

**Ministry of Defence**  
**[Acquisition Wing Secretariat]**

**Subject: Amendment to Defence Procurement Procedure (DPP) 2016.**

The Defence Procurement Procedure (DPP) 2016 was promulgated by Ministry of Defence in April, 2016 which was primarily focused on boosting the 'Make in India' initiative of the Govt. of India by promoting indigenous design, development and manufacturing of defence equipment, platforms and systems. Experience of last two years coupled with interactions with the industry and other stakeholders revealed a need to further refine and simplify the processes for enhancing efficiency and reducing timelines.

2. Consequent to the exercise taken up by the Ministry, some measures have been identified on account of Business Process Re-engineering in Defence Capital procurements. In this context, DAC has approved the following proposals proposed by Acquisition Wing as the first set of amendments for incorporation in DPP 2016:

- (a) Authority for retraction of RFP.
- (b) Vetting of draft Contract document concurrently with CNC.
- (c) Standard composition of CNC in delegated powers cases.
- (d) TOC not to be mandatory for cases valued above ₹300 Crores.
- (e) Technical Evaluation Committee (TEC) Report to be Approved by SHQ.
- (f) Approval of grace period to vendors for Producing Equipment for Trials.
- (g) Issue of Commercial RFP before trials in all Design & Development cases.
- (h) Inclusion of beneficiary bank details for Bank Guarantee in RFP.
- (j) Incorporation of GST in Price Bid Format and Evaluation Criteria.
- (k) Change in approving authority.
- (l) Permitting confirmation of BG provided by a Foreign Bank & issuance of BG by Private Sector Banks Authorised by Ministry of Finance.

*Cont'd..2/-*



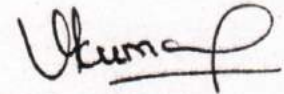
- (m) Incorporation of Arbitration and Conciliation (Amendment) Bill 2018.
- (n) Commencement of AoN Validity from date of issue of Minutes of Meeting of concerned Categorisation Committee.

3. The relevant amendments on the above subjects are placed at enclosures 'A' to 'H' and 'K' to 'N'. The amendments have been shown in **Bold** in the '**Read**' columns of these enclosures. *Amendments in respect of subject at (j) above will be notified separately.*

4. The above amendments will be applicable w.e.f. 21.06.2018. In respect of ongoing cases, the amendments will be applicable to such cases where the stage/activity/procedure being amended has not yet been initiated.

5. This issues with the approval of DG(Acq).

Encl. As above



(V. K. Adhana)  
Director (Acq)

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|           |           |            |            |        |
|-----------|-----------|------------|------------|--------|
| CISC      | VCOAS     | VCNS       | VCAS       | DG(CG) |
| AS(BM)    | AS(JN)    | AS(DP)     | AS&FA(Acq) | CGDA   |
| JS&AM(LS) | JS&AM(MS) | JS&AM(Air) |            |        |
| FM(LS)    | FM(MS)    | FM(Air)    |            |        |
| TM(LS)    | TM(MS)    | TM(Air)    |            |        |

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MoD ID No.1(13)/D(Acq)/16-Vol.III dated 23.07.2018

**Copy to:-**

- (i) Director, RM Office
- (ii) PS to RRM
- (iii) SO to Defence Secretary
- (iv) PPS to Secretary(DP)
- (v) PPS to Secretary(R&D)
- (vi) PPS to FA(DS)
- (vii) PS to DG(Acq)

**Copy also to:** US, D(IT), Room No.217, 'B' Wing, Sena Bhavan for uploading this ID on MoD website immediately.

**AUTHORITY FOR RETRACTION OF RFP**

| <u>Ser No</u> | <u>Para Ref</u>                                  | <u>For</u> | <u>Read</u>  |
|---------------|--|------------|--|
| 1.            | Addendum<br>Para 86A,<br>Chapter II<br>(Page 26) | -          | 86A. <u>Authority for Retraction of RFP</u> . Cases that are retracted or foreclosed due to change in operational philosophy, change in prioritisation for procurement and budgetary constraints will be approved by AoN according authority. Retractions and foreclosures for reasons other than above including those at GS Evaluation stage (Refer Para 70 above) may be approved by DG(Acq) & VCOAS/VCNS/DCAS/ DGICG for MoD & Delegated powers cases respectively. The case for retraction need not be fielded in SCAP cycle, but directly in the committee which accorded AoN initially. |



VETTING OF DRAFT CONTRACT DOCUMENT CONCURRENTLY WITH CNC

| <u>Ser No</u> | <u>Para Ref</u>               | <u>For</u>   | <u>Read</u>  |
|---------------|-------------------------------|--|--|
| 1.            | Para 87, Chapter II (Page 27) | 87. The CNC should document the selection of vendor using a formal written recommendation report addressed to the relevant approval authority. The report must be complete in all respects and should be checked by the members of the CNC. It should comprehensively elaborate the method of evaluation and the rationale for the selection made.                               | 87. The CNC should document the selection of vendor using a formal written recommendation report addressed to the relevant approval authority. The report must be complete in all respects and should be checked by the members of the CNC. It should comprehensively elaborate the method of evaluation and the rationale for the selection made. <b>Vetting of the draft contract may commence once the L1 vendor is declared. The CNC will finalise the contract before seeking CFA approval taking into consideration any other issues that may arise during the course of CNC. The CNC report should also contain the draft Contract Document, duly vetted by all the stakeholders.</b> |
| 2.            | Para 89, Chapter II (Page 27) | 89. The report of the CNC should include:-<br>(a) A brief background to the requirement.<br>(b) Composition of the CNC.<br>(c) An explanation of the commercial evaluation process, selection criteria and commercial evaluation matrices, if used.<br>(d) Brief description of different phases of the commercial negotiation process.<br>(e) A summary of the recommendations. | 89. The report of the CNC should include:-<br>(a) A brief background to the requirement.<br>(b) Composition of the CNC.<br>(c) An explanation of the commercial evaluation process, selection criteria and commercial evaluation matrices, if used.<br>(d) Brief description of different phases of the commercial negotiation process.<br>(e) <b>Draft Contract Document, duly vetted by all the stakeholders.</b><br>(f) A summary of the recommendations.   |

Enclosure C

**STANDARD COMPOSITION OF CNC IN DELEGATED POWER CASES**

| <b><u>Ser No</u></b> | <b><u>Para Ref</u></b>              | <b><u>For</u></b>   | <b><u>Read</u></b>  |
|----------------------|-------------------------------------|---|---|
| 1.                   | Annexure II to Appendix C (Page 58) | <p>CNC Not below the level of Brigadier (as the case may be)</p> <p>Composition: Brigadier or Equivalent (Chairman)</p> <p>Rep IFA, Rep TM, Rep ADGWE/ ACNS (P&amp;P)/ ACAS (P&amp;P), Reps DGQA/ DGAQA/ DGNAI, Repair Agency, Contract Management Branch at SHQ.</p> | <p><b><u>Note.</u></b> To be read in conjunction with Appendix G to Chapter II, regarding composition of CNC.</p>   |
| 2.                   | Appendix G to Chapter II (Page-95)  | <p><b><u>B. FOR SERVICES &amp; COAST GUARD-UP TO ₹ 150 CRORE</u></b></p> <p>1. Officer nominated by VCOAS/ VCNS/ DCAS/ CISC/ DG ICG – Chairman (Not below the rank of Brig/Equivalent)</p>  | <p><b><u>B. FOR SERVICES &amp; COAST GUARD-UP TO ₹ 150 CRORE</u></b></p> <p>1. Officer nominated by VCOAS/ VCNS/ DCAS/ CISC/ DG ICG (as per under mentioned norms) – Chairman</p> <p>(a) Cases above ₹ 50 Crore and upto ₹ 150 Crore to be chaired by Major General/ Equivalent.</p> <p>(b) Cases upto ₹ 50 Crore to be chaired by officer not below the Rank of Brigadier/ Equivalent.</p> |



