



**Aircraft Research and Design Centre  
HINDUSTAN AERONAUTICS LIMITED  
Marathahalli Post  
Bangalore - 560 037. INDIA**

**COMMERCIAL TERMS AND CONDITIONS - PART OF TECHNICAL BID**

Tender Ref. No.: D/IMM/COM3/5461/03/2134/2/2022

Type of Bid: Two Bid System (This sheet is a part of Technical cum non-price bid )

Name of Work: Supply of MAIN HYDRAULIC PUMP for LCA Airforce Mk2 programme

Name of the Vendor/ Firm: (To be indicated by vendor / firm)

Quotation Ref. No.: (To be indicated by vendor / firm)

**PLEASE INDICATE YOUR RESPONSE/ COMPLIANCE/ ACCEPTANCE TO THE FOLLOWING TERMS (MANDATORY) AND ENCLOSE AS A PART OF TECHNICAL BID. IN CASE OF ANY PRICE INFORMATION PROVIDED IN TECHNICAL BID, EVEN IN THE FORM OF PDF, THE TECHNICAL BID WOULD NOT BE CONSIDERED FOR EVALUATION AND TREATED AS INVALID**

**COMMERCIAL TERMS & CONDITIONS**

Sl No.	Description	Vendor's Compliance
1	<b>Submission of tender in two bid system:</b> Bidders are requested to submit their proposals in two bid. Bidders to ensure that the price details are not mentioned in the technical bid, failing which such offers will not be considered for evaluation. Vendors to ensure that the pricing aspects either in PDF form or any other form is not mentioned in the technical bid zone, else such offers will not be considered for evaluation.	
2	<b>Validity of quote:-</b> Quote should be valid for 270 days from the closing date of the present RFQ.	
3	Bidders has to indicate the currency in the Price bid format. In case, currency is silent, HAL reserves the right to evaluate the bid taking the prime currency of the bidder's country.	
4	Indian Bidder should quote in Indian Rupees only and payment will be made in Indian Rupees.	
5	Quotations submitted in foreign currency will be converted to Indian Rupees (for comparison purpose) by adopting the TT-selling rate prevailing on the date of technical bid opening as indicated in www.exim.net. For any reason, if the exchange rate is not available on the date of tender opening, the nearest past available exchange rate will be adopted.	
6	In case of offers received from OEM and OEM authorised distributor(s), HAL reserves the right for acceptance of the offer either of OEM or of a distributor. HAL decision in this regard is final.	
7	<b>New Firm(Non Registered vendor):</b> Indicate in your quotation, whether you are an approved vendor of HAL and if so by which division of HAL. If you are not an approved vendor of HAL, submit the application for Registration by HAL by downloading application format from our website www.hal-india.co.in with necessary documents. Please note that HAL will not place order on Non Registered Vendors.  <b>Deemed Registration:</b> Vendors registered in other Defense PSUs will be considered as Deemed Registered. This Deemed Registration will enable the vendors to participate in all future tenders of HAL for similar category of goods/services subject to fulfillment of other eligibility criteria indicated in the RFQ. However, prior to placing of order, in case the vendor is selected after following the due process/procedure, all the formalities relating to completion of regularization of the Registration Process as per the extant procedure of this will have to be completed.	
8	<b>Restrictions on procurement from bidders from a country which shares a land border with India:</b>	
8.1	I. Bidder from a country which shares a land border with India will be eligible to bid in any procurement whether of goods, services (including consultancy services and non-consultancy services) or works ( including turn key projects) only if the bidder is registered with the Competent Authority which shall be the registration committee constituted by Department for promotion of Industry and Internal Trade (DPIIT).	
8.2	II. "Bidder" (including the term 'tenderer', 'consultant' or 'service provider' in certain contexts) means any person or firm or company, including any member of a consortium or joint venture (that is an association of several persons, or firms or companies), every artificial juridical person not falling in any of the descriptions of bidders stated herein before, including any agency branch or office controlled by such person, participating in a procurement process.	
8.3	III. Bidder from a country which shares a land border with India" for the purpose of this order means:- a) An entity incorporated, established or registered in such a country; or b) A subsidiary of an entity incorporated, established or registered in such a country; or c) An entity substantially controlled through entities incorporated, established or registered in such a country; or d) An entity whose beneficial owner is situated in such a country; or e) An Indian(or other) agent of such an entity; or f) A natural person who is a citizen of such a country; or g) A consortium or joint venture where any member of the consortium or joint venture falls under any of the above.	

