

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

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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.

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18. Payment of Taxes and Duties:

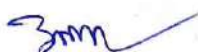
- (a) The Contractor shall be fully responsible for all taxes, duties, fees, levies etc., incurred up to the point of delivery of the Goods to the Purchaser.
- (b) Goods and Services Tax (GST) shall be paid at the rate applicable or as assessed, provided the sale transaction is legally subject to such 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

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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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Annexure-B

Provisions related to procurement process prior to contract formulation as contained in IRS Conditions of Contract, 2022 and removed from IRS Conditions of Contract, 2025. Railway units to include suitable provisions in their tender documents.

(1) Security Deposit:

- (a) Unless otherwise agreed between the Purchaser and the Contractor or otherwise mentioned in the tender document, the contractor shall, within 21 days of posting of written notice of acceptance of the offer to the contractor, deposit with the Railway concerned (in cash or the equivalent in Government Securities or approved Banker's Guarantee Bond or any other approved form as stipulated in the tender document) a sum as stipulated in the tender document, towards Security Deposit. Unless otherwise specified in the tender document, Security Deposit should remain valid for a minimum period of 60 days beyond the date of completion of all the contractual obligations of the supplier, including warranty obligations. *(Para 0501 of IRS Conditions of Contract, 2022).*
- (b) If the Contractor, having been called upon by the Purchaser to furnish security deposit, fails to make a security deposit within the specified period, it shall be lawful for the Purchaser to cancel the Letter of Award and to recover from the Contractor the amount of such security deposit by deducting the amount from the pending bills of the Contractor under any other contract with the Purchaser or the Government or any person contracting through the Purchaser or otherwise howsoever, duly adjusting the Earnest Money deposit, if any, made by the contractor. *(Para 0502 of IRS Conditions of Contract, 2022).*
- (c) No interest shall be payable upon the Bid Security. *(Portion of para 0503 of IRS Conditions of Contract, 2022).*

(2) Code of Integrity: *(Portion of para 2502 of IRS Conditions of Contract, 2022).*

Purchaser as well as bidders shall not indulge in following prohibited practices, either directly or indirectly, at any stage during the tender process:

- (a) "Corrupt practice"- making offer, solicitation or acceptance of a bribe, reward or gift or any material benefit, in exchange for an unfair advantage in the tender process or to otherwise influence the tender process. *(Para 2502(a) of IRS Conditions of Contract, 2022).*
- (b) "Fraudulent practice": any omission or misrepresentation that may mislead or attempt to mislead so that financial or other benefits may be obtained, or an obligation avoided. Such practices include a false declaration or false information for participation in a tender process or to secure a contract. *(Portion of para 2502(b) of IRS Conditions of Contract, 2022).*
- (c) "Anti-competitive practice": any collusion, bid-rigging or anti-competitive arrangement, or any other practice coming under the purview of The Competition Act, 2002, between two or more bidders, with or without the knowledge of the Purchaser, that may impair the transparency, fairness, and the progress of the tender process or to establish bid prices at artificial, non-competitive levels; *(Para 2502(c) of IRS Conditions of Contract, 2022).*
- (d) "Coercive practice": any coercion or any threat to impair or harm, directly or indirectly, any party or its property to influence the tender process;
- (e) "Conflict of interest" (COI): any personal, financial or business relationship between the bidder and any personnel of the purchaser who are directly or

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indirectly related to the tender process, which can affect the decision of the purchaser directly or indirectly.

- (f) "Undue Advantage": improper use of information obtained by the bidder from the purchaser with an intent to gain an unfair advantage in the tender process or for personal gain. This also includes if the bidder (or his allied firm) provided services for the need assessment/ procurement planning of the tender process in which he is participating;

(3) Obligations for proactive disclosures:

- (a) Purchaser as well as bidders are obliged under this 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 any Tender Process. Failure to do so shall amount to a violation of this code of integrity. (*Portion of para 2503(a) of IRS Conditions of Contract, 2022*).
- (b) Any bidder must declare, whether asked or not in a bid-document, any previous transgressions of such code of integrity during the last three years or of being under any category of debarment by the Central Government or by the Ministry/ Department of the Procuring Organisation from participation in Tender Processes. Failure to do so shall amount to a violation of this code of integrity. (*Para 2503(b) of IRS Conditions of Contract, 2022*).

(4) Misdemeanours: (*Portion of para 2504 of IRS Conditions of Contract, 2022*).

The following shall be regarded as misdemeanours—if a bidder, either directly or indirectly, at any stage during the tender process, commits any of the following misdemeanours:

- (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 on account of corruption;
- (d) Employs a non-official convicted of an offence involving corruption or abetment of such an offence, 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 him in an official capacity before retirement;
- (f) Is determined by the Government of India to have doubtful loyalty to the country or national security consideration;
- (g) Any other misdemeanour such as failure to abide by 'Bid securing declaration'.

(5) Penalties for misdemeanours: (*Portion of para 2505 and para 2506 of IRS Conditions of Contract, 2022*).

Without prejudice to and in addition to the rights of the Purchaser to other remedies as per the Tender-documents, if the Purchaser concludes that a (prospective) bidder directly or through an agent has committed a misdemeanour in competing for the tender, the Purchaser shall be entitled, and it shall be lawful on his part to take appropriate measures, including the following, if his bids are under consideration in any procurement:

- (a) Enforcement of Bid Securing Declaration in lieu of forfeiture or encashment of Bid Security;
- (b) calling off of any pre-contract negotiations and;
- (c) rejection and exclusion of Bidder from the Tender Process.