**TOC NOT TO BE MANDATORY FOR CASES VALUED ABOVE RS 300 CRORES**

| <b><u>Ser No</u></b> | <b><u>Para Ref</u></b>         | <b><u>For</u></b>   | <b><u>Read</u></b>  |
|----------------------|--------------------------------|---|---|
| 1.                   | Para 74, Chapter II. (Page 24) | <p><b>74. <u>Technical Oversight Committee.</u></b> TOC must provide expert oversight over the technical evaluation process. The Acquisition Wing will constitute a TOC for all acquisition proposals in excess of ₹ 300 Crores and for any other case recommended by the Defence Secretary/DPB/DAC. The TOC will comprise three members drawn from a standing panel of specialists (serving Service Officers, DRDO scientists and DPSU officials). Members of the standing panel should be maintained by the Acquisition Wing for a maximum term of 2 years. Panelist nominated should have adequate seniority and experience and should not have been involved with that acquisition case, in any capacity in the past. The TOC will be tasked to see whether the trials, trial evaluations, compliance to QRs and selection of vendors were done according to prescribed procedures. Mandate of TOC would also include providing oversight on the adopted trial methodology during trials vis-a-vis trial methodology given in the RFP and the trial directive. The TOC will also review and bring out the status of a grievance or complaint, if any existing at this stage, pertaining to acquisition scheme and will have to give its observations and recommendations, based on a majority decision, within 30 days, which may be extended by a maximum period of 15 days, with the consent of the Defence Secretary. TMs of the Acquisition Wing will provide the secretarial support to the TOC and ensure availability of all inputs from DDP/Acquisition Wing, Def (Fin) and SHQ to the TOC. The SHQ will clarify any queries raised by the TOC. The TOC report will be submitted to the Defence Secretary for approval.</p> | <p><b>74. <u>Technical Oversight Committee</u></b> It is expected that oversight should be part of the normal process of higher level approvals within SHQ/ Acquisition Wing. TOC, when constituted, must provide expert oversight over the technical evaluation process. The <b>DG(Acq)</b> may constitute a TOC for acquisition cases in excess of ₹ 300 Crores and for any other case recommended by the Defence Secretary/DPB/DAC. <b>Technical Oversight through a special committee would be resorted to in multivendor cases where a compliant has been received and not for Single Vendor Cases and cases where only DPSU(s) / OFB are participating.</b> The TOC will comprise three members drawn from a standing panel of specialists (serving Service Officers, DRDO scientists and DPSU officials). Members of the standing panel should be maintained by the Acquisition Wing for a maximum term of 2 years. Panelist nominated should have adequate seniority and experience and should not have been involved with that acquisition case, in any capacity in the past. The TOC will be tasked to see whether the trials, trial evaluations, compliance to QRs and selection of vendors were done according to prescribed procedures. Mandate of TOC would also include providing oversight on the adopted trial methodology during trials vis-a-vis trial methodology given in the RFP and the trial directive. The TOC will also review and bring out the status of a grievance or complaint, if any existing at this stage, pertaining to acquisition scheme and will have to give its observations and recommendations, based on a majority decision, within 30 days, which may be extended by a maximum period of 15 days, with the consent of the Defence Secretary. In case of complaints, cases may be referred to the nominated IMs. TMs of the Acquisition Wing will provide the secretarial support to the TOC and ensure availability of all inputs from DDP/Acquisition Wing, Def (Fin) and SHQ to the TOC. The SHQ will clarify any queries raised by the TOC. The TOC report will be submitted to the Defence Secretary for approval.</p> |



**TECHNICAL EVALUATION COMMITTEE (TEC) REPORT TO BE APPROVED BY SHQ**

| <u>Ser No</u> | <u>Para Ref</u>               | <u>For</u>   | <u>Read</u>  |
|---------------|-------------------------------|--|--|
| 1.            | Para 1, Chapter II (Page 9)   | <p><b><u>Acquisition Process</u></b></p> <p>1. The acquisition process for the five categories of procurement under the 'Buy' and 'Buy &amp; Make', schemes will involve the following processes:-</p> <ul style="list-style-type: none"> <li>(a) Request for Information (RFI).</li> <li>(b) Services Qualitative Requirements (SQRs).</li> <li>(c) Acceptance of Necessity (AoN).</li> <li>(d) Solicitation of offers.</li> <li>(e) Evaluation of Technical offers by Technical Evaluation Committee (TEC).</li> <li>(f) Field Evaluation.</li> <li>(g) Staff Evaluation.</li> <li>(h) Oversight by Technical Oversight Committee (TOC).</li> <li>(j) Commercial negotiations by Contract Negotiation Committee (CNC).</li> <li>(k) Approval of the Competent Financial Authority (CFA).</li> <li>(l) Award of contract/Supply Order (SO).</li> <li>(m) Contract Administration and Post-Contract Management.</li> </ul> | <p><b><u>Acquisition Process</u></b></p> <p>1. The acquisition process for the five categories of procurement under the 'Buy' and 'Buy &amp; Make', schemes will involve the following processes:-</p> <ul style="list-style-type: none"> <li>(a) Request for Information (RFI).</li> <li>(b) Services Qualitative Requirements (SQRs).</li> <li>(c) Acceptance of Necessity (AoN).</li> <li>(d) Solicitation of offers.</li> <li>(e) Evaluation of Technical offers by Technical Evaluation Committee (TEC).</li> <li>(f) Field Evaluation.</li> <li>(g) Staff Evaluation.</li> <li>(h) Oversight by Technical Oversight Committee (TOC), <b>if required.</b></li> <li>(j) Commercial negotiations by Contract Negotiation Committee (CNC).</li> <li>(k) Approval of the Competent Financial Authority (CFA).</li> <li>(l) Award of contract/Supply Order (SO).</li> <li>(m) Contract Administration and Post-Contract Management.</li> </ul> |
| 2.            | Para 57, Chapter II (Page 20) | <p>57. The DG (Acquisition) will formally accept the report of the TEC, after due examination by the TM concerned. Issues, if any, raised by the TM on the TEC Report should be addressed in a collegiate manner with the SHQ. For delegated power cases, the TEC report will be accepted by the respective CFAs at the SHQs. In case of a <b>single vendor situation, post technical evaluation</b> by TEC, procurement process will continue as planned without retracting the RFP for this reason, provided the vendor agrees not to revise the commercial bid, during the remaining part of the acquisition process. SHQ will however examine reasons for single vendor</p>  | <p>57. <b>For MoD cases, approval of the TEC shall be done by the SHQ only in case all vendor(s) are found compliant. However, in case any vendor(s) is found non compliant at the TEC stage, approval of DG (Acq) will be obtained prior to progressing the case further. For delegated powers cases, approval of TEC will be approved by the SHQ.</b> In case of a <b>single vendor situation, post technical evaluation</b> by TEC, procurement process will continue as planned without retracting the RFP for this reason, provided the vendor agrees not to revise the commercial bid, during the remaining part of the acquisition process. SHQ will however</p>  |



