractor can also be called upon for deposition of equivalent amount of rejected Goods within the aforesaid period.

In case of any rectification of a defect or replacement of any defective Goods during the warranty period, the warranty for the rectified/ replaced Goods shall remain till the original warranty period plus the time from the warranty rejection advice to acceptance of Goods by Consignee after replacement/ rectification.

If the Contractor, having been notified, fails to rectify/ replace the defect(s) within 60 days (or within any other period, if stipulated in the Contract), it shall amount to Breach of Contract for warranty.

(d) The Contractor shall be allowed to collect the rejected Goods only after deposition of payments already made by the Purchaser to the Contractor, if any, in respect of such Goods or after recovery of equivalent amount by the Purchaser from the pending bills of the Contractor or against replacement quantity supplied by the Contractor. Rejected Goods should be suitably defaced before handing over to the Contractor to avoid its re-use. The rejected Goods may be taken over by the Contractor or his agents for disposal in such manner as he may deem fit within a period of 60 days from the date of such rejection, by way of issue of "Warranty Rejection Advice". At the expiry of the period, no claim whatsoever shall lie against the Purchaser in respect of the said Goods, which may be disposed of by the Purchaser in such manner as he thinks fit. Without prejudice to the generality of the foregoing, all the provisions relating to the 'rejection of goods' and 'failure' and 'termination' and Clauses 4.2, 6.1, 7.6 and 13 shall apply.

(e) Purchaser is entitled to provide for an authorized portal (as an extension of authorised e-procurement portal or otherwise) for management of warranty obligations, including monetary recoveries when due, under the Contract and also provide for detailed procedure for working of such a portal. Working procedure (as amended from time to time) of such a portal shall be binding upon the contractor and shall not be rendered ineffective merely on the ground that the same have not been specifically mentioned in the Contract documents.

(f) Purchaser is entitled to effect due recoveries against warranty rejection advice from the Warranty Security Deposit, if the recoveries from pending bills of the Contractor is not possible.

11. Removal of Rejected Goods:

(a) On rejection of all Goods submitted for inspection at a place other than the premises of the Contractor, such Goods shall be removed by the Contractor at his own cost subject as herein after stipulated, within 21 days of the date of issue of intimation of such rejection, except in case of Warranty Rejection Advice, where the period shall be 60 days. The communication will be deemed to have been served on the Contractor at the time when such communication would in the course of ordinary communication reach the Contractor through the means of communication used.

Provided that the Inspecting Officer/ Consignee may call upon the Contractor to remove dangerous, infected or perishable Goods within 48 hours of the receipt of such communication and the decision of the Inspecting Officer in this behalf shall be final in all respects.

Provided further that where the price or part thereof has been paid, the Consignee is entitled without prejudice to his other rights to retain the rejected Goods till the price paid for such Goods is refunded by the Contractor or dispose of as per sub-clause (b) below, save that such retention shall not in any circumstances be deemed to be acceptance of the Goods or waiver of rejection thereon.

(b) All rejected Goods shall in any event and circumstances remain and always be at the risk of the Contractor immediately on such rejection. If such Goods are not removed by the Contractor within the periods aforementioned, the Inspection Officer/ Consignee may remove the rejected Goods and either return the same to the Contractor at his risk and cost by such mode of transport as the Purchaser or Inspecting Officer may decide, or dispose of such Goods at the Contractor's risk and on his account and adjust such portion of the proceeds, if any from such disposal as may necessary to recover any expense incurred in connection with such disposals (or any price refundable as a consequence of such rejection). The Purchaser shall, in addition, be entitled to recover from the Contractor ground rent/ demurrage charges on the rejected Goods after the expiry of the time limit mentioned above. Disposal of rejected Goods in aforesaid manner will not in any way exonerate Contractor but still hold him liable to pay to the Purchaser, the dues detailed under Clause 7.6(c) besides other dues as mentioned above and action can be taken by the Purchaser as per Clause 9, if Contractor fails to pay the amount due to him.

