

acting or continuing to act due to the existence of such circumstances. Such circumstances shall include:

- An interest in or connection with the subject matter of the dispute,
 - A relationship with a party, including a relationship of lawyer and client.
- e) On the appointment of a Conciliator in respect of a specific dispute, the Conciliator shall give a Declaration as per **Schedule-A** of these Rules.
- f) If a Conciliator withdraws himself or he/she is removed by the Parties from a Conciliation Proceeding on the ground of continued absence for any three scheduled meetings/hearings or is otherwise unavailable for the Conciliation proceeding for no justifiable reason(s) or does not hold conciliation proceedings or cannot act further because of the objection of a party under sub-rule d) above or any reason which disqualifies him, the parties may appoint an alternative Conciliator in the same manner as contemplated herein.
- g) The appointment will take effect from the date of such intimation about the constitution of the Conciliation Tribunal.
- h) If any appointed Conciliator resigns or dies or is unable to perform his functions during the Conciliation, then HPCL may terminate the appointment of such Conciliator and inform him and the parties accordingly. The Parties shall take further steps to fill up the vacancy so caused as per 5(a) above.
- i) No person shall be appointed as a Conciliator in respect of more than three disputes at a time.

6. Commencement of Conciliation

- a) HPCL or the Party who has entered into a contract of the nature stated in 3(a) above with HPCL, and who wishes to settle any dispute, shall serve a written notice/invitation for Conciliation Proceedings under these Rules, to the other Party. This will be done only after the normal official avenues of resolving disputes under any contract or existing practice are exhausted.
- b) A written notice/invitation for Conciliation proceedings shall, inter alia, contain the following details:
- i. Identity of the Party giving the written notice/invitation - name, official address, email address, contact number(s), official representative, etc.
 - ii. Specific consent of the party for Conciliation under these Rules.
 - iii. Name of proposed Conciliator(s) from the Panel of Conciliators maintained HPCL.
 - iv. Details of the contract, a brief description of the dispute which is sought to be settled through Conciliation, details of the amounts claimed and the total amount claimed.
 - v. A statement that there are no other issues or disputes.

- vi. Where a No Claims/Dues Certificate has been issued to HPCL, a statement that the claims are pertaining only to those items which have been specifically excepted and mentioned as exceptions in the said No Claims/Dues Certificate.
- vii. An undertaking that:
- No interest shall be claimed in any judicial or similar proceedings or during conciliation, for the period commencing from the date of written notice/invitation for Conciliation, upto the completion/ conclusion of the Conciliation by a Settlement Agreement or Termination or otherwise in terms of these Rules.
 - Not to initiate any judicial or similar proceedings in respect of the dispute mentioned in the written notice/invitation for Conciliation during the pendency of the Conciliation proceedings and, if any such proceedings have been initiated prior to the written notice/invitation for Conciliation, that the party agrees to maintain status quo in respect thereto during the pendency of the Conciliation proceedings.
- c) The Party receiving the written notice/invitation for Conciliation may, within 30 (thirty) days of receipt of the notice/invitation, accept the invitation for Conciliation wholly, or may accept the invitation only in respect of some claims mentioned in the written notice/ invitation and not in respect of the rest of the claims, or on the condition that its dispute/ claim(s) with the other party may also be settled through Conciliation under these Rules. Such limited or conditional acceptance shall constitute a counter-invitation for Conciliation. In case of a counter-invitation, the first Party shall within 15 (fifteen) days of receipt of the counter-invitation give its reply as afore-stated. The Party accepting the invitation for Conciliation or giving the counter-invitation for Conciliation, as the case may be, shall also comply with the requirements of sub-rule (b) above, to the extent applicable.
- d) If no reply under sub-rule (c) is received from the other Party, on whom written notice/invitation/counter invitation for Conciliation under sub-rule (a) or sub rule (c) has been served, the invitation/counter invitation for Conciliation may be treated as ‘rejected’.
- e) Conciliation proceedings under these Rules shall be deemed to commence on the day the party giving the invitation/counter-invitation for Conciliation receives a written intimation of acceptance of such invitation/counter invitation from the other party (Commencement). For Conciliation proceedings with more than two Parties, such proceedings shall be deemed to commence on the day the last intimation of acceptance of invitation/counter-invitation for Conciliation is received from a Party.
- f) If the Parties fail to agree on appointment of Conciliator(s) and constitution of SAC within 60 (sixty) days of the Commencement of the Conciliation proceedings as per sub rule (e) above or such extended time period as agreed between/amongst the Parties, whichever is longer, the efforts of dispute settlement through Conciliation shall be treated as ‘failed’.

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7. Conciliation Proceedings

- a) Upon his appointment, the conciliator may request each party to submit to him a brief statement in writing describing the general nature of the dispute, the points at issue and the amount, if any, of the claim(s) and counter claim(s). Each party shall send a copy of such statement to the other party. At any stage of the conciliation proceedings the conciliator may request a party to submit to him such additional information as he deems appropriate.
- b) The SAC may, if it considers necessary, permit or request the Parties to submit further written statement(s) along with other documents/evidence in support thereof.
- c) The first meeting of the Parties shall be called by the SAC, after consulting the Parties involved, at a convenient date and time, within 10 (ten) working days of receipt of written statement mentioned in the preceding sub-rule (a) and sub-rule (b). During the first meeting, a tentative time-frame and broad work-schedule of the Conciliation proceedings shall be finalized by the SAC after due consultation with and consent of the Parties.
- d) The SAC shall, as much as possible, proceed with the Conciliation proceeding on an issue by issue basis, after proper identification of the relevant issues with the consent of the Parties.
- e) The SAC, with the consent of the Parties, may also call for material witness(es) to assist the Committee.
- f) Each Party shall send a copy of its communication, written submission and all other document(s) filed before the SAC to the other Party.
- g) Opportunity shall be given to the Parties during the Conciliation proceedings to openly and fearlessly express their views so as to enable the Parties to better understand and appreciate each other's viewpoints.
- h) It shall be open to the Parties or the Conciliator(s) to make any proposal or counter proposal for amicable settlement of the dispute at any time during the Conciliation proceeding. The SAC may also make such proposal after consulting and hearing the Parties.
- i) All the parties shall commit to participate in the proceedings in good faith with the intention to settle the dispute(s), if possible.