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|    |  | <p>situation, record the same in their report and submit the report to the AoN according authority. In case it is concluded that there is no scope for change in SQRs and other conditions of the RFP; and that retraction and reissue of RFP is not likely to increase the vendor base, then the case may be progressed with the approval of the DAC, provided the vendor agrees to hold the original commercial bid till completion of the procurement process. In such single vendor situation, efforts should be made to complete the acquisition process before expiry of original validity of commercial bid.</p>   | <p>examine reasons for single vendor situation, record the same in their report and submit the report to the AoN according authority. In case it is concluded that there is no scope for change in SQRs and other conditions of the RFP; and that retraction and reissue of RFP is not likely to increase the vendor base, then the case may be progressed with the approval of the DAC, provided the vendor agrees to hold the original commercial bid till completion of the procurement process. In such single vendor situation, efforts should be made to complete the acquisition process before expiry of original validity of commercial bid.</p>   |
| 3. | <p>Para 70,<br/>Chapter II<br/>(Page 23)</p> | <p>70. The Staff Evaluation will analyse the Field Evaluation results and shortlist the equipment recommended for introduction into the services. The Staff Evaluation Report will be approved by the SHQs and forwarded to the TMs. Issues, if any, raised by the TMs on the Staff Evaluation Report, should be addressed in a collegiate manner with the SHQ. After due examination, the TMs, will submit the Report to the DG (Acquisition) with recommendations for acceptance or otherwise. For delegated power cases, the Staff Evaluation report will be approved and accepted by the respective CFAs at the SHQs. In case no vendor meets the SQRs in the field evaluations, then the case would be foreclosed on approval of DG (Acquisition), for MoD cases and the respective SHQ authorities for cases under delegated powers and a fresh RFP will be issued after reformulating the SQRs. The TMs would inform the appropriate vendors about result of trials and evaluation, along with reasons for disqualification. Such communication would be done after acceptance of TEC/Staff Evaluation/ Technical Oversight Committee Report (whichever applicable).</p> | <p>70. The Staff Evaluation will analyse the Field Evaluation results and shortlist the equipment recommended for introduction into the services. The Staff Evaluation Report will be approved by the SHQs and forwarded to the TMs. Issues, if any, raised by the TMs on the Staff Evaluation Report, should be addressed in a collegiate manner with the SHQ. After due examination, the TMs, will submit the Report to the DG (Acquisition) with recommendations for acceptance or otherwise. For delegated power cases, the Staff Evaluation report will be approved and accepted by the respective CFAs at the SHQs. In case no vendor meets the SQRs in the field evaluations, then the case would be foreclosed on approval of DG (Acquisition), for MoD cases and the respective SHQ authorities for cases under delegated powers and a fresh RFP will be issued after reformulating the SQRs. The TMs would inform the appropriate vendors about result of trials and evaluation, along with reasons for disqualification. Such communication would be done after acceptance of TEC/Staff Evaluation/ Technical Oversight Committee Report (if TOC is held).</p> |



Enclosure F

**APPROVAL OF GRACE PERIOD UPTO 45 DAYS TO VENDOR(S) FOR PRODUCING EQUIPMENT FOR TRIALS WITHIN SHQ AND BEYOND 45 DAYS BY DG (ACQ)**

| <u>Ser No</u> | <u>Para Ref</u>                     | <u>For</u>  | <u>Read</u>  |
|---------------|-------------------------------------|---|--|
| 1.            | Para 68,<br>Chapter II<br>(Page 22) | 68. Any vendor failing to produce equipment for trials by due date would normally be given a grace period of 15 days to produce the equipment for trials. An additional grace period of up to 30 days may be obtained by SHQs from VCOAS/VCNS/ DCAS/DG ICG, keeping in view the practical time period necessary for trials. Equal opportunity would be provided to all vendors while granting such grace period. Vendors who fail to provide their equipment even after providing 45 days grace period, would be asked to explain the reasons for the delay in producing equipment for trials. If the equipment is not fielded at the start of trials, then the vendor/equipment would not be considered at a later point of time. Such vendors including those whose reasons for delay as sought above are not satisfactory, may not be considered for subsequent procurement cases. Wherever feasible, the entire trials viz. user, technical, Maintainability Evaluation Trials (MET) and EMI/EMC trials would be conducted simultaneously in order to save time." | 68. Any vendor failing to produce equipment for trials by due date would normally be given a grace period of 15 days to produce the equipment for trials. An additional grace period of up to 30 days may be <b>approved within SHQs</b> keeping in view the practical time period necessary for trials. Equal opportunity would be provided to all vendors while granting such grace period. Vendors, who fail to provide their equipment even after providing 45 days grace period, would be asked to explain the reasons for the delay in producing equipment for trials. <b>If the reasons for delay furnished by the vendor(s) are found satisfactory by SHQ, case for granting grace period beyond 45 days would be processed by SHQ for approval of DG(Acquisition)</b> If the equipment is not fielded at the start of trials, then the vendor/equipment would not be considered at a later point of time. Such vendors including those whose reasons for delay as sought above are not satisfactory, may not be considered for subsequent procurement cases. Wherever feasible, the entire trials viz. user, technical, Maintainability Evaluation Trials (MET) and EMI/EMC trials would be conducted simultaneously in order to save time. |



**ISSUE OF COMMERCIAL RFP BEFORE TRIALS IN ALL  
DESIGN & DEVELOPMENT CASES**

| <u>Ser No</u> | <u>Para Ref</u>               | <u>For</u>   | <u>Read</u>   |
|---------------|-------------------------------|--|---|
| 1.            | Para 72, Chapter II (Page 23) | <p><b><u>Design and Development Cases.</u></b></p> <p>72. Design and Development cases undertaken by DRDO/DPSUs/OFB will be progressed as follows:-</p> <p>(a) SHQs will initiate SoCs for Design and Development cases from LTIPP/SCAP/AAP in consultation with DRDO/DPSUs/OFB.</p> <p>(b) AoN for Design and Development cases under 'Buy (Indian-IDDM)' category, with IC as specified by DRDO/DPSUs/OFB, would be sought by SHQ from the DAC prior to commencing the case. The SoC would include, inter alia, PSQRs; Minimum Order Quantity (MoQ); and timelines upto successful completion of trials and issue of commercial RFP. In certain cases where the quantities are limited and production by industry is not feasible, production could be undertaken by DRDO/DPSUs/OFB with the approval of DAC.</p> <p>(c) Design and Development of prototype by DRDO/DPSUs/OFB would be done as per their internal procedures. Competitive procedures shall invariably be followed. Once the prototype is ready, the PSQRs would be frozen and User trials of the prototype would be conducted by SHQ followed by Staff Evaluation to be approved by VCOAS/VCNS/DCAS/DG ICG. The Staff Evaluation would also recommend validation trials, if felt necessary.</p> | <p><b><u>Design and Development Cases.</u></b></p> <p>72. Design and Development cases undertaken by DRDO/DPSUs/OFB will be progressed as follows:-</p> <p>(a) SHQs will initiate SoCs for Design and Development cases from LTIPP/SCAP/AAP in consultation with DRDO/DPSUs/OFB.</p> <p>(b) AoN for Design and Development cases under 'Buy (Indian-IDDM)' category, with IC as specified by DRDO/DPSUs/OFB, would be sought by SHQ from the DAC prior to commencing the case. The SoC would include, inter alia, PSQRs; Minimum Order Quantity (MoQ); and timelines upto successful completion of trials and issue of commercial RFP. In certain cases where the quantities are limited and production by industry is not feasible, production could be undertaken by DRDO/DPSUs/OFB with the approval of DAC.</p> <p>(c) Design and Development of prototype by DRDO/DPSUs/OFB would be done as per their internal procedures. Competitive procedures shall invariably be followed. Once the prototype is ready, the PSQRs would be frozen and <b>Commercial RFP would be issued to Development-cum-Production partner of DRDO or the DPSU which has undertaken the Design and Development project or to Production Agency(s) (PA) nominated by them. Indent would be placed on OFB in cases where it has undertaken the Design and Development. These cases would not be treated as single vendor cases.</b></p> |