12. Breach of Contract by Contractor and Purchaser's rights thereof:

Breach of Contract by the Contractor refers to such situations where the Contractor fails to comply with conditions of the Contract. It discharges the Purchaser to proceed further with the performance of his Contractual obligations

and entitles him to a right of action for damages or termination of Contract and to enforce the remedies for such breach as provided in the Contract. A breach of Contract may, however, be waived, with or without damages.

SN	Cause of Breach of Contract	Purchaser's rights
1.	**Delay in Performance of the Contract:** If the Contractor causes delay in supply of part or whole of the Goods and fails to deliver the Goods within the period stipulated in the Contract, duly complying the conditions of Contract, it constitutes a breach of Contract for delay in performance of the contract, as time is the essence of the Contract.	The breach of Contract is only for the quantities of Goods, in supply of which the Contractor has caused delay. Therefore, the Purchaser's rights in case of breach are available only to the extent of the breach, in this case. Purchaser may waive this breach, with or without damages, in terms of Clause 7.5. Purchaser, at its sole discretion, may decide to waive the breach of Contract, with or without damages, for a part or parts of the Contract and decide, at its sole discretion, not to waive breach of Contract for the balance part or parts of the Contract and decide to terminate such balance part or parts of the Contract. Purchaser, in case decides at its sole discretion, not to waive this breach, for any part of the supply of Goods, may terminate the Contract. Conditions for termination of the Contract are detailed below.
2	**Default in Performance of the Contract:** If the Contractor fails to deliver any or all the Goods within the period stipulated in the Contract or within any extension thereof granted by the Purchaser or fails to perform any other Contractual obligations (except warranty), it shall amount to a Breach of Contract.	Purchaser may terminate the Contract.

SN	Cause of Breach of Contract	Purchaser's rights
3.	**Repudiation of the Contract:** If the Contractor refuses to perform the Contract or repudiates it even before the expiry of Delivery Period, the Purchaser may treat such repudiation as a Breach of Contract	Purchaser may terminate the Contract.
4.	**Default in attending Warranty failure:** If the Contractor, having been notified, fails to rectify/ replace the defect(s) within 60 days (or within any other period, if stipulated in the Contract), it shall amount to a Breach of Contract	Purchaser shall be entitled to take action as per Clause 10.
5.	**Default in maintaining requisite SD:** If the Contractor during the currency of the Contract fails to maintain the requisite Security Deposit, it shall amount to a Breach of Contract	Purchaser is entitled to take action as per Clause 3.4.
6.	If the prices charged in the Contract are discovered to be higher than any controlled or regulated price, the Purchaser may treat it as a Breach of Contract.	Purchaser is entitled to take action as per Clause 3.3.
7.	**Insolvency:** If the Contractor being an individual or if a firm, any partner thereof, shall at any time, be adjudged insolvent or shall have a receiving order or order for administration of his estate made against him or shall take any proceeding for composition under any Insolvency Act for the time being in force or make any conveyance or assignment of his effects or enter into any assignment or composition with his creditors or suspend payment or if the firm be dissolved under the Partnership Act, the Purchaser may consider it as a Breach of Contract.	Purchaser may terminate the Contract.

SN	Cause of Breach of Contract	Purchaser's rights
8.	**Liquidation:** if the Contractor being a company is wound up voluntarily or by the order of a Court or a Receiver, Liquidator or Manager on behalf of the Debenture—holders is appointed or circumstances shall have arisen which entitle the Court or Debenture—holders to appoint a Receiver, Liquidator or Manager, the Purchaser may consider it as a Breach of Contract.	Purchaser may terminate the Contract.
9.	Any violation of the provisions of the Contract under Clause 4.9 or Clause 4.10 by the Contractor may be considered by the Purchaser as a Breach of Contract.	Purchaser is entitled to take action as per Clause 4.9 and Clause 4.10.
10	(a) Failure of the Contractor to obtain a valid licence under the extant Labour Codes and Rules before the commencement of the Contract. (b) Failure of the Contractor to continue to have such valid licence until the completion of the Contract.	Purchaser is entitled to take action as per Clause 2.7(f)(ii).
11	Contractor sub-lets or assigns or transfers the Contract or any part thereof without the previous consent in writing of the Purchaser.	Purchaser is entitled to take action as per Clause 4.3(c).

