



## **GENERAL TERMS AND CONDITIONS**

1. Supply is required to be completed latest by \_\_\_\_\_
2. The following documents should be submitted when delivering the material to consignee i.e. Deputy Manager (Stores), City Gate Station, Opp. Anik Bus Depot, Everard Nagar, Sion (East), Mumbai - 400 022 :-
  - a. Original Challan
  - b. Original Invoice
  - c. Test Certificates as per the specifications
  - d. Packing list in original

3. **Payment Terms:** 100% payment within 30 days of receipt acceptance of material & submission of clear bills..

4. **Performance Bank Guarantee:** *(Applicable/ Not Applicable)*

The supplier shall furnish to MGL on signing this contract, an unconditional irrevocable Letter of Guarantee for Warranty from any Indian Nationalized India Bank stamped as per Bombay Stamp Act acceptable to the Company for a sum of equivalent to 10% of the total order value as per Proforma given in tender document. This Irrevocable Letter of Guarantee shall be drawn in favor of Mahanagar Gas Limited and shall be valid for a period of 3 months beyond the last delivery date. The Company shall have unqualified option under this guarantee to invoke the Bank Guarantee for warranty and claim amount thereunder in the event of supplier failing any of the commitments entered into under this contract or in respect of any amount due from the supplier to MGL.

In case the supplier fails to furnish the requisite Bank Guarantee as stipulated above, then the Company shall have the option to cancel the contract besides other contractual remedies.

The Bank Guarantee should be valid till \_\_\_\_\_

5. **Warranties and Guarantees**

- 5.1 **Materials and Workmanship:** Supplier shall fully warrant that all the stores, equipment and component supplied under the order shall be new and of first class quality according to the specifications and shall be free from defects (even concealed fault, deficiency in design, materials and workmanship).
- 5.2 Should any defects be noticed in design, material and/or workmanship within 12 months after the goods or any portion thereof as the case may be have been delivered (and commissioned) to the final destination indicated in the contract or for 18 months after the date of dispatch, whichever period concludes earlier unless specified otherwise in the condition of contract. MGL shall inform supplier and supplier shall immediately on receipt of such intimation, depute their personnel within 7 days to investigate the causes of defects and arrange rectification/ replacement/modification of the defective equipment at site, without any cost to MGL within a reasonable period. If the supplier fails to take proper corrective action to repair/replace defects satisfactorily within a reasonable period, MGL shall be free to take such corrective action as may be deemed necessary at supplier's risk and cost after giving notice to the supplier.
- 5.3 Damage to the machinery and/or equipment due to incomplete and erroneous instruction issued by supplier will be the responsibility of the supplier and will be treated according to the provisions of warranty clause. Normal wear and tear shall not come under purview of this clause.

- 5.4 In case defects are of such nature that equipment shall have to be taken to supplier's work for rectification etc., supplier shall take the equipment at his costs after giving necessary undertaking or security as may be required by MGL. MGL shall if so required by the supplier dispatch the equipment by quicker mode on freight to pay basis to the supplier's work. After repair supplier shall deliver the equipment at site on freight paid basis. All risks in transit to and fro shall be borne by the supplier.
- 5.5 Equipment or spare parts thereof replaced shall have further warranty for a period of 12 months from the date of acceptance.
- 5.6 If the repairs, replacement or modifications referred are of such nature as may effect the efficiency of the equipment, MGL shall have the right to give the supplier within one month of such replacement/renewal, notice in writing to carry out test as may be required for acceptance of the equipment.
- 5.7 If the supplier fails to meet his obligation to repair or replace defective goods within a reasonable period of time, if supplier refuses to carry out work under the guarantee clause and implied guarantee conditions, if dangers anticipated or in case of severe urgency, MGL shall be entitled to carry out at supplier's cost and risk, repair work of replacement deliveries or have it done by a third party. In case not all goods have been delivered by supplier, MGL is entitled to procure the remaining goods at supplier's cost and risk. This does not relieve supplier of any of his guarantee obligations. Taxes and duties of any kind whatever imposed by the authorities of the country of the supplier or his sub-contractors until delivery shall be borne by supplier.

6. **Inspection**

The material shall be inspected

- (i) At consignee end by MGL.
- (ii) At factory premises of the Vendor by MGL or third party duly nominated by MGL. The supplier shall extend all necessary co-operation to MGL/third party inspection in carrying out the inspection.

*In case if the supplier offers the material for inspection, the same fails then third party re-inspection costs will be borne by the supplier.*

7. **Replacement**

Rejected goods should be removed and replaced within 14 days of the date of communication of rejection.