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8.4	IV. "The Beneficial owner" for the purpose of (III) above will be as under:	
8.4.1	1. In case of a company or Limited Liability Partnership, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person(s), has a controlling ownership interest or who exercises control through other means.  Explanation— a. "Controlling ownership interest" means ownership of, or entitlement to more than twenty-five per cent of shares or capital or profits of the company;  b. "Control" shall include the right to appoint the majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements;	
8.4.2	2. In case of a partnership firm, the beneficial owner is the natural person(s) who, whether acting alone or together, or through one or more juridical person, has ownership of or entitlement to more than fifteen percent of capital or profits of the partnership;	
8.4.3	3. In case of an unincorporated association or body of individuals, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has ownership of or entitlement to more than fifteen percent of the property or capital or profits of such association or body of individuals;	
8.4.4	4. Where no natural person is identified under (i) or (ii) or (iii) above, the beneficial owner is the relevant natural person who holds the position of senior managing official;	
8.4.5	5. In case of a trust, the identification of beneficial owner(s) shall include identification of the author of the trust, the trustee, the beneficiaries with fifteen percent or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.	
8.5	V. An agent is a person employed to do any act for another, or to represent another in dealings with third person.	
8.6	Further the successful bidder shall not be allowed to subcontract from contractors / firms from a country which shares a land border with India unless such contractor/firm is registered with the competent authority as defined by DPIIT (Department for promotion of Industry and Internal Trade) and Department of Expenditure-Public Procurement Division.	
8.7	A bidder is permitted to procure raw material, components, sub-assemblies etc. from the vendors from countries which shares a land border with India. Such vendors will not be required to be registered with the Competent Authority, as it is not regarded as "sub-contracting". However, in case a bidder has proposed to supply finished goods procured directly / indirectly from the vendors from the countries sharing land border with India, such vendor will be required to be registered with the Competent Authority.	
8.8	A certificate is to be furnished by the bidder stating " I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India; I certify that this bidder is not from such a country or, if from such a country; has been registered with the Competent Authority. I hereby certify that this bidder fulfills all requirements in this regard and is eligible to be considered.[Where applicable, evidence of valid registration by the Competent Authority shall be attached]."	
9	<b>Purchase preference to Micro and Small Enterprise (MSEs):</b> Purchase preference will be given to MSEs as defined in public procurement policy for Micro and Small Enterprises (MSEs) Order, 2012 dated 23.03.2012 issued by Ministry of Micro, Small and Medium Enterprises and its subsequent Orders/Notifications issued by concerned Ministry. If the bidder wants to avail the Purchase preference, the bidder must be the manufacturer of the offered product in case of bid for supply of goods. Traders are excluded from the purview of Public Procurement Policy for Micro and Small Enterprises. Relevant documentary evidence in this regards shall be submitted along with the technical bid in respect of the offered product. If L-1 is not an MSE and MSE Seller(s) has / have quoted price within L-1+15% of margin of purchase preference /price band , such seller shall be given opportunity to match L-1 Price and contract will be awarded to such MSE supplier subject to matching the L1 price (inclusive of duties, taxes and freight & insurance).	
10 10.1	<b>Purchase Preference Policy (Preference to make in India): For Class-1 Local Supplier:</b> In line with Public Procurement (Preference to Make in India), Order 2017 & its amendments issued by Govt. of India & with a view to support the Indian industries, HAL has implemented "Purchase Preference Policy". Purchase Preference as specified in the policy shall be given only to Class-I local supplier, Class-II local supplier will not get purchase preference. The "Purchase Preference" is applicable for the "Class-I Local Supplier" for the goods/services/works covered in this tender subject to the following terms & conditions: Note: (a) The subject item falls under Indivisible category. i) Class-I local supplier means a supplier or service provider, whose goods, services or works offered for procurement meets the minimum local content of 50%. ii) Class-II local supplier means a supplier or service provider, whose goods, services or works offered for procurement meets the minimum local content of 20%. iii) Non- local supplier means a supplier or service provider, whose goods, services or works offered for procurement has local content less than 20%. iv) Foreign Supplier means an overseas supplier.	

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10.2	2. Local content' means the amount of value added in India (i.e., indigenous items/services added in the offered products/services/works) which shall be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties/IGST) as a proportion of the total value, in percent.	
10.3	The margin of Purchase Preference shall be upto 20%.	
10.4	'Margin of purchase preference' means the maximum extent to which the price quoted by the "Class-I local supplier" above the L1 (landed cost).	
10.5	'L1' means the lowest technically accepted tender / bid / quotation (i.e. lowest landed cost including duties, taxes and freight & Insurance).	
10.6	Works' means all works as per Rule 130 of GFR- 2017, and will also include 'turnkey works'. Works includes Engineering, Procurement and Construction (EPC) contracts and services include System Integrator (SI) contracts.	
10.7	<b>Purchase Preference:</b> <b>Note: Purchase Preference to MSE will have precedence over this clause.</b>	
10.7.i	i. If L1 is from a 'Class-I local supplier' the contract will be awarded to L1 bidder.	
10.7.ii	ii. If L1 is not from a 'Class-I local supplier', the lowest bidder among the 'Class-I local supplier' will be invited to match the L1 price subject to Class-I local supplier's quoted price falling within the margin of purchase preference (i.e. 20%) and the contract shall be awarded to such 'Class-I local supplier' subject to matching the L1 price (inclusive of duties, taxes and freight & insurance).	
10.7.iii	iii. In case such lowest eligible 'Class-I local supplier' fails to match the L1 price, the 'Class-I local supplier' with the next higher bid within the margin of purchase preference shall be invited to match the L1 price and so on, and order/contract shall be awarded accordingly. In case where none of the 'Class-I local supplier' within the margin of purchase preference agree to match the L1 price then the order/contract shall be awarded to the original L1 Bidder.	
10.8	Technically acceptable offers only will be considered for purchase preference.	
10.9	<b>Self Certification and Auditor Certificate:</b>	
10.9.i	i. The 'Class I & II local suppliers' should provide a "Self Certification" as per the format enclosed at Appendix-B(Type-I) along with technical offer indicating the % of local content along with details of the location(s) at which the local value addition is made along with the technical offer.	
10.9.ii	ii. In cases the quoted price is in excess of Rs.10 Crs (including duties, taxes and freight & Insurance), the 'Class-I & II local supplier' shall provide a certificate as per the format enclosed at Appendix-B(Type-II) from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in case of suppliers other than companies) indicating the percentage of local content along with the technical offer.	
10.9.iii	iii. The above sought "Self-certification" shall be provided on vendor's letter head. On similar line for Rs.10 Crs. & above, the certificate need to be provided by the concerned authority as brought out above.	
10.9.iv	iv. In case of online tender, scanned copy of the certificate need to be uploaded along with tender and parallelly the hard copy of original certificate should be submitted to the Division through post/courier.	
10.10	Any bidder has not indicated any % of Local content and also not provided Self Certification, they fall under non local category.	
10.11	It is expected that the bidder has to indicate MLC as part of offer & Self Certificate and Auditor might have also indicated MLC as per their certification. In case there is difference in those values, the lowest of them will be considered as the applicable MLC & the offer will be dealt accordingly. Other MLC information will be treated as invalid.	
10.12	A committee (with an external expert from a practicing cost accountant or practicing chartered accountant, if required) constituted for independent verification, shall verify the self-certificate (or) auditor's / accountant's certificates (as applicable) on random basis, as per the requirements.	
10.13	In case of a complaint received from any supplier indicating a need for review / verification of Local content of successful vendor / awarded vendor, for accepting a complaint from such complainant (w.r.t the false declaration given by the successful vendor / awarded vendor on the local content), a complaint fee of Rs.2 Lakhs or 1% of the locally manufactured items being procured (subject to a maximum Rs.5 Lakhs), whichever was higher, to be paid by demand draft by the complainant. In case, the complaint is found to be incorrect, the complaint fee shall be forfeited. In case, the complaint is upheld and found to be substantially correct, deposited fee of the complainant would be refunded without any interest.	
10.14	False declarations will be in breach of code of the integrity for which a bidder or its successor's will not be eligible/debarred for purchase preference from further tenders / pending tenders for two years along with other actions as may be applicable.	
10.15	Further, in case the violation/false declaration established, in such case, a penalty amount upto 2% value of the each order will be deducted on such defaulted bidders.	