13. Termination of Contract:

(a) Upon the Contractor committing a breach of Contract and the Purchaser, having so decided, may to terminate the contract, in whole or in part, with following actions:

(i) Forfeit the Security Deposit in whole, even if the Contractor defaults in complying with part of the obligations under this Contract.

(ii) Wherever Security Deposit has been exempted for any reason, levy damages on the Contractor, not by way of penalty, an amount equal to Security Deposit amount, as would have been applicable had the Contractor not been exempted from submission of Security Deposit. These damages shall be treated as recoveries outstanding against the Contractor and dealt with accordingly.

(b) Purchaser's right to terminate the Contract, in whole or in part, without any

compensation to the Contractor, shall not:

(i) pre-judice or affect the rights and remedies which have accrued and/ or shall accrue to the Purchaser after such termination.

(ii) affect the performance of the Contract to the extent not terminated unless otherwise instructed by the Purchaser,

(iii) extinguish warranty obligations of the Contractor for the Goods already supplied, if any.

14. Rights of Purchaser on defaults by Contractor

Notwithstanding the rights of the Purchaser under the Contract, especially those mentioned in Clause 12 and Clause 13 above, additionally, the Purchaser shall be entitled to take recourse to any or all of the following actions:

(a) Temporarily withhold payments due to the Contractor under this Contract, till recoveries due to invocation of other Contractual remedies are complete.

(b) Record adverse performance of the Contractor for taking appropriate administrative action, including debarment.

(c) Undertake Dispute Resolution and/ or litigation for the transgression of the law, tort, and loss, which are not addressable by the above means.

15. Limitation of Liabilities:

(a) Except in cases of criminal negligence or wilful misconduct, the aggregate liability of the parties, whether under the Contract, in tort or otherwise, shall not exceed the total Contract Price (less payments already made in case of Purchaser), provided that this limitation shall not apply to the cost of repairing or replacing defective equipment/ work under Warranty/Guarantee Clause (Clause 10), or to any obligation of the Contractor to indemnify the Purchaser concerning IPR infringement.

(b) Neither Party shall be liable to the other Party, whether in Contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, which the other Party may suffer in connection with the Contract, provided that this exclusion shall not apply to any obligation of the Contractor to pay liquidated damages to the Purchaser.

16. Force Majeure:

(a) On the occurrence of any unforeseen event, beyond the control of either Party, directly interfering with the delivery of Goods arising during the currency of the Contract, such as war, hostilities, acts of the public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strikes, lockouts, or acts of God, the affected Party shall, within a week from the commencement thereof, notify the same in writing to the other Party with reasonable evidence thereof. Unless otherwise directed by the Purchaser in writing, the Contractor shall continue to perform its obligations under the Contract as far as reasonably practicable and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event. If the force majeure

condition(s) mentioned above be in force for 90 days or more at any time, either party shall have the option to terminate the Contract on expiry of 90 days of commencement of such force majeure by giving 14 days' notice to the other party in writing. In case of such termination, no damages shall be claimed by either party against the other, save and except those which had occurred under any other clause of this Contract before such termination.

(b) Notwithstanding the remedial provisions contained elsewhere in the Contract, none of the Party shall seek any such remedies or damages for the delay and/ or failure of the other Party in fulfilling his obligations under the Contract if it is the result of an event of Force Majeure.

17. Book Examination Clause:

The Government reserves the right for 'Book Examination' as follows:

(a) The Contractor shall whenever called upon and required to produce or cause to be produced, for examination by any Government Officer duly authorised in that behalf, any cost or other book of account, voucher, receipt, letter, memorandum, paper or writing or any copy of or extract from any such document. The Contractor shall also furnish information relating to the execution of this Contract or relevant for verifying or ascertaining the cost of executing this Contract to such Government Officer in such manner as may be required. The decision of such Government Officer on the question of relevancy of any document, information of return being final and binding on the parties. The obligation imposed by this clause is without prejudice to the Contractor's obligations under any other statute, rules or orders which shall be concurrently binding on the Contractor.