8. **Sub-Letting and Assignment**

The contractor shall not save with the previous consent in writing of the Purchase Authority, sublet, transfer or assign the contract or any part thereof or interest therein or benefit or advantage thereof in any manner whatsoever. Provided nevertheless that any such consent shall not relieve the contractor from any obligation, duty or responsibility under the contract.

9. **Price reduction (Applicable in case of Order value > Rs. 500000)**

The supplier agrees that time of supply of stores/works shall be of the essence of the Contract. If the supplier fails to supply stores/works before the respective scheduled / fixed date for supply. Company may without prejudice to any other right or remedy available to the Company: -

a. Recover from the Supplier as ascertained and agreed, genuine pre-estimate liquidated damages, and not by way of penalty, a sum equivalent to 1/2% per week or part thereof for each week's delay, prorated for part thereof beyond the scheduled supply date each subject to maximum of 5% of the total order value, even though the Company may accept delay in supply after the expiry of the scheduled supply date.

b. Arrange to get supply from elsewhere on account and at the risk of the Supplier, such decision of the Company being final and binding on the supplier

or

c. Terminate the contract or a portion of supply of the supply work thereof, and if so desired, arrange for the supply in default by the supplier to be attained from elsewhere at the risks and costs

of the supplier.

10 **Arbitration**

If any dispute, difference or question shall at any time hereafter arise between the parties hereto or their respective representatives in respect of the construction of these presents or concerning anything hereunder contained or arising out of these presents or as to the rights, liabilities or duties of the said parties hereunder, which cannot be mutually resolved by the parties, the same shall be referred to Sole Arbitration. The right of appointment of Sole Arbitrator shall be with the MGL. The Sole Arbitrator so appointed shall give a reasoned award. The decision of the Arbitrator shall be binding on both the parties. The Arbitration proceedings shall be held in accordance with the provision of the Arbitration and Conciliation Act, 1996, as amended from time to time. The Arbitrator shall decide by whom and in what proportions the Arbitrator's fees as well as cost incurred in Arbitration shall be borne. The Arbitrator may, with the consent of the parties, enlarge the time, from time to time, to make and publish award, as the case may be. The venue of Arbitration shall be at MUMBAI.

The making of the award by the Arbitrator as provided herein shall be a condition precedent of any right or cause in respect of any of the matters agreed herein to be referred to such Arbitration.

11. **Force Majeure**

11.1 In the event of either party being rendered unable by force majeure to perform any obligation required to be performed by it under this agreement the relative obligation of the party affected by such force majeure shall, after notice under this articles be suspended for the period during which such cause lasts. The term 'Force Majeure' as employed herein shall mean acts of God, wars (declared or undeclared), riots or civil commotion, fire, floods, and acts and regulations of the Government of India or State Government or any of the statutory agencies. Both the party shall pay to the other party, the amount payable upon the date of the occurrence of such force majeure

11.2 Upon the occurrence of such cause and upon its termination, the party alleging that it has been rendered unable as aforesaid, thereby shall notify the other party in writing immediately but not later than twenty four (24) hours of the alleged beginning and ending thereof giving full particulars and satisfactory evidence in support of the claims.

11.3 During the period, the obligations of the parties are suspended by force majeure, the contractor shall not be entitled to payment of any rate.

11.4 In the event of the force majeure conditions continuing or reasonably expected to continue for a period more than fifteen (15) days, MGL shall have the option of terminating the contract agreement by giving seven (7) days notice thereof to the contractor.

12. **Jurisdiction**

This Agreement and the transaction contemplated herein shall be subject to the exclusive jurisdiction of the competent Courts in Mumbai only.

13 **Termination**

a) **Termination upon unsatisfactory performance:** MGL may terminate the contract at any time for unsatisfactory performance. Prior to termination, the bidder shall be advised in writing of the causes of unsatisfactory performance to be improved upon 15 days of the receipt of notice. In case, if the bidder fails to bring about the improvement, then the order shall be terminated.

b) **Termination on expiry of the contract:** Time is the essence of the contract and the contract stands terminated on the expiry of the period of the contract unless extended by MGL in writing.

14. **Breakage/Shortage**

Claim in respect of breakage/shortages in any cases shall be preferred on the supplier within thirty days from the date of receipt of stores by the consignee which shall be replaced/made good by the supplier at his own cost. All risk of loss or damage to the material shall be upon the supplier till it is delivered to the purchaser/consignee

**15. Repeat Order**

MGL may place the repeat order for 50% of ordered quantities within a span of 6 months from conclusion of initial contract & supplier has to execute it at same rates, terms and conditions