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|  | <p>(d) Post-prototype trials and staff evaluation, commercial RFP would be issued to the development-cum-production partner of DRDO or the DPSU which has undertaken the Design and Development project. Indent would be placed on OFB in cases where it has undertaken the Design and Development. These cases would not be treated as single vendor situations.</p> <p>(e) The issue of commercial RFP and stages thereafter would be progressed as per provisions of DPP.</p> | <p>(d) <b>After issue of Commercial RFP/ placing of indent</b>, User trials of the prototype would then be conducted by SHQ followed by Staff Evaluation to be approved by VCOAS/VCNS/ DCAS/DG ICG. The Staff Evaluation would also recommend validation trials, if felt necessary.</p> <p>(e) <b>CNC would then be conducted for vendors declared successful in GS Evaluation</b> and stages thereafter would be progressed as per provisions of DPP.</p> |
|--|--|--|



INCLUSION OF BENEFICIARY BANK DETAILS FOR BANK GUARANTEE IN RFP

| <u>Ser<br/>No</u> | <u>RFP<br/>Para<br/>Ref</u>                                   | <u>For</u>  | <u>Read</u>   |
|-------------------|---|---|---|
| 1.                | Para 22,<br>Schedule<br>I,<br>Chapter<br>II.<br>(Page<br>103) | 22. (An Integrity Pact would be signed between MoD and the bidders for schemes exceeding ₹ 20 Crores, irrespective of the value of the commercial bids submitted by bidders). In the subject RFP, the vendor is required to sign and submit Pre Contract Integrity Pact (PCIP) given at <b>Annexure I</b> to <b>Appendix M</b> to this RFP and shall also deposit ₹____ Crores/Lakhs (as applicable) as Integrity Pact Bank Guarantee (IPBG) through any of the instruments mentioned therein. This would be submitted in a separate envelope clearly marked as 'IP and IPBG' at the time of submission of Technical and commercial offers. | 22. (An Integrity Pact would be signed between MoD and the bidders for schemes exceeding ₹ 20 Crores, irrespective of the value of the commercial bids submitted by bidders). In the subject RFP, the vendor is required to sign and submit Pre Contract Integrity Pact (PCIP) given at <b>Annexure I</b> to <b>Appendix M</b> to this RFP and shall also deposit ₹____ Crores/Lakhs (as applicable) as Integrity Pact Bank Guarantee (IPBG) through any of the instruments mentioned therein. This would be submitted in a separate envelope clearly marked as 'IP and IPBG' at the time of submission of Technical and commercial offers. <b>The Beneficiary Bank Details for furnishing IPBG are as follows:-</b><br>(IFSC Code - SBIN0000691)<br>State Bank of India<br>New Delhi Main Branch<br>C Block, 11 Parliament Street<br>New Delhi, Pin: 110001. |
| 2.                | Para 19,<br>Schedule<br>I,<br>Chapter<br>IV.<br>(Page<br>266) | 19. (An Integrity Pact would be signed between MoD and the seller for schemes exceeding ₹ 20 Cr, irrespective of the value of the price bid). In the subject RFP, the bidder is required to sign and submit pre contract Integrity Pact (IP) given at <b>Annexure I</b> to <b>Appendix H</b> and shall also deposit ₹____ Crores as Integrity Pact Bank Guarantee (IPBG) through any of the instruments mentioned therein. This would be submitted in a separate envelope clearly marked as 'IPBG' at the time of submission of Technical and price bids.   | 19. (An Integrity Pact would be signed between MoD and the seller for schemes exceeding ₹ 20 Cr, irrespective of the value of the price bid). In the subject RFP, the bidder is required to sign and submit pre contract Integrity Pact (IP) given at <b>Annexure I</b> to <b>Appendix H</b> and shall also deposit ₹____ Crores as Integrity Pact Bank Guarantee (IPBG) through any of the instruments mentioned therein. This would be submitted in a separate envelope clearly marked as 'IPBG' at the time of submission of Technical and price bids. <b>The Beneficiary Bank Details for furnishing IPBG are as follows:-</b><br>(IFSC Code - SBIN0000691)<br>State Bank of India<br>New Delhi Main Branch<br>C Block, 11 Parliament Street<br>New Delhi, Pin: 110001.   |



CHANGES IN APPROVING AUTHORITY

| <u>Ser No</u> | <u>Para Ref</u>                | <u>For</u>  | <u>Read</u>   |
|---------------|--------------------------------|---|---|
| 1.            | Para 54, Chapter II (Page 20)  | 54. <u>Extension of Time.</u> No extension of time will be provided under normal circumstances. However, situations may arise in which it may be appropriate to extend the time allowed for submission of offers. If an extension is being sought by the vendor, the request with justification must be received by the TM concerned from the vendor at least two weeks prior to bid submission date, failing which such requests may not be entertained. The extension so granted should not exceed a period of eight weeks from the original date of submission of offers. Extension of only four weeks could be given by the DG (Acquisition)/ VCOAS/VCNS/ DCAS/CISC/DG ICG and the approval for any further extension has to be sought from the RM. | 54. <u>Extension of Time.</u> No extension of time will be provided under normal circumstances. However, situations may arise in which it may be appropriate to extend the time allowed for submission of offers. If an extension is being sought by the vendor, the request with justification must be received by the TM concerned from the vendor at least two weeks prior to bid submission date, failing which such requests may not be entertained. The extension so granted should not exceed a period of eight weeks from the original date of submission of offers. Extension of only four weeks could be given by <b>SHQ</b> and the approval for further extension <b>upto four weeks</b> has to be sought from the <b>DG(Acq)</b> . |
| 2.            | Para 66, Chapter II (Page 22)  | 66. There may be cases when, during the process of trials in India, it emerges that certain validations need to be carried out abroad in the vendor premises. This may be necessitated due to export restrictions, security related issues, availability of testing infrastructure/platforms or such like reasons. Permission for such validations to be carried out abroad would have to be sought from the RM. Similar actions as given in Paras 58-65 (Chapter II), would be taken in the cases where Trial Teams are deputed abroad for evaluation purposes.  | 66. There may be cases when, during the process of trials in India, it emerges that certain validations need to be carried out abroad in the vendor premises. This may be necessitated due to export restrictions, security related issues, availability of testing infrastructure/platforms or such like reasons. Permission for such validations to be carried out abroad would have to be sought from the <b>DG(Acq)</b> . Similar actions as given in Paras 58-65 (Chapter II), would be taken in the cases where Trial Teams are deputed abroad for evaluation purposes.   |
| 3.            | Para 35, Chapter IV (Page 247) | 35. The contract is to be signed within a period of two months from the date of CFA approval. In cases, where subsequent CCS approvals are necessitated, Supplementary Contracts are to be signed within two months of such approval. In case of delay in signing of contract, approval of RM is to be sought with full justification for the delay.  | 35. The contract is to be signed within a period of two months from the date of CFA approval. In cases, where subsequent CCS approvals are necessitated, Supplementary Contracts are to be signed within two months of such approval. In case of delay in signing of contract, approval of <b>DG(Acq)</b> is to be sought with full justification for the delay.  |