(b) The Contractor shall, if the authorised Government Officer so requires (whether before or after the prices have been finally fixed), afford facilities to the Government Officer concerned to visit the Contractor's premises to examine the processes of production and estimate or ascertaining the cost of performance of Contract. The authorised Government Officer shall have power to examine all the relevant books of Contractor's Sub-Contractor, or any subsidiary or allied firm or company, if any portion of the Contract is entrusted or carried out by such entities.

(c) If on such examination, it is established that the Contracted price is more than the actual cost-plus reasonable margin of profit, the Purchaser shall have the right to reduce the price and determine the amount to a reasonable level.

(d) The Contractor or its agency is bound to allow examination of its books within 60 days from the date the notice is received by the Contractor or its agencies calling for the production of documents under sub-clause (a) above. In the event of the Contractor's or his agency's failure to do so, the Contract price would be reduced and determined according to the best judgment of the Purchaser, which would be final and binding on the Contractor and his agencies.

18. Payment of Taxes and Duties:

(a) The Contractor shall be fully responsible for all taxes, duties, fees, levies etc., incurred up to the point of delivery of the Goods to the Purchaser.

(b) Goods and Services Tax (GST) shall be paid at the rate applicable or as assessed, provided the sale transaction is legally subject to such taxes and is payable according to the terms of the Contract, subject to the following conditions:

(i) Payment of GST to the Contractor shall be made only upon submission of a GST-compliant bill/ invoice by the Contractor. It shall be the entire and sole responsibility of the Contractor to ensure that the invoice must include the correct and appropriate HSN code and applicable GST rate.

(ii) The delivery must be recorded in the name, location, and GSTIN of the Consignee, and the location of the Office of the Purchaser shall have no impact on invoicing.

(iii) Purchaser shall not pay a higher GST rate, if leviable, due to any misclassification of HSN number or incorrect GST rate incorporated in the Contract due to Contractor's fault. If the Contractor invoices Goods with a GST rate or HSN number differing from those specified in the Contract, payment shall be made as per invoiced GST rate or the GST rate incorporated in the Contract, whichever is lower. In case GST rate invoiced is higher than the one incorporated in Contract, the Contractor shall be required to adjust his basic price to the extent required by the higher GST rate as per invoice to match the all-inclusive price mentioned in the Contract.

(c) **Statutory Variation Clause:**
Unless otherwise stated in the Contract, statutory variation (fresh imposition and/ or variation) in applicable GST rate or other taxes and duties mentioned in the Contract shall be borne by the Purchaser, for statutory variations occurring after the date of submission of the tender, as per the conditions of the Contract, including amendments if any. However, GST rate amendments shall be considered for the quoted HSN code only, against documentary evidence, provided such an increase in GST rates is after the tender submission date and shall not be applicable for any misquotation of the HSN number or GST rate by the Contractor. The Purchaser is not liable for any claim from the Contractor on account of fresh imposition and/ or increase (including statutory increase) of GST, customs duty, or other duties on raw materials and/ or components used directly in the manufacture of the Contracted Goods taking place during the pendency of the Contract- unless such liability is expressly agreed to in terms of the Contract.

19. Deleted.

20. Code of Integrity: Misdemeanours and Penalties:

20.1 Parties to the Contract shall not indulge in following prohibited practices, either directly or indirectly, at any stage during the execution of Contract:

(a) "Corrupt practice"- making offer, solicitation or acceptance of a bribe, reward or

gift or any material benefit, in exchange for an unfair advantage or an inducement or reward for performing or refraining from performing any act related to execution of the Contract, or any other Contract with the Purchaser or the Government. This also applies to actions intended to show favour or disfavour towards any person in relation to the Contract.

Additionally, if the Contractor, or anyone employed or acting on his behalf (with or without the Contractor's knowledge), breaches this condition or commits any offense under Chapter XII of the Bharatiya Nyaya Sanhita, 2023 (as amended) or the Prevention of Corruption Act, 1988 (as amended), or any other law enacted for the prevention of corruption by public servants, the Purchaser shall have the right to terminate the Contract, as well as any other Contracts with the Contractor, and take further actions as outlined below.