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10.16	The Public Procurement (Preference to Make in India), Order 2017 issued by Govt. of India indicates that if there are any general or specific restrictive clauses to restrict participation of Indian companies in those countries procurement tenders, reciprocity clause need to be invoked as per the order. Hence, if HAL or Govt. of India come across that Indian suppliers of an item are not allowed to participate and/or compete in procurement by your government, the bid submitted by you will be not be considered and excluded from eligibility for procurement. This aspect may please be taken note off.	
10.17	(Refer the enclosed Appendix-A for Purchase preference policy & Appendix-B for format of declaration for local content)	
11	<b>TECHNICAL EVALUATION:</b> Technical bid would be opened in the office of Additional General Manager(IMM), Aircraft Research & Design Centre, HAL, Bangalore, INDIA. Interested Bidders or their representative (along with authorization letter) who submit tenders are permitted to witness the tender opening.  Technical bids submitted by the vendors would be opened and examined for adherence/ compliance to the requirements as specified in this RFQ. In case of ambiguity in statements given by the vendors, HAL may seek information/ clarification from any or all the vendors. Only such offers that meet HAL technical requirements shall be short listed for further commercial evaluation. HAL's discretion in this regard is absolute.	
12	<b>Commercial Bid Opening:</b> Commercial bids of short listed vendors whose technical bids have been accepted by HAL only would be opened. The information regarding date and time of opening, would be intimated to only successful vendors. Those Bidders or their representative (along with authorization letter) are permitted to witness the price bid opening.	
13	<b>COMMERCIAL EVALUATION:</b> The commercial evaluation shall be carried out based on the total price as indicated at Format-V of Annexure-D. For comparison purpose the prices quoted by the vendors would be loaded with applicable Indian custom duty and Indian taxes and duties, etc. as applicable at the time of technical bid opening to arrive the total landed cost to HAL. For comparison purpose the quotes indicated therein might be adjusted for non-compliances or partial compliances of commercial terms and conditions as mentioned at appropriate places in this RFQ.	
14	<b>Security Deposit: (FOR OVERSEAS BIDDERS ONLY)</b> The Successful vendor shall have to deposit 5% (for Indian supplier it is 3%) of the value of the order (excluding taxes & duties, if such details are furnished separately in the bid submitted) as Security Deposit within 15 days of receipt of the purchase order, by demand draft or bank transfer or bank guarantee. In case of bank guarantee the enclosed format of HAL shall be used and the Guarantee shall be from a bank of international repute and the same shall be valid up to 60 days after the completion of purchase order. This Security Deposit will bear no interest and will be returned only after the validity period as above is completed.  In case the contract is not executed to the entire satisfaction of HAL, the security deposit shall be forfeited.  <b>Note: For bidders who do not agree to submission of Security Deposit, the quoted price will be loaded by 5% (for Indian supplier it is 3%) and such loaded quote will be used for price comparison with other bidders.</b>	
15	<b>Delivery and Passing of Property &amp; Risk:-</b> For Indian Vendors: Delivery and Passing of Property & Risk shall be on F.O.R, ARDC-HAL basis.  For Foreign vendors: Delivery and Passing of Property shall be as per INCOTERMS 2010 in respect of F.C.A, International airport in the country of origin.	
16	<b>Price</b>	
16.1	Vendor should fill in the Annexure-D and enclose the same in the Price bid. Supporting documents / price details towards Annexure D may be enclosed in the Price bid. Prices should not be indicated in any other places. It should be complete in all respects. No subsequent addition/ alteration/ claim will be entertained over and above the quote. Offers without complete information and pricing will be treated as incomplete and will not be considered for further evaluation.	
16.2	The prices quoted should be firm and fixed for the entire duration of the Development Phase.	
16.3	Issuance of this RFQ does not bind HAL or its customers for ordering for series production requirements.	
16.4	Vendor should also attach price formats filled-in with all details without prices. The price figures <b>should not</b> be filled-in in the format. Vendor should only indicate 'Quoted'/'Not Quoted'/'Not Applicable' in price column in the price format and enclose the same along with the Technical bid of the tender.	
16.5	Offers from Indian Bidders quoting in Foreign currency will not be considered for evaluation.	
16.6	Bidders 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.	