Enclosure L

**CONFIRMATION OF BG PROVIDED BY A FOREIGN BANK & ISSUANCE OF BG  
BY PRIVATE SECTOR BANKS AUTHORISED BY MINISTRY OF FINANCE**

| <b><u>Ser<br/>No</u></b> | <b><u>Para Ref</u></b>  | <b><u>For</u></b>   | <b><u>Read</u></b>  |
|--------------------------|---|---|---|
| 1.                       | Para 1.4.1 of Appendix L to Schedule I to Chapter II (Page 159)             | 1.4.1 <b><u>Advance Payment</u></b> . Fifteen (15) % of the total contract price shall be paid within thirty (30) days of signing of Contract and upon submission of claim and a Bank Guarantee for the equivalent amount. Bank Guarantee should be from Public Sector Banks. The Advance Payment Bank Guarantee (APBG) will deemed to be proportionately and automatically reduced until full extinction along with and prorate to value of each delivery, as evidenced by corresponding copy of document proving delivery and invoices of goods/services supplied/provided. | 1.4.1 <b><u>Advance Payment</u></b> . Fifteen (15) % of the total contract price shall be paid within thirty (30) days of signing of Contract and upon submission of claim and a Bank Guarantee for the equivalent amount. Bank Guarantee should be from Public Sector Banks <b>or Private Sector Banks authorised by RBI</b> . The Advance Payment Bank Guarantee (APBG) will deemed to be proportionately and automatically reduced until full extinction along with and prorate to value of each delivery, as evidenced by corresponding copy of document proving delivery and invoices of goods/services supplied/provided. |
| 2.                       | Para 2.2, Appendix L, Schedule I Chapter II (Page 165)                      | 2.2 In case of Indian Sellers, the PWBGs are required to be furnished from Public Sector Banks. Confirmation of the same from SBI is not required.  | 2.2 In case of Indian Sellers, the PWBGs are required to be furnished from Public Sector Banks <b>or Private Sector Banks authorised by RBI</b> . Confirmation of the same from SBI <b>or any other Bank</b> is not required.   |
| 3.                       | Para 8.1(i) Annexure I to Appendix M to Schedule I to Chapter II (Page 179) | (i) Guarantee will be from an Indian Public Sector Bank promising payment of the guaranteed sum to the Ministry of Defence, Government of India, represented on behalf of the President of India, on demand within three working days without any demur whatsoever and without seeking any reasons whatsoever. The demand for payment by the buyer shall be treated as conclusive proof for payment. A model Bank Guarantee format is enclosed.   | (i) Guarantee will be from an Indian Public Sector Bank <b>or Private Sector Banks authorised by RBI</b> , promising payment of the guaranteed sum to the Ministry of Defence, Government of India, represented on behalf of the President of India, on demand within three working days without any demur whatsoever and without seeking any reasons whatsoever. The demand for payment by the buyer shall be treated as conclusive proof for payment. A model Bank Guarantee format is enclosed.  |
| 4.                       | Para 1(d)(ii) of Appendix F to Schedule I to Chapter IV (Page 291)          | (ii) <b><u>Advance Payment</u></b> . All stages till the delivery of vessel, where there are no 'Deliverables' would be construed as advance (as defined at Annexure I to Appendix F). The Seller is required to furnish BG for advance payment. Bank Guarantee should be from any Public Sector bank. The Advance Payment  | (ii) <b><u>Advance Payment</u></b> . All stages till the delivery of vessel, where there are no 'Deliverables' would be construed as advance (as defined at Annexure I to Appendix F). The Seller is required to furnish BG for advance payment. Bank Guarantee should be from any Public Sector bank <b>or Private Sector bank authorised by RBI</b> . The Advance   |



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|    |  | <p>Bank Guarantee (APBG) (if provided for combined vessels) will deemed to be proportionately and automatically reduced until full extinction along with and prorate to value of each delivery, as evidenced by corresponding copy of document proving delivery and invoices of goods/services supplied/provided. The seller has the option to furnish separate Bank guarantees for each vessel. For stage payments relevant to advance, payments will be released based upon the Completion certificate for all activities mentioned therein given by Buyer's rep and any other relevant documents as specified in the contract.</p>  | <p>Payment Bank Guarantee (APBG) (if provided for combined vessels) will deemed to be proportionately and automatically reduced until full extinction along with and prorate to value of each delivery, as evidenced by corresponding copy of document proving delivery and invoices of goods/services supplied/provided. The seller has the option to furnish separate Bank guarantees for each vessel. For stage payments relevant to advance, payments will be released based upon the Completion certificate for all activities mentioned therein given by Buyer's rep and any other relevant documents as specified in the contract.</p>   |
| 5. | <p>Para 2 of Appendix F to Schedule I to Chapter IV (Page 298)</p> | <p>2. <b><u>Performance-cum-Warranty Guarantee.</u></b> A Performance-cum-Warranty Bank Guarantee (PWBG) of 5 % of the Contract cost would be furnished by the Seller in the form of a Bank Guarantee. The contract cost would be the <b>Total Cost {Sl 2(n) of Appendix G + Modification Cost + B&amp;D Spare cost excluding cost of handling B&amp;D spares Sl 2(m)}</b>. In case of foreign Sellers, Bank guarantee will be from a Bank of international repute. Details of the bank are to be furnished in the commercial bid. Buyer reserves the right to consult Parliament Street branch of State Bank of India, New Delhi as to whether to get the BG from a foreign bank confirmed. In case of Indian Sellers, the PWBGs are required to be furnished from any Public Sector bank. Confirmation of the same from SBI is not required. The PWBG shall be submitted by the Seller within one month of signing of contract and shall be valid for a period, until three months beyond the warranty period, as specified in the RFP.</p> <p><i>(Note: The procedure for confirmation of BGs of foreign banks by Indian banks will be done as per Acq Wing ID Note No. PC to F.4 (500)/D (Acq)/08 dated 25.06.2009).</i></p> | <p>2. <b><u>Performance-cum-Warranty Guarantee.</u></b> A Performance-cum-Warranty Bank Guarantee (PWBG) of 5 % of the Contract cost would be furnished by the Seller in the form of a Bank Guarantee. The contract cost would be the <b>Total Cost {Sl 2(n) of Appendix G + Modification Cost + B&amp;D Spare cost excluding cost of handling B&amp;D spares Sl 2(m)}</b>. In case of foreign Sellers, Bank guarantee will be from a Bank of international repute. Details of the bank are to be furnished in the commercial bid. Buyer reserves the right to consult Parliament Street branch of State Bank of India, New Delhi as to whether to get the BG from a foreign bank confirmed. In case of Indian Sellers, the PWBGs are required to be furnished from any Public Sector bank <b>or Private Sector bank authorised by RBI</b>. Confirmation of the same from SBI <b>or any other Bank</b> is not required. The PWBG shall be submitted by the Seller within one month of signing of contract and shall be valid for a period, until three months beyond the warranty period, as specified in the RFP.</p> <p><i>(Note: The procedure for confirmation of BGs of foreign banks by Indian banks will be done as per Acq Wing ID Note No. PC to F.4 (500)/D (Acq)/08 dated 25.06.2009).</i></p> |