(b) "Fraudulent practice"- Any act of omission or misrepresentation that may mislead or attempt to mislead so that financial or other benefits may be obtained or an obligation avoided during execution of the Contract.

(c) "Coercive practice" — any act of inflicting harm or threatening to harm persons or their property to affect the execution of a Contract.

(d) "Undue Advantage" - improper use of information obtained by the Contractor from the Purchaser with an intent to gain an unfair advantage in execution of the Contract or for personal gain.

(e) "Obstructive Practice" — Any action that materially impede Purchaser investigation into allegations of one or more of the above mentioned prohibited practices either by deliberately destroying, falsifying, altering; or by concealing of evidence material to the investigation; or by making false statements to investigators and/ or by coercive practices mentioned above, to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or by impeding the Purchaser's rights of audit or access to information.

20.2 Obligations for Proactive Disclosures in case of Conflict of Interest:

"Conflict of Interest"- Any personal, financial, or business relationship between the Contractor and any personnel of the Purchaser who are involved, either directly or indirectly, in the execution of the Contract.

Contractor is obliged under the Code of Integrity to suo-motu proactively declare any conflict of interest (coming under the definition mentioned above - pre-existing or as and as soon as these arise at any stage) in execution of the Contract. Failure to do so shall amount to a violation of Code of Integrity.

20.3 Misdemeanours:

The following actions shall be regarded as misdemeanours—if a Contractor, either directly or indirectly, engages in such behaviour at any stage during the execution of the Contract:

(a) Violates the Code of Integrity;

(b) Convicted of an offence under the Prevention of Corruption Act, 1988 (as amended) or under the erstwhile Indian Penal Code, 1860 (as amended) or under the Bharatiya Nyaya Sanhita, 2023 (as amended) or any other law for the time being in force for causing any loss of life or property or causing a threat to public health as part of the execution of a public procurement Contract;

(c) Employs a government servant who has been dismissed or removed due to corruption;

(d) Employs a non-official convicted of an offense involving corruption or abetment of such an offense, in a position where they could corrupt government servants;

(e) Employs a government officer within one year of his retirement who has had business dealings with the Contractor in an official capacity before retirement.

(f) Is determined by the Government to have doubtful loyalty to the country or national security consideration.

20.4 Penalties for Misdemeanours:

Without prejudice to and in addition to the rights of the Purchaser to other remedies as per the Contract, If the Purchaser concludes that a Contractor directly or through an agent has committed a misdemeanour in executing a Contract, the Purchaser shall be entitled, and it shall be lawful on his part to take appropriate measures, including the following:

(a) Termination of the Contract, utilizing all remedies prescribed therein;

(b) Forfeiture or Encashment of any Security Deposit associated with the Contract and

(c) Recovery of any payments made by the Purchaser, including advance payments, along with interest at the prevailing Repo Rate (declared from time to time by RBI) prevailing on the date of such termination of the Contract.

(d) In addition to the above penalties, the Purchaser shall be entitled and it shall be lawful for him to:

(1) File information against such bidder/ Contractor or any of its successors, with the Competition Commission of India for further processing, in case of anti-competitive practices;

(2) Initiate proceedings in a court of law against Contractor or any of its successors, under the Prevention of Corruption Act, 1988 (as amended) or under the Bharatiya Nyaya Sanhita, 2023 (as amended) or any other law for transgression not addressable by other remedies listed in this sub-clause.

(3) Remove Contractor or any of its successors from the list of registered/approved suppliers for a period not exceeding two years. Suppliers removed from the list of registered/approved vendors or their

related entities may be allowed to apply afresh for registration only after the expiry of the period of removal.

(4) Debar the Contractor from participation in future to Purchaser's procurements without prejudice to legal rights and remedies. Debarment shall automatically extend to all the allied firms of the debarred firm.

20.5 Any dispute or difference in respect of the interpretation, effect, application, or recoverable amount under the aforementioned clauses by the Purchaser from the Contractor shall be decided by the Purchaser, whose decision there on shall be final and binding on the Contractor.

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