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(d) In addition to the above penalties, the Purchaser shall be entitled and it shall be lawful on his part to:

- (i) File information against Bidder or any of its successors, with the Competition Commission of India for further processing, in case of anti-competitive practices;
- (ii) Initiate proceedings in a court of law against Bidder 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.
- (iii) Remove Bidder 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 after the expiry of the period of removal.
- (iv) Debar a bidder 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.
- (v) The Ministry/ Department may debar a bidder or any of its successors from participating in any Tender Process undertaken by Purchaser for a period not exceeding two years commencing from the date of debarment for misdemeanours listed above. The Ministry/ Department shall maintain such a list which shall also be displayed on their website.
- (vi) Central Government (Department of Expenditure (DoE), Ministry of Finance) may debar a bidder or any of its successors from participating in any Tender Process undertaken for a period not exceeding two years commencing from the date of debarment for misdemeanours listed above. DoE shall maintain such a list which shall be displayed on Central Public Procurement Portal (CPPP).
- (vii) Any dispute or difference in respect of either the interpretation effect or application or the above condition or of the amount recoverable thereunder, shall be decided by the Purchaser, whose decision there on shall be final and binding. *(Para 2507 of IRS Conditions of Contract, 2022).*

(6) Special Conditions for Running Contract: *(para 3500 to para 4100 of IRS Conditions of Contract, 2022)*

Following (special) conditions wherever they differ from the invitation to tender and instruction to tenderers override the latter. In addition to Standard Conditions of Contract, the following special conditions shall apply to Running Contract: -

(a) Purpose of Contract and Parties to the Contract: *(para 3600 of IRS Conditions of Contract, 2022)*

- (i) The parties to the contract, which shall be deemed to be a "Running Contract" and which is intended for the supply of the goods of the descriptions and approximately in the quantities set forth in the contract during the period specified therein, shall be the Contractor of the one part and the authorities named in the contract hereinafter called the Purchaser (which expression shall, where the context so admits or





implies, be deemed to include his successors and assigns) of the other part. The quantities shown in the said Contract, are only approximate, and cannot be guaranteed.

- (ii) The Purchaser may authorise any officer (who shall hereinafter be called Direct Demanding Officer) at any time during the period of the contract, to place orders direct on the Contractor.
- (iii) Any variation of this contract shall not be binding on the Purchaser unless or until same is endorsed on the contract or incorporated in a formal instrument in exchange of letters and signed by the parties.

(b) Delivery: *(para 3700 of IRS Conditions of Contract, 2022)*

The Contractor shall as may be required by the Purchaser either deliver free or FOR or CIF at the place or places specified in the contract such quantities of the goods detailed in the said contract as may be ordered direct from the Contractor from time-to-time by the Purchaser or by the Direct Demanding Officer. The Contractor shall deliver or despatch the full quantity of the goods so ordered within the period specified in the said contract.

(c) Increase or Decrease of Quantities: *(para 3800 of IRS Conditions of Contract, 2022)*

The purchaser shall be entitled to vary the approximate total quantities of each description of goods shown in the said contract up to 30 percent, in one or more instalments, any time within the last date of delivery period (including extended delivery period) by giving a reasonable notice in writing of such variation.

(d) Maintenance and Replacement of Stocks: *(para 3900 of IRS Conditions of Contract, 2022)*

- (i) To meet casual demands, the Contractor shall maintain at all time in stock (until 70 per cent of the requirements have been drawn), at the place(s) specified in the contract, the quantity/ quantities mentioned therein. All demands should be complied with immediately they are received by the Contractor or within the period, if any, stipulated in individual orders. As soon as the Contractor is called upon to effect supplies, he shall take action to replenish the guaranteed stocks until such time as 70 percent of the total approximate requirement has been drawn and such replenishment shall be completed with the period specified in the contract, after the receipt by the Contractor of casual demands. Due notice will be given to the Contractor by the Direct Demanding Officers or by the Purchaser, if any additional quantities over and above 70 per cent of the total approximate requirements are required and Contractor shall then arrange stocks accordingly.
- (ii) The period for replenishment of stocks will be allowed only if the material is not in stock. If the material is in stock, this Provision will be inoperative even though the guaranteed stock quantity may have been supplied against the contract.

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- (iii) As an alternative to Sub-Clauses (i) and (ii) above, at the option of the Purchaser, or Direct Demanding Officer, he may order more than one instalment of deliveries at a time by stipulating instalment wise start date and completion date of supply. Delivery period of all the instalments except the first one shall be deemed tentative/ provisional till the start date of the corresponding instalment unless otherwise expressly communicated in main contract or any subsequent communication by the purchaser to the contractor. Purchaser without prejudice to other provisions under the contract, reserves the right to make deferment in the aforementioned tentative/ provisional delivery period of any instalment, constituting the elements of start date and completion date of supply for that instalment. Unless mutually agreed by Parties, the maximum period of deferment for any instalment will be limited to six months.

(e) Reporting Progress of Contract: *(para 4000 of IRS Conditions of Contract, 2022)*

The Contractor shall, three calendar months before the termination of the contract or at such intervals as may be specified in the contract, submit a report to the Purchaser stating the total quantity of goods delivered or despatched under the contract.

- (f)** Special conditions where they differ from Standard Conditions override the latter. *(para 4100 of IRS Conditions of Contract, 2022)*

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