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| 6. | Para 9 of Annexure I to Appendix H to Schedule I to Chapter IV (Page 321) | 9. Every bidder, while submitting commercial bid, shall submit an Integrity Pact Bank Guarantee for an amount of * in favour of the Buyer in Indian Rupees only. Guarantee will be from Public Sector Banks, promising payment of the guaranteed sum to the Ministry of Defence, Government of India, represented on behalf of the President of India, on demand within three working days without any demur whatsoever and without seeking any reasons whatsoever. The demand for payment by the Buyer shall be treated as conclusive proof for payment. A model Bank Guarantee format is enclosed. | 9. Every bidder, while submitting commercial bid, shall submit an Integrity Pact Bank Guarantee for an amount of * in favour of the Buyer in Indian Rupees only. Guarantee will be from Public Sector Banks <b>or Private Sector Banks authorised by RBI</b> , promising payment of the guaranteed sum to the Ministry of Defence, Government of India, represented on behalf of the President of India, on demand within three working days without any demur whatsoever and without seeking any reasons whatsoever. The demand for payment by the Buyer shall be treated as conclusive proof for payment. A model Bank Guarantee format is enclosed. |
| 7. | Para 3A.1 of Article 3A of Chapter VI (Page 365)                          | 3A.1 An Advance Guarantee Bond will be issued in the form of a bank guarantee by(..... SELLER'S BANK.....) through Banks of International repute in favour of Government of India, Ministry of Defence to be confirmed by State Bank of India, Parliament Street Branch, New Delhi equal to ____ % of the total value of this contract i.e. for US \$/Euro/PS £ ..... (in words US Dollars/Euro/PS..... only) at seller's cost.  | 3A.1 An Advance Guarantee Bond will be issued in the form of a bank guarantee by(..... SELLER'S BANK.....) through Banks of International repute in favour of Government of India, Ministry of Defence to be confirmed by State Bank of India, Parliament Street Branch, New Delhi <b>or any other Public or Private Sector Bank authorised by RBI</b> , equal to ____ % of the total value of this contract i.e. for US \$/Euro/PS £ ..... (in words US Dollars/Euro/PS..... only) at seller's cost.  |
| 8. | Para 3B.1 of Article 3B of Chapter VI (Page 366)                          | 3B.1 An Advance Guarantee Bond equal to ____ will be issued in the form of a bank guarantee through Public Sector Banks in favour of Government of India, Ministry of Defence. However, advice of State Bank of India for confirmation of the same is not required.  | 3B.1 An Advance Guarantee Bond equal to ____ will be issued in the form of a bank guarantee through Public Sector Banks <b>or Private Sector Banks authorised by RBI</b> , in favour of Government of India, Ministry of Defence. However, advice of State Bank of India <b>or any other Bank</b> for confirmation of the same is not required.  |
| 9. | Para 3D.1 of Article 3D of Chapter VI (Page 366)                          | 3D.1 An Additional Guarantee Bond will be issued in the form of a bank guarantee by (.....SELLER's BANK.....) through Banks of International repute in favour of Government of India, Ministry of Defence to be confirmed by State Bank of India, Parliament Street Branch, New Delhi equal to ____ % of the total value of this contract i.e. for US  | 3D.1 An Additional Guarantee Bond will be issued in the form of a bank guarantee by (.....SELLER's BANK.....) through Banks of International repute in favour of Government of India, Ministry of Defence to be confirmed by State Bank of India, Parliament Street Branch, New Delhi <b>or any other Public or Private Sector Bank authorised by RBI</b> , equal to ____ % of the total value of this contract i.e. for US \$/Euro/PS£..... (in   |



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|     |  | \$/Euro/PS£..... (in words US Dollars/Euro/PS.....only) at seller's cost.   | words US Dollars/Euro/PS .....only) at seller's cost.   |
| 10. | Para 3E.1 of Article 3E of Chapter VI (Page 367) | 3E.1 An Additional Guarantee Bond equal to will be issued in the form of a bank guarantee through Public Sector Banks in favour of Government of India, Ministry of Defence. However, advice of State Bank of India for confirmation of the same is not required.   | 3E.1 An Additional Guarantee Bond equal to will be issued in the form of a bank guarantee through Public Sector Banks <b>or Private Sector Banks authorised by RBI</b> , in favour of Government of India, Ministry of Defence. However, advice of State Bank of India <b>or any other Bank</b> for confirmation of the same is not required.   |
| 11. | Para 4A.1 of Article 4A of Chapter VI (Page 367) | 4A.1 A Performance cum Warranty bond will be issued in the form of a Bank Guarantee by (..... SELLER'S BANK) through a Bank of International repute in favour of Government of India, Ministry of Defence, to be confirmed by State Bank of India, Parliament Street Branch, New Delhi equal to 5% (Five percent) of the total value of the contract i.e. for USD/Euro/PS (in words USD/Euro/PS Only) at seller's cost. | 4A.1 A Performance cum Warranty bond will be issued in the form of a Bank Guarantee by (..... SELLER'S BANK) through a Bank of International repute in favour of Government of India, Ministry of Defence, to be confirmed by State Bank of India, Parliament Street Branch, New Delhi <b>or any other Public or Private Sector Bank authorised by RBI</b> , equal to 5% (Five percent) of the total value of the contract i.e. for USD/Euro/PS (in words USD/Euro/PS _____ Only) at seller's cost. |
| 12. | Para 4B.1 of Article 4B of Chapter VI (Page 368) | 4B.1 A Performance cum Warranty bond equal to _____ will be issued in the form of a Bank Guarantee through Public Sector Banks in favour of Government of India, Ministry of Defence. However, advice of State Bank of India for confirmation of the same is not required.  | 4B.1 A Performance cum Warranty bond equal to _____ will be issued in the form of a Bank Guarantee through Public Sector Banks <b>or Private Sector Banks authorised by RBI</b> , in favour of Government of India, Ministry of Defence. However, advice of State Bank of India <b>or any other Bank</b> for confirmation of the same is not required.  |