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16.7	<p>In case the item / product offered by Indian vendor has import content, then the value of import content shall be indicated in the quotation (in FE / INR as the case may be).</p> <p>If the products/items/materials quoted by the Indian vendors involves import content, then the value of import content needs to be indicated in the offer (in FE). Further, vendor should indicate whether Exchange Rate Variation(ERV) is applicable on the FE content declared by the vendor. If ERV is applicable, ERV reckoning date shall be the last date of submission of commercial bids (i.e. due date of the tender).</p> <p>For purpose of making ERV payment, actual value of import (to be supported by BOE, etc) or declared value of import in bidders quote whichever is lower to be considered for calculation of ERV based on TT selling rate on the date of BOE.</p> <p>Exchange rate variation on the higher side, shall be paid by the HAL and similarly any exchange rate variation on lower side i.e. price reduction, to be passed on to HAL.</p>	
17	<p><b>Price Variation Formula:-</b></p> <p>Price variation formula has to be as per format given below :</p> $P = P_o ( A + B \times L/Lo + C \times M/Mo)$ <p>P = Final price applicable for PO Placement at the relevant year.  P<sub>o</sub> = The base price at 2023 economic conditions  Lo – Average Labour Index of the base year 2023  Mo – Average Material Index of the base year 2023  L – Labour Index for the month of placement of PO in the relevant year.  M – Material Index for the month of placement of PO in the relevant year.  A = Percentage corresponding to fixed element of price ( not subject to variation ). A should not be less than 15% ).  B &amp; C= Coefficients in percentages corresponding to labour and material respectively.</p> <p>The Maximum annual escalation(CAP) applicable (percentage) with the above price variation formula to be mandatorily indicated.</p> <p>Incase, where the vendor does not specify the CAP, HAL will assume that the figures quoted in the said format are at EC2023 level and accordingly escalate them at the highest CAP rate among those quoted by the other competing vendors for price evaluation of production phase supplies.</p> <p>The indices should be officially published figures (preferably by a Government agency) and vendor may indicate the official publications / organizations / websites publishing these indices for reference &amp; verification by HAL.</p>	
18	<p><b>Option Clause</b></p> <p>The Purchase order / Contract shall have an option Clause wherein HAL can exercise an option to procure 15% of additional Quantity of Development phase order in accordance with the same Terms and Conditions. This option shall be utilised by HAL within 12 months from the date of supply of last shipment / delivery of Development phase order.</p>	
19	<p><b>Delivery period:</b> The items shall be supplied as per the delivery schedule indicated in price bid format place at Annexure D.</p>	
20	<p><b>Liquidated Damages:-</b></p> <p>In the event that any supply under the PO/contract is delivered later than agreed schedules in the PO/contract, liquidated damages will be payable / deducted from Invoice equal to 0.5% for every week of delay or part thereof on the delayed portion of the order subject to a maximum of 10% of the value of the delayed item.</p> <p><b>In case of bidders not agreeing for LD clause or willing to accept a maximum percentage which is less than 10%, then, 10% of the quoted price or the difference in value between 10% of the price and the maximum agreed by the vendor will be loaded to the actual quote submitted by the vendor for comparison with other bidders in order to determine the lowest bidder.</b></p>	
21	<p><b>Payment Terms:-</b></p> <p><b>The payment terms will be as follows:</b></p> <p><b>For supply of items:</b> 100% payment will be made within 30 days after delivery and acceptance of items at our Stores.</p> <p><b>For Non-recurring cost, Integration support, Training, services, etc:</b> 100% payment within 30 days by way of NEFT / RTGS transfer after successful completion and certification duly signed by HAL &amp; vendor for the respective services / NRCs.</p> <p>All payments will be done by way of NEFT / RTGS/ SWIFT Electronic Payment remittance mode.</p> <p>For the purpose of making payments, vendor to provide the following:</p> <p>a) Original Ink signed Commercial Invoice,</p> <p>b) Airworthiness certificate/ Certificate of Conformance / Release Note etc., as applicable</p> <p>c) Acceptance test report (ATR) for system or its components, spares as applicable.</p> <p>d) Any other documents specifically mentioned in the Purchase Order.</p>	

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	<p>e) Foreign vendor is requested to furnish the bank details in SWIFT form to Swift code:SBININBB147, SBI HAL branch and forward us a copy of Swift transfer details for our reference.</p> <p>In case, the vendor does not accept the above payment terms and proposes alternative terms then HAL will appropriately adjust the quoted prices to account for the effects of the differences in payment terms. Although the exact adjustment will differ on a case by case basis, the following adjustments will mandatorily be made for making all the bids strictly comparable independent of the actual payment terms quoted by bidders.</p> <p>i) In case of Letter of credit, the estimated bank charges for operating the LC will be added to the quoted price.</p> <p>ii) The effect of time value of money arising out of differing payment terms will be computed using an appropriate discount rate and will be added to the quoted price.</p>	
22	<p><b>For MSMEs &amp; StartUps:</b> For successful MSME / startup vendor, 15% (of the basic price) interest free Advance may be payable against submission of Bank Guarantee of equivalent amount and balance 85% shall be paid within 30 days of receipt and acceptance at our stores. In case advance is not sought, 100% payment will be made within 30 days of receipt and acceptance at HAL stores.</p> <p>Further, HAL is registered on TReDS platform (Trade Receivables Discounting Systems), as being promoted by GoI directive. It is suggested that all the MSME vendors to take note of the same and consider for registration on any TReDS platform and avail the platform services which is being made available as per the Government Initiative.</p>	
23	In cases of MSEs, vendor to indicate whether they are owned by SC / ST Entrepreneur / Women Entrepreneur.	
24	<b>Taxes / Duties:</b>	
24.a	<b>a. In case of Foreign vendors:</b>	
24.a.i	<p><b>i. For Supply of Goods</b></p> <p>Vendor will bear all the taxes, duties and levies payable in their country. HAL will bear all taxes, duties and levies payable in India. Vendor to indicate the applicable HSN/SAC code in the price bid format towards the deliverables and services rendered under this contract.</p>	
24.a.ii	<p><b>ii. For Services , training etc.,</b></p> <p><b>GST :</b> Applicable GST on the services, training, etc., will be loaded on the offered value for arriving the landed cost to HAL.</p> <p><b>Withholding Tax (WHT):</b> HAL would deduct at source the applicable withholding Tax as per Government of India Rules applicable at the time of making payments (Generally this will be applicable on the payments towards Services like training, technical assistance offered by the Vendor, license fees etc as per prevailing rules). These deductions will be made from the amounts payable for the respective services. Keeping these aspects into consideration the Vendors should submit their pricing.</p> <p>The applicable Tariff of WHT would depend upon whether the Vendor has PAN or a Permanent Establishment in India or whether any DTAA exists between India and the country in which the vendor is resident and vendor shall verify / confirm the applicability.</p> <p>The applicable rate of WHT will be decided based on whether the vendor provide the following documents , along with the quotation.</p> <p>a) Name, email id, contact number.</p> <p>b) Address in the country or specified territory outside India of which the deductee is a resident.</p> <p>c) A certificate of his being resident in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate;</p> <p>d) Tax Identification number of the deductee in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.</p> <p>e) PAN No.</p> <p><b>Special Instruction for Foreign Service Providers regarding PAN:</b></p> <p>The current procedure for obtaining PAN for Foreign suppliers/service providers is available at website: <a href="https://tin.tin.nsdl.com/pan">https://tin.tin.nsdl.com/pan</a> (refer Form 49A -online application for new PAN)</p> <p>PAN is required to facilitate deduction of Tax at source(TDS) as per prevailing rates towards payment against services rendered as mentioned above against contract emanating against subject RFQ, failing which tax will be deducted at the highest of the rates as indicated above.</p>	
24.a.iii	<b>Important: The appropriate loading of TDS at applicable rate will be done in case of vendors who insist for payment net of Indian taxes , during commercial evaluation of offers.</b>	
24.b.	<b>b. In case of Indian bidders :</b>	
24.b.i	<p><b>Applicable for Supply of Goods &amp; Services</b></p> <p>Indian vendor has to indicate the applicable GST along with relevant HSN code in the price bid. In case, the price bid does not contain the GST elements it would be treated that the indicated price is inclusive of all applicable GST elements.</p>	
24.b.ii	Indian bidders to provide GSTIN Registration details of the company from where the items will be supplied. If the company is not registered in GST portal, please provide reasons for not registering.	

