

**Purchase Policy-2016 for Procurement of Materials – Amendment No.8**

***Reference: GUVNL letter dated 17/01/2019***

**The existing Clause No. 4.15.1 shall be substituted by the following Clause.**

4.15.1. Penalty shall be @ 0.5% per week or part thereof plus GST and Cess as applicable on delayed portion subject to maximum 10% plus GST and Cess as applicable of the delayed portion order value (End Cost including GST and Cess as applicable) in case of supply only, whereas in case of Projects, the ceiling shall be with reference to total contract value including GST and Cess as applicable of the project (Supply + Erection + Civil). For calculating the delayed portion, date of actual receipt of material at store shall be considered.

Moreover, in case of supply is delayed more than seven months, company may initiate actions for Stop Deal/ Black List along with risk purchase.

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**The existing Clause No. 4.15.2 shall be substituted by the following Clause.**

4.15.2. In order to avoid delay in dispatch of the inspected lot of materials, for which Dispatch Instructions are already issued, the Gujarat based Suppliers and out of Gujarat based Suppliers shall arrange the transportation so as to receive the materials at respective Consignee's Stores within 15 days and 21 days respectively, from the date of issue of Dispatch Instructions. If materials are not received at Stores within 15 days / 21 days, as the case may be, from the date of issue of Dispatch Instructions, special penalty charges shall be recovered at 0.5% per Week or part thereof plus GST and Cess as applicable, maximum up to 3% plus GST and Cess as applicable of the Dispatch Instructions consignment value.

For GSECL & GETCO looking to the nature of products/materials the 15 / 21 days' limit may be suitably modified with concurrence of respective Managing Director.

**The existing Clause No. 4.15.3 shall be substituted by the following Clause.**

4.15.3. In case of Foreign OEM / Indian Trader of a Foreign OEM, in order to avoid delay in dispatch of the inspected lot of materials, for which the Dispatch Instructions are already issued, the Supplier shall deliver the materials to respective Shipper at Dispatch Port within 30 days from the date of Dispatch Instructions. If materials are not delivered to the respective Shipper within 30 days from the date of Dispatch Instruction, the special penalty charges shall be recovered at 0.5% per Week or part thereof plus GST and Cess as applicable, maximum up to 3% plus GST and Cess as applicable of the consignment value of the lot of respective Dispatches Instruction. For calculation of penalty date of bill of Lading / Airway Bill / Courier Receipt shall be considered as date of delivery.

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**The existing Clause No. 4.16 shall be substituted by the following Clause.**

4.16 The representative of the Company may pick up samples from the lots supplied by the Supplier at the Stores of the Company at random for quality check. The samples picked up will be tested for acceptance test / type test or as decided by the Company at Government approved laboratory or NABL Laboratory, in the presence of representative of supplier and the Company as per relevant ISS/BIS/ Company's specifications. The test results will be binding on the suppliers and Company in general and will not allow re-sampling. If the material fails in any of the tests carried out, the full lot of materials will be considered as rejected, and if replacement is not possible due to utilized/ consumption of the materials then in that case for whole of the rejected lot, Company will deduct maximum up to 30% (Thirty) plus GST and Cess as applicable of the End Cost Price. If the same are not utilized / consumed, then Company may ask for replacement at sole discretion of the Company or may accept with maximum deduction up to 30% (Thirty) of the End Cost Price plus GST and Cess as applicable, and all these will be binding on the supplier.

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