**INCORPORATION OF ARBITRATION AND CONCILIATION (AMENDMENT) BILL 2018**

| <b>Ser No</b> | <b>Para Ref</b>  | <b>For</b>   | <b>Read</b>   |
|---------------|--|--|---|
| 1.            | Para 2.1 of Appendix M to Schedule I, Chapter II (Page 171 to 173) | <p>2.1 to 2.5 All disputes or differences arising out of or in connection with the present Contract, including the one connected with ..... other place in India as may be decided by the arbitrator.</p> <p>2.6 The Arbitration Proceedings shall be conducted in India under the Indian Arbitration and Conciliation Act, 1996 and the award of such Arbitration Tribunal shall be enforceable in Indian Courts only.</p> <p>2.7 to 2.12 The decision of the majority of the.....the subject matter of the said arbitration proceedings.</p> <p>3.1 to 3.5 All disputes or differences arising out of or in .....such other place in India as may be decided by the arbitrator.</p> <p>3.6 The Arbitration Proceedings shall be conducted in India under the Indian Arbitration and Conciliation Act, 1996 and the award of such Arbitration Tribunal shall be enforceable in Indian Courts only.</p> <p>3.7 to 3.12 The decision of the majority of the arbitrators ..... the subject matter of the said arbitration proceedings.</p> | <p>2.1 to 2.5 All disputes or differences arising out of or in connection with the present Contract, including the one connected with ..... other place in India as may be decided by the arbitrator.</p> <p>2.6 The Arbitration Proceedings shall be conducted in India under the Indian Arbitration and Conciliation Act, 1996 <b>(as amended from time to time)</b> and the award of such Arbitration Tribunal shall be enforceable in Indian Courts only.</p> <p>2.7 to 2.12 The decision of the majority of the.....the subject matter of the said arbitration proceedings.</p> <p>3.1 to 3.5 All disputes or differences arising out of or in.....such other place in India as may be decided by the arbitrator.</p> <p>3.6 The Arbitration Proceedings shall be conducted in India under the Indian Arbitration and Conciliation Act, 1996 <b>(as amended from time to time)</b> and the award of such Arbitration Tribunal shall be enforceable in Indian Courts only.</p> <p>3.7 to 3.12 The decision of the majority of the arbitrators ..... the subject matter of the said arbitration proceedings.</p> |
| 2.            | Para 2 of Appendix H to Schedule I to Chapter IV (Page 312)        | <p>2. In the event of any dispute or difference relating to the interpretation and application of the provisions of the contracts, such dispute or difference shall be referred by either party for Arbitration to the sole Arbitrator in the Department of Public Enterprises to be nominated by the Secretary to the Government of India in-charge of the Department of Public Enterprises. The arbitration and Conciliation Act, 1996 shall not</p>   | <p>2. In the event of any dispute or difference relating to the interpretation and application of the provisions of the contracts, such dispute or difference shall be referred by either party for Arbitration to the sole Arbitrator in the Department of Public Enterprises to be nominated by the Secretary to the Government of India in-charge of the Department of Public Enterprises. The arbitration and Conciliation Act, 1996 <b>(as amended from time to time)</b> shall</p>  |



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|    |   | <p>applicable to arbitration under this clause. The award of the Arbitrator shall be binding upon the parties to the dispute, provided, however, any party aggrieved by such award may make a further reference for setting aside or revision of the award to the Law Secretary, Department of Legal Affairs, Ministry of Law &amp; Justice, Government of India. Upon such reference the dispute shall be decided by the Law Secretary of the special Secretary/Additional Secretary, when so authorised by the Law Secretary, whose decision shall bind the Parties finally and conclusively. The Parties to the dispute will share equally the cost of arbitration as intimated by the Arbitrator.</p> | <p>not applicable to arbitration under this clause. The award of the Arbitrator shall be binding upon the parties to the dispute, provided, however, any party aggrieved by such award may make a further reference for setting aside or revision of the award to the Law Secretary, Department of Legal Affairs, Ministry of Law &amp; Justice, Government of India. Upon such reference the dispute shall be decided by the Law Secretary of the special Secretary/Additional Secretary, when so authorised by the Law Secretary, whose decision shall bind the Parties finally and conclusively. The Parties to the dispute will share equally the cost of arbitration as intimated by the Arbitrator.</p> |
| 3. | <p>Para 7 of Appendix H to Schedule I to Chapter IV (Page 313)</p>  | <p>7. The third arbitrator, shall be nominated by the parties within ninety (90) days of the receipt of the notice mentioned above, failing which the third arbitrator may be nominated under the provision of Indian Arbitration and Conciliation Act, 1996 or by dispute, resolution institutions like Indian Council of Arbitration or ICADR at the request of either party, but the said nomination would be after consultation with both the parties. The arbitrator nominated under this Clause shall not be regarded nor act as an umpire.</p>   | <p>7. The third arbitrator, shall be nominated by the parties within ninety (90) days of the receipt of the notice mentioned above, failing which the third arbitrator may be nominated under the provision of Indian Arbitration and Conciliation Act, 1996 <b>(as amended from time to time)</b> or by dispute, resolution institutions like Indian Council of Arbitration or ICADR at the request of either party, but the said nomination would be after consultation with both the parties. The arbitrator nominated under this Clause shall not be regarded nor act as an umpire.</p>   |
| 4. | <p>Para 9 of Appendix H to Schedule I to Chapter IV (Page 313)</p>  | <p>9. The Arbitration Proceedings shall be conducted in India under the Indian Arbitration and Conciliation Act, 1996 and the award of such Arbitration Tribunal shall be enforceable in Indian Courts only.</p>  | <p>9. The Arbitration Proceedings shall be conducted in India under the Indian Arbitration and Conciliation Act, 1996 <b>(as amended from time to time)</b> and the award of such Arbitration Tribunal shall be enforceable in Indian Courts only.</p>  |
| 5. | <p>Para 19 of Appendix H to Schedule I to Chapter IV (Page 314)</p> | <p>19. The third arbitrator, who shall not be a citizen or domicile of the country of either of the parties or of any other country unacceptable to any of the parties shall be nominated by the parties within ninety (90) days of the receipt of the notice mentioned above, falling which the third arbitrator may be nominated under the provision of Indian arbitration and Conciliation Act, 1996 or by dispute, resolution institutions like Indian Council of Arbitration or ICADR in case, nomination of third arbitrator institutions like ICA and ICADR are not acceptable to the SELLER, then</p>   | <p>19. The third arbitrator, who shall not be a citizen or domicile of the country of either of the parties or of any other country unacceptable to any of the parties shall be nominated by the parties within ninety (90) days of the receipt of the notice mentioned above, falling which the third arbitrator may be nominated under the provision of Indian arbitration and Conciliation Act, 1996 <b>(as amended from time to time)</b> or by dispute, resolution institutions like Indian Council of Arbitration or ICADR in case, nomination of third arbitrator institutions like ICA and ICADR are not acceptable to the SELLER, then the</p>   |