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24.b.iii	<b>TDS for GST:</b> Applicable TDS as per the prevailing guidelines of Government of India will be deducted while making payment.	

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25	<p><b>Inspection-Quality Assurance – Acceptance</b></p> <p>a. All Technical Documents related to Certification, although not expressly covered in the Tender, but become necessary for certification will have to be provided by the vendor free of cost. Details of the documents to be provided will be discussed mutually. All documents shall be in English language.</p> <p>b. Airworthiness certificate and other related certificates issued by government certification agencies or other authorized agencies need to be supplied along with all deliverables made under the contract.</p> <p>c. HAL will carry out inspection in its premises as per the supporting documents provided by the Vendor. Deviations/Defects noticed on inspection will be intimated to the Vendor for free replacement/rectification action as necessary. Acceptance of the deliverables will be issued by HAL only after all such deviations and defects are eliminated by the vendor. If any stores are rejected, vendor to re-submit stores in replacement of those rejected within a time specified by HAL, the vendor bearing the cost of freight in such replacement without being entitled to any extra payment:</p> <p>d. Stores/ Goods supplied shall be of the best quality and workmanship. Vendor shall comply with the contract in all respects be to the satisfaction of HAL.  The Stores/ Goods supplied shall conform to the standards 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.</p> <p>e. Vendors need to : - follow a quality management system; - prevent the use of counterfeit parts: The Vendor shall plan, implement, and control processes, appropriate to the organization and the product, for the prevention of counterfeit or suspect counterfeit part use and their inclusion in product(s) delivered to HAL.</p> <p>f. HAL or its customers and regulatory authorities shall have the right to access to the applicable areas of all facilities of vendor, at any level of the supply chain, involved in the order / contract and to all applicable records.</p>	
26	<p><b>Warranties:-</b></p> <p>26.1 Vendor warrants as follows: i) All items delivered are free from defects in materials and workmanship. ii) All items delivered are in conformance to the specification and are fit for the intended purpose. iii) It shall be ensured that HAL shall have clear and undisputed title to the goods supplied under the contract.</p> <p>26.2 <b>Warranty Period:</b> Warranty shall be valid for 28 months from the date of dispatch or 24 months after the goods have been accepted at HAL whichever occurs early. Warranty to cover against any defect in design, workmanship, materials and non-conformance to intended purpose. During the warranty period equipments shall be replaced / repaired free of cost. Any to and fro freight / insurance involved has to be borne by the vendor.</p> <p>26.3 Warranty is assignable by HAL to its customer and HAL's customer will have all rights and benefits of the warranty clause.</p> <p>26.4 All warranty replacements need to be effected expeditiously so that program schedules are not unduly compromised.</p> <p>26.5 For the purpose of ensuring that the vendor adheres to the warranty obligations, a performance bank guarantee for a value of 3% of the order value for Indian bidders ( excluding taxes &amp; duties, if such details are furnished separately in the bid submitted) 10% of the order value for overseas bidders ( excluding taxes &amp; duties, if such details are furnished separately in the bid submitted) in the HAL's standard format (enclosed with this RFQ) issued by a Nationalised Bank / Bank of international repute should be given in favor of HAL.  In case, Vendor does not agree for submission of Performance Bank Guarantee, HAL will withhold 3% for Indian bidders / 10% for foreign bidders of order value ( excluding taxes &amp; duties, if such details are furnished separately in the bid submitted) till completion of warranty period. In case of non-fulfillment of warranty obligations, the Performance Bank Guarantee will be encashed by HAL or in the absence of PBG 3% for Indian bidders / 10% for foreign bidders payment withheld will be forfeited.  <b>In case, Vendor does not agree for submission of Performance Bank Guarantee / retention of equivalent amount, the offer shall be summarily rejected.</b></p>	
27	<p><b>SYSTEM PERFORMANCE:</b> The Vendor has to adhere to the committed System performance indicated in the technical proposal submitted and subsequent changes agreed with HAL. There shall not be any perceptible degradation in system performance during service use.</p>	

COMMERCIAL TERMS & CONDITIONS		
Sl No.	Description	Vendor's Compliance
28	<b>Shelf life:-</b> 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 cure date, the item should not have been manufactured earlier than 6 months of dispatch	
29	<b>Packing:-</b> Each item / deliverable will have to be packed in such a manner as to avoid damage during transit, handling, etc., and damage / deterioration due to climatic conditions. Batch number and date of manufacture & identification details and handling instructions should be printed / written on labels of the deliverables.	
30	<b>Modification:-</b> Modifications, updates, etc. done to the hardware, software or documentation related to the deliverables under the contract at any point of time during or after the validity of the contract shall be promptly intimated to HAL for ensuring that such changes are incorporated in the products delivered under this contract as well.	
31	<b>Others</b>	
31.1	Please indicate approximate net weight of each of the item and gross weight and dimension of the package to enable HAL to determine the mode of dispatch.	
31.2	Please indicate in your tender, whether stores newly manufactured are offered. Where newly manufactured stores are offered and on inspection it is found that reconditioned stores or parts have been used, such stores will be rejected at the contractor's risk and expense.	
31.3	Vendor should confirm that they are the original manufacturer of the stores referred to in this contract and has not engaged any individual or firm whether Indian or foreign whatsoever, to intercede, facilitate or in any way to recommend to the Government of India or any of its functionaries, whether officially or unofficially, the award of the contract to the seller nor has any amount been paid or intended to be paid to any such individual or intended to be paid to any firm in respect of any such intercession, facilitation or recommendation, vendor accepts that if it is established that the present declaration is in any way incorrect and if at any later stage it amount/commission to such individual/firm, vendor will be liable to pay the similar amount to HAL for engaging such individual/firm and making the payment as commission. In addition, vendor will also be debarred from entering into any supply contract with the Ministry of Defence, Government of India for a minimum period of 5 years. Vendors shall also consider cancellation of the contract without any entitlement or compensation to vendors who shall also be liable to refund all payments made by HAL in terms of the contract 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).	
31.4	The supplier should ensure that manufacturer batch no. is indicated on all the materials supplied.	
31.5	Vendor shall provide the information about potential significant Environmental impacts associated with transportation, delivery, use, end-of-life treatment and final disposal of the products and services.	
31.6	It is desired that Environmental Friendly Materials, Systems and Processes are used with the life cycle perspective to have minimal impact on the Environment while delivering the product / service.	
31.7	HAL reserves the right to cancel the tender without assigning any reasons thereof. The decision of HAL is final in this regard.	
31.8	The vendor/Supplier/ contractor shall ensure requirements with respect to ISO 45001:2018 standard guidelines clause A 8.1.4. This includes equipment's, installations and materials are safe for use by workers as intended by ensuring: a) Equipment is delivered according to specification and tested to ensure it works as intended b) Installations are commissioned to ensure they function as designed c) Materials are delivered according to their specifications d) Any usage requirements, precautions or other protective measures are communicated and made available (E.g. Safety instructions, Hazard communication Symbols, SDS, Etc.)	

<b>COMMERCIAL TERMS &amp; CONDITIONS</b>		
<b>Sl No.</b>	<b>Description</b>	<b>Vendor's Compliance</b>
32	<p><b>Integrity Pact:</b> As per Government regulation, bidders are required to sign an integrity pact with HAL for this tender. It is mandatory to submit the signed Integrity Pact along with the bids. Bids will not be considered for evaluation without the receipt of signed Integrity Pact. Further, bidders has the option of selecting either Omnibus IP or Standalone IP, formats of such IPs are enclosed with this RFQ. Accordingly, bidders are requested to sign the Integrity Pact (select any one of the IP) in duplicate and forward/ submit the same to reach HAL, ARDC on or before the due date &amp; time of this tender. In case, if bidders had already submitted an Omnibus IP which is valid and accepted by HAL, they shall forward copy of the same as part of their offer. In respect of IP and its monitoring Independent External Monitors (IEMs) who has been appointed by the Central Vigilance Commission, a statutory body. The present IEMs are:</p> <p>1. Shri RAJIV, IPS(Retd.) Email id: shreerajiv1975@gmail.com</p> <p>2. Shri Gangaram Aloria, IAS (Retd.) Email id: aloriag@yahoo.co.uk</p> <p>Further, it may be noted that only integrity Pact related issues should be forwarded to IEM. For all other clarifications on specific tender related queries the undersigned officer of HAL need to be contacted.</p> <p>□</p>	
33	<p><b>Language:</b> All correspondence between the Parties, as well as all documentation, manuals, software listings and other writings, in connection with this Contract shall be in the English Language.</p>	
34	<p><b>Programme Management:</b></p> <p>1. Within two (2) weeks of effective date of contract (To), Supplier and HAL agree to identify their respective designated "program managers" for the period of the contract, in order to ensure effective implementation of all the agreed provision of the contract.</p> <p>2. All decisions relating to the planning and execution of the project is concerned shall rest jointly with HAL and vendor. The role of HAL's project coordinator shall be to monitor progress versus schedule, provide technical and operational inputs to the program, review and approve all technical documents that may be submitted by supplier within the scope of the contract, co-ordinate activities at user site, facilitate final acceptance tests in accordance with the mutually agreed FATP, and release all compliance certificates.</p> <p>3. Within two (2) weeks of effective date of contract (To), supplier shall prepare and submit a detailed project schedule to HAL bringing out all the activities involved in the project in the format used by the vendor as per its quality management system (QMS). Supplier shall revise and update the project schedule to accommodate changes, as and when considered necessary.</p> <p>4. In the event of any disagreement between the program manager of supplier and that of HAL with regard to action to be taken, there will be mutual discussion between the parties and corrective action shall be taken as appropriate.</p> <p>5. Necessary reviews on mutually agreed intervals shall be held by vendor and HAL</p> <p>6. All expenses for project/ program management activities like participation in all the technical reviews shall be met by individual parties for their respective representatives for lodging, travel etc.</p>	
35	<p><b>Bribes and Gifts</b> Any bribe, commission, gift or advantage given, promised or offered by or on behalf of the bidder or his parties, agent or servant or any one on his or their behalf to any officer, servant, representative 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 and also to payment of any loss or damage resulting from any such cancellation 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.</p>	
36	<p><b>Relationship of the Parties:</b> It is to be agreed that neither party shall have the right to act as the agent or legal representative of the other party, or to bind the other party in any respect whatsoever, or to incur any debts or liabilities in the name or on behalf of the other party.</p>	
37	<p><b>Settlement of Disputes and Arbitration:-</b> 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/ICADR 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 conciliation.</p>	
38	<b>SHORT CLOSURE OF CONTRACT:-</b>	

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<b>Sl No.</b>	<b>Description</b>	<b>Vendor's Compliance</b>
	HAL reserves the right to short close this contract with three month prior notice to the vendor at any time during the tenure of the contract. The financial settlement entailed by such action shall be finalized based on the principle of equitable price adjustment and shall be based on discussions and mutual agreement.	
39	<b>Jurisdiction:-</b> The competent Court at Bangalore, India shall only have Jurisdiction to deal with and decide any legal matter whatsoever arising on account of formulation or execution of this Contract.	
40	<b>Applicable Law:-</b> The contract shall be governed by and interpreted in accordance with the laws of the Republic of India.	
41	<b>Non Assignment to third Party</b> Vendor shall not be entitled without HAL's consent to assign or transfer to a third party all or part of the benefits or obligations under this contract.	