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|    |  | the third arbitrator may be nominated by the President of International chamber of commerce, Paris, but the said nomination would be after consultation with both the parties and shall preclude any citizen with domicile of any country as mentioned above. The arbitrator nominated under this clause shall not be regarded nor act as an umpire.   | third arbitrator may be nominated by the President of International chamber of commerce, Paris, but the said nomination would be after consultation with both the parties and shall preclude any citizen with domicile of any country as mentioned above. The arbitrator nominated under this clause shall not be regarded nor act as an umpire.   |
| 6. | Para 21 of Appendix H to Schedule I to Chapter IV (Page 314) | 21. The Arbitration Proceedings shall be conducted in Indian under the. Indian Arbitration and Conciliation Act, 1996 and the award of such Arbitration Tribunal shall be enforceable in Indian Courts only.   | 21. The Arbitration Proceedings shall be conducted in Indian under the. Indian Arbitration and Conciliation Act, 1996 <b>(as amended from time to time)</b> and the award of such Arbitration Tribunal shall be enforceable in Indian Courts only.   |
| 7. | Para 21A.4 of Article 21A of Chapter VI (Page 386)           | 21A.4 The third arbitrator, who shall not be a citizen or domicile of the country of either of the parties or of any other country unacceptable to any of the parties shall be nominated by the parties within ninety (90) days of the receipt of the notice mentioned above, failing which the third arbitrator may be nominated under the provisions of Indian Arbitration and Conciliation Act, 1996 or by dispute resolution institutions like Indian Council of Arbitration and ICADR. In case, nomination of third arbitrator under Indian Arbitration and Conciliation Act, 1996 or by dispute resolution institutions like ICA and ICADR are not acceptable to the SELLER, then the third arbitrator may be nominated by the President of International Chamber of Commerce, Paris, but the said nomination would be after consultation with both the parties and shall preclude any citizen with domicile of any country as mentioned above. The arbitrator nominated under this Clause shall not be regarded nor act as an umpire. | 21A.4 The third arbitrator, who shall not be a citizen or domicile of the country of either of the parties or of any other country unacceptable to any of the parties shall be nominated by the parties within ninety (90) days of the receipt of the notice mentioned above, failing which the third arbitrator may be nominated under the provisions of Indian Arbitration and Conciliation Act, 1996 <b>(as amended from time to time)</b> or by dispute resolution institutions like Indian Council of Arbitration and ICADR. In case, nomination of third arbitrator under Indian Arbitration and Conciliation Act, 1996 <b>(as amended from time to time)</b> or by dispute resolution institutions like ICA and ICADR are not acceptable to the SELLER, then the third arbitrator may be nominated by the President of International Chamber of Commerce, Paris, but the said nomination would be after consultation with both the parties and shall preclude any citizen with domicile of any country as mentioned above. The arbitrator nominated under this Clause shall not be regarded nor act as an umpire. |
| 8. | Para 21A.6 of Article 21A of Chapter VI (Page 386)           | 21A.6 The Arbitration Proceedings shall be conducted in India under the Indian Arbitration and Conciliation Act, 1996 and the award of such Arbitration Tribunal shall be enforceable in Indian Courts only.   | 21A.6 The Arbitration Proceedings shall be conducted in India under the Indian Arbitration and Conciliation Act, 1996 <b>(as amended from time to time)</b> and the award of such Arbitration Tribunal shall be enforceable in Indian Courts only.   |
| 9. | Para 21B.4 of Article 21B of Chapter VI                      | 21B.4 The third arbitrator, shall be nominated by the parties within ninety (90) days of the receipt of the notice mentioned above, failing which the  | 21B.4 The third arbitrator, shall be nominated by the parties within ninety (90) days of the receipt of the notice mentioned above, failing which the third  |



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|     | (Page 387)   | third arbitrator may be nominated under the provision of Indian Arbitration and Conciliation Act, 1996 or by dispute resolution institutions like Indian Council of Arbitration or ICADR at the request of either party, but the said nomination would be after consultation with both the parties. The arbitrator nominated under this Clause shall not be regarded nor act as an umpire.   | arbitrator may be nominated under the provision of Indian Arbitration and Conciliation Act, 1996 <b>(as amended from time to time)</b> or by dispute resolution institutions like Indian Council of Arbitration or ICADR at the request of either party, but the said nomination would be after consultation with both the parties. The arbitrator nominated under this Clause shall not be regarded nor act as an umpire.   |
| 10. | Para 21B.6 of Article 21B of Chapter VI (Page 387) | 21B.6 The Arbitration Proceedings shall be conducted in India under the Indian Arbitration and Conciliation Act, 1996 and the award of such Arbitration Tribunal shall be enforceable in Indian Courts only.   | 21B.6 The Arbitration Proceedings shall be conducted in India under the Indian Arbitration and Conciliation Act, 1996 <b>(as amended from time to time)</b> and the award of such Arbitration Tribunal shall be enforceable in Indian Courts only.   |
| 11. | Para 21C.1 of Article 21C of Chapter VI (Page 388) | 21C.1 In the event of any dispute or difference relating to the interpretation and application of the provisions of the contracts, such dispute or difference shall be referred by either party for Arbitration to the sole Arbitrator in the Department of Public Enterprises to be nominated by the Secretary to the Government of India in-charge of the Department of Public Enterprises. The Arbitration and Conciliation Act, 1996 shall not be applicable to arbitration under this clause. The award of the Arbitrator shall be binding upon the parties to the dispute, provided, however, any party aggrieved by such award may make a further reference for setting aside or revision of the award to the Law Secretary, Department of Legal Affairs, Ministry of Law & Justice, Government of India. Upon such reference the dispute shall be decided by the Law Secretary or the Special Secretary/Additional Secretary, when so authorised by the Law Secretary, whose decision shall bind the Parties finally and conclusively. The Parties to the dispute will share equally the cost of arbitration as intimated by the Arbitrator. | 21C.1 In the event of any dispute or difference relating to the interpretation and application of the provisions of the contracts, such dispute or difference shall be referred by either party for Arbitration to the sole Arbitrator in the Department of Public Enterprises to be nominated by the Secretary to the Government of India in-charge of the Department of Public Enterprises. The Arbitration and Conciliation Act, 1996 <b>(as amended from time to time)</b> shall not be applicable to arbitration under this clause. The award of the Arbitrator shall be binding upon the parties to the dispute, provided, however, any party aggrieved by such award may make a further reference for setting aside or revision of the award to the Law Secretary, Department of Legal Affairs, Ministry of Law & Justice, Government of India. Upon such reference the dispute shall be decided by the Law Secretary or the Special Secretary/Additional Secretary, when so authorised by the Law Secretary, whose decision shall bind the Parties finally and conclusively. The Parties to the dispute will share equally the cost of arbitration as intimated by the Arbitrator. |



**COMMENCEMENT OF AoN VALIDITY FROM DATE OF ISSUE OF MINUTES OF  
MEETING OF CONCERNED CATEGORISATION COMMITTEE**

| <b><u>Ser<br/>No</u></b> | <b><u>Para Ref</u></b>             | <b><u>For</u></b>   | <b><u>Read</u></b>   |
|--------------------------|------------------------------------|---|--|
| 1.                       | Para 22<br>Chapter II<br>(Page 14) | 22. <b><u>AoN Validity.</u></b> AoN for categories under 'Buy' and 'Buy and Make' schemes will be valid for six months, AoN will be valid for one year in case of 'Buy and Make (Indian)' category and all Turnkey projects. AoN would lapse for all cases where the RFP for approved quantity is not issued within the original validity period of AoN. In such cases, the SHQ would have to re-validate the case and seek fresh AoN with due justification for not processing the case in time. For cases where the original RFP has been issued within the original validity period of AoN and later retracted for any reason, the AoN would continue to remain valid, as long as the original decision and categorisation remain unchanged, provided the subsequent RFP is issued within a period not exceeding the original validity period of the AoN, from the date of retraction of original RFP. | 22. <b><u>AoN Validity.</u></b> AoN for categories under 'Buy' and 'Buy and Make' schemes will be valid for six months, AoN will be valid for one year in case of 'Buy and Make (Indian)' category and all Turnkey projects. AoN would lapse for all cases where the RFP for approved quantity is not issued within the original validity period of AoN. In such cases, the SHQ would have to re-validate the case and seek fresh AoN with due justification for not processing the case in time. For cases where the original RFP has been issued within the original validity period of AoN and later retracted for any reason, the AoN would continue to remain valid, as long as the original decision and categorisation remain unchanged, provided the subsequent RFP is issued within a period not exceeding the original validity period of the AoN, from the date of retraction of original RFP. <b>The validity of AoN would commence from the date of formal issue of Minutes of Meeting of the concerned Categorisation Committee.</b> |