COMMERCIAL TERMS & CONDITIONS		
Sl No.	Description	Vendor's Compliance
42	<p><b>Agent / Agency Commission:-</b></p> <p>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.</p>	
43	<p><b>IMMUNITY TO GOVERNMENT OF INDIA:-</b></p> <p>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 of 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.</p>	
44	<p><b>Fall Clause:</b></p> <p>i) The prices charged for the stores supplied under the contract by the Vendor <b>shall in no event exceed</b> the lowest price at which the Vendor sells the stores or offers to sell stores of essentially identical description or specification to any persons/organizations including the purchaser of any Department of the Government of India or any Department of the Indian State Governments or any Public undertaking of the Central or State Governments, as the case may be during the period till the performance of the supply order against the order/contract is completed.</p> <p>ii) If at any time during the said period, the Contractor reduces the sales prices, sells or offers to sell such stores to any person/organization as mentioned above at a price lower than the price chargeable under the present order/contract, the contractor shall notify HAL of such reduction/sale or offer of sale and the price payable under the present 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.</p>	
45	<p><b>EXIT CLAUSE</b></p> <p>Exit criteria: The contract/order may be terminated under the following circumstances:</p> <p>i. 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 three month's advance notice without any financial implication to Buyer. Notwithstanding the foregoing, in cases where it is found that a Seller has engaged in unethical practices, they shall be barred from participating in the future contracts with HAL for a period of three years.</p> <p>ii. If there is 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:</p> <p>a) 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 takes over the balance work.</p> <p>b) Transfer title and deliver all or any part thereof of the supplies, materials, work-inprogress, finished Products, Tooling, drawings and data produced or acquired by Seller specifically for the Product being terminated.</p> <p>c) Supply of products and its components / spares at least for a period of two years from the date of such termination.</p> <p>iii. The Seller is declared bankrupt or becomes insolvent.</p> <p>iv. The delivery of material is delayed due to causes of Force Majeure by more than six months).</p> <p>v. Based on the decision of the Arbitration Tribunal.</p>	

<b>COMMERCIAL TERMS &amp; CONDITIONS</b>		
<b>Sl No.</b>	<b>Description</b>	<b>Vendor's Compliance</b>
46	<b>Product Liability:</b> Successful vendor needs to take sufficient insurance cover against the risks of product and civil liabilities in relation to equipment /product supplied by him. In the event of claims from any other party on any damages or deficient performance which are directly attributable to the vendor's product, HAL would not be liable and would have the right to seek appropriate compensation from the vendor.	
47	<b>Export License:</b> Vendors should categorically confirm the availability of export license from their government for exporting the system. Vendor shall be required to obtain and maintain all Export/Import licences and permits etc., as the case may be, required for performing supplies against this tender. Obtaining export licence shall be entire responsibility of the vendor.	
48	<b>Right of Sale and Utilization-ExportLicense/Reexport Permission:</b>	
48.i	i. As the requirement is for Military/Civil application a specific confirmation from Bidders/Sellers on availability of export license from their respective Government should be provided and a copy of such relevant permission / license issued may be enclosed.	
48.ii	ii. Bidders /Suppliers shall be required to obtain and maintain all Export/Import licences and permits etc., as the case may be, required for performing supplies against this tender. Obtaining export licence and timely availability shall be entire/sole responsibility of the Bidders/Suppliers, which forms a part of obligations of the contract. However any unforeseen delay should be promptly informed to HAL with proper justification. If End user certificate is required from HAL, the format of the same may be enclosed with this offer.	
48.iii	iii. Bidders/Suppliers may indicate status of export permit based on the present rules/ regulations of their respective country and normal time frame for obtaining such export permission if an order is placed in near future and the said time frame should be covered within the delivery schedule indicated.	
48.iv	iv. Bidders/Suppliers should also confirm that necessary clearances are available from their Governmental authorities regarding the sharing of technical data required for integration purposes with other vendors of Aircraft / Helicopter on a need to know basis.	
48.v	v. Clearance in unequivocal terms also needs to be accorded regarding export of the equipment fitted as a part of the military and civil variant Aircraft / Helicopters, spare LRUs, modules & components and service support when such activities are undertaken by HAL India to other countries. Reservations if any may be specifically indicated as a part of the technical Bid.	
48.vi	vi. Thus Bidders/Suppliers to confirm that there are no restrictions for exporting HAL Aircraft/helicopters to any country, fitted with the LRU/Systems/items offered/supplied by them.	
48.vii	vii. Buyer will have exclusive worldwide sale and support right for all supplies under contract if specifically developed and funded by HAL. Any enquiry received on such equipment shall be directed to Buyer and Bidder/Seller will not directly sell / support / service without prior concurrence of Buyer. For all development orders all the Intellectual Proprietary Rights (IPR) will rest with Buyer.	
48.viii	viii. The prices to be quoted by Bidders/Sellers for exports should be competitive in international market scenario.	
48.ix	ix. In case of grant of Rights for Transfer of Technology (ToT) to Buyer for manufacture and/ or Repair and Overhaul (RoH), then Buyer will have exclusive rights for worldwide sale of the Aircraft / Helicopter incorporating the items/LRU Systems manufactured/ Repaired & Overhauled under ToT.	
49	<b>RISK PURCHASE:</b> HAL reserves right for risk purchase in case selected vendor fails to develop/ deliver the required items as per programme milestones. The risk purchase would be taken up for the complete programme on same lines as envisaged in this RFQ. On account of risk purchase, in case price paid to alternate vendor is more, the differential amount would be sought for reimbursement from the vendor.	
50	<b>Indemnity against Patent rights:-</b> Vendor shall assure HAL that there is no infringement of any patent or industrial or intellectual property right occasioned by the supply and shall undertake to indemnify HAL against all costs, expenses and claims for damages made by any third party that HAL may incur as a result of any action for infringement for which HAL may become liable for the use by HAL of the Supplies made by the vendor.	

<b>COMMERCIAL TERMS &amp; CONDITIONS</b>		
<b>Sl No.</b>	<b>Description</b>	<b>Vendor's Compliance</b>
51	<p><b>Confidentiality:-</b></p> <p>For the purpose of this Tender / Contract / Agreement, the Bidder / Contractor / Supplier shall not store, copy or disclose HAL's data and information whether in written, machine readable or other tangible form or disclosed orally, that is of value to HAL. Also, Bidder / Contractor / Supplier agrees to use HAL's data only for the purpose under this Contract, restrict disclosure to any person or entity or third party and shall safeguard the provided data including from cyber security risks etc. Bidder / Contractor / Supplier should promptly return within 90 days HAL's data in original media and should not keep HAL's data, upon expiry of Tender / Contract / Agreement or early termination of Contract / Agreement and certify that HAL's data has been deleted permanently.</p> <p>Non-adherence to this confidentiality clause by the Bidder / Contractor / Supplier shall be treated, as a material breach of this Tender / Contract / Agreement.</p> <p>The provisions of this clause shall survive and remain in force notwithstanding the termination or expiry of this Contract / Agreement.</p>	
52	<p><b>INSOLVENCY, ETC:-</b></p> <p>If due to any reason whatsoever, the vendor goes into liquidation, becomes insolvent or undergoes business reorganization in such a manner as to adversely affect the fulfillment of the obligations under the contract, such fact shall be promptly intimated to HAL. In such a case, HAL shall have the right to terminate the contract and assign the unfinished part of the contract to any other party of HAL's choice and the vendor shall assist HAL in ensuring such assignment and in ensuring successful continuation of the developmental activities or supplies under the contract.</p>	
53	<p><b>PENALTY FOR USE OF UNDUE INFLUENCE :-</b></p> <p>Vendor undertakes that he has not given, offered or promised to give, directly or indirectly any gift, consideration, reward, commission, fees, brokerage or inducement to any person in service of HAL or otherwise in procuring the Contract or forbearing to do or for having done or forborne to do any act in relation to the obtaining or execution of the Contract or any other Contract with the Government for showing or forbearing to show favor or disfavor to any person in relation to the Contract with the Government. Any breach of the aforesaid undertaking by Vendor or any of its employees or anyone acting on its behalf (whether with or without the knowledge of Vendor) or the commission of any offence by Vendor or anyone employed by him or acting on its behalf, as defined in Chapter IX of the Indian Penal Code, 1860 or the prevention of Corruption Act, 1947 or any other Act enacted for the prevention of Corruption shall entitle HAL to cancel the Contract and all or any other contracts with the vendor and recover from the vendor the amount of any loss arising from such cancellation. A decision of HAL or its nominee to the effect that a breach of the undertaking has been committed shall be final and binding on Vendor.</p> <p>Giving or offering of any gift, bribe or inducement or any attempt to any such act on behalf of Vendor towards any officer/employee of HAL or to any other person in a position to influence the decision of HAL, directly or indirectly or any attempt to influence any officer/employee of HAL for showing any favor in relation to this or any other contract, shall render the Vendor to such liability/penalty as HAL may deem proper, including but not limited to termination of the Contract, imposition of penal damages, forfeiture of the Bank Guarantee and refund of the amounts paid by HAL.</p>	

<b>COMMERCIAL TERMS &amp; CONDITIONS</b>		
<b>Sl No.</b>	<b>Description</b>	<b>Vendor's Compliance</b>
54	<b>IPR CLAUSE:</b>	
54.i	a) Seller agrees that HAL shall be the sole owner of all intellectual property (IP) generated in the performance of this Contract by or on behalf of Seller with the aid of either funding and/ or technical inputs from HAL (hereinafter referred to as 'Foreground IP'). If applicable and to the extent that seller sub-contracts performance of any part of the contract, the seller shall ensure that any Foreground IP arising from such work of its sub-contractor/s shall be assigned to HAL absolutely. Seller hereby assigns and agrees to assign all rights and interest in the Foreground IP to HAL. Seller shall share with HAL, all documentation necessary for HAL to exercise its rights to Foreground IP. If required by HAL, Seller shall assist HAL in registering the Foreground IP in favour of HAL.	
54.ii	b) Seller grants to HAL an irrevocable, non-exclusive, world-wide, royalty-free license to sell, offer for sale, use, execute, release, disclose, and distribute the developed supplies/ services/ products, which may contain Background IP. Background IP shall mean and include all pre-existing inventions and IP necessary for HAL to exercise its rights to Foreground IP.	
54.iii	c) Seller shall indemnify and protect at its own cost, HAL in respect of cost/ claims/ liabilities (including attorney's fees and associated costs of legal proceedings) arising from any violation of Intellectual Property Rights of any third party with respect to supplies/ services provided by seller. If HAL or HAL's customer/s are unable to put to use the supplies/services or a portion thereof as a result of violation of the Intellectual Property of any third party, Seller shall within reasonable time at seller's own cost either, <ul style="list-style-type: none"> <li>i. Procure for HAL and HAL's customer/s the right to continue using the supply /service or,</li> <li>ii. Replace or modify the supplies/ services so that it becomes non-infringing or,</li> <li>iii. Compensate HAL the amount equivalent to the cost of supplies procured /to be procured, development cost already paid to seller and damages suffered by HAL arising due to inability to put to use the supplies/ services or a portion thereof.</li> </ul>	
54.iv	d) In case the supplier receives a requirement/ request for supply or repair of deliverables of this contract directly from any third party including HAL's customers, such request shall be forwarded to HAL.  Intellectual property for the purpose of this clause includes inventions, discoveries and improvements; know-how, works of authorship, technical data, drawings, specification, process information, reports and documented information; and computer software (including without limitation, source code, object code, source code listings and object code listings that would enable the software to be reproduced or recreated), topology of integrated circuits, databases or any other such results of intellectual activity.	
55	Any query related to tender (like due date extension, technical clarification, etc.) needs to be sent to HAL directly. The name and contact details of HAL personnel to whom queries related to tender to be sent are as below:- <ul style="list-style-type: none"> <li>i) MOHAN DASS, SM (IMM)      ii) SA PRABHU, AGM (IMM)</li> <li>Aircraft Research &amp; Design Centre,      Aircraft Research &amp; Design Centre,</li> <li>Hindustan Aeronautics Limited,      Hindustan Aeronautics Limited,</li> <li>Marathahalli Post,      Marathahalli Post,</li> <li>Bangalore - 560037      Bangalore - 560037</li> <li>Ph: 080 - 2232 4409      Ph: 080 - 2232 4357</li> <li>Fax: 080 - 2231 7132      Fax: 080 - 2231 7132</li> <li>E-mail: imm.ardc@hal-india.co.in      E-mail: imm.ardc@hal-india.co.in</li> </ul>	

**AUTHORISED SIGNATURE**

**COMPANY SEAL**