8. Representation, venue and other broad principles

- a) Advocates shall not be allowed to participate in the Conciliation Proceedings under these Rules and Parties shall plead their own cases.
- b) Parties shall, however be free to appoint their employees, officers, directors or in-house Law Officers to plead their own cases.

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- c) Unless otherwise agreed between the Parties, Conciliation proceedings under these Rules may be held at the registered office of HPCL at 17, Jamshedji Tata Road, Churchgate, Mumbai-400020 or any other office of HPCL.
- d) Unless the parties have agreed upon the place where meetings with the conciliator are to be held, such place shall be determined by the conciliator, be convenient to both parties and take into consideration the circumstances of the conciliation proceedings.
- e) Equal opportunities shall be given to the Parties to express their views before the SAC and the SAC shall make utmost efforts to ensure that the Conciliation proceedings are conducted in a friendly and conducive manner.
- f) Representation of the Parties may be oral or in writing. Only if both Parties agree to in writing, then minutes of the meetings/hearings may be recorded in broad general terms, without however, recording adversarial submissions/ claims or stand of either party on the same, if any. Copies of such minutes of meetings shall be sent to the Parties within 7 (seven) working days of each meeting/hearing. No such minutes shall constitute any evidence as to the stand of either party and shall not be used in evidence before any Court of law. If Minutes are not agreed by either Party it shall not be made or issued. Only a record of Attendance of a meeting/ Attendance Sheet shall be made in such cases.
- g) Best efforts shall be made to ensure that Conciliation proceedings are conducted in a time-bound manner without, however, diluting procedural flexibility of such proceedings.
- h) The language of the Conciliation proceedings under these Rules shall be English.

9. Role of Settlement Advisory Committee/ Conciliators

- a) The Settlement Advisory Committee shall attempt to facilitate resolution of the dispute(s) by the Parties, and communicate the view of each party to the other, assist them in identifying issues, reduce misunderstandings, clarify priorities, explore areas of compromise and generate options in an attempt to resolve the dispute(s), emphasizing on the benefits of settlement.
- b) The SAC shall encourage the Parties to meet and discuss amongst themselves for an amicable settlement of the dispute(s) referred.
- c) The SAC shall be guided by the principles of objectivity, fairness and justice and shall assist the Parties in an independent and impartial manner to reach an amicable settlement of dispute(s).
- d) The SAC shall conduct Conciliation proceedings in conformity with these Rules and Part-III of the Arbitration and Conciliation Act, 1996 to the maximum extent possible, but shall be flexible with appropriate adjustments, whenever required or whenever the Parties make joint request.

- e) The broad approach of the SAC shall be speedy, efficient and amicable `settlement of disputes, without however diluting objectivity of approach, principles of natural justice and established principles of law.
- f) The SAC shall act more as facilitators, rather than as judges/umpires/arbitrators and shall not impose any view or terms of settlement on any of the Parties.
- g) The SAC may suggest to either of the Parties or both of them, the possible terms of a settlement for their consideration. If such possible terms of a settlement are given, then both parties shall comment on the same and after considering the comments, the SAC may offer a revised terms of settlement for consideration.
- h) Unless it is signed by both the Parties to the Dispute/ Conciliation, no “terms of settlement” which are proposed or commented upon, shall be binding upon either Party or held against it.

10. Time Frame

- a) The SAC shall attempt to dispose of the entire Conciliation proceedings within a time frame of 6 (six) months from the date of constitution of the SAC, but the same may be extended with the mutual consent of the Parties, for a period not exceeding 2 (two) months.
- b) Notwithstanding sub rule (a), a Settlement Agreement signed after the 8 (eight) months period stipulated in sub-rule (a) shall not become void or unenforceable merely because such agreement has been signed after the stipulated 8 (eight) months period.
- c) Notwithstanding sub rule (a), the SAC may terminate the Conciliation proceedings any time before the expiration of the 6 (six) months stipulated in sub-rule (a) if it is of the view that because of the vastly divergent, extreme and/or rigid views of the Parties or non-cooperation/ response of any one party or both parties or for any other substantial reason it is no longer possible or practicable to meaningfully conduct the Conciliation proceedings.
- d) The total number of meetings of the SAC/ hearings in a Conciliation proceeding shall not be more than 6 (Six), unless otherwise agreed between the parties in consultation with the SAC.

11. Conciliator’s fee

- a) Each Conciliator constituting the SAC shall be entitled to the following fees:-
 - i. a fee of ₹ 40,000/- (Rupees Forty Thousand only) for each hearing/meeting.
 - ii. a lump sum reading fee of ₹ 40,000/- (Rupees Forty Thousand only).
 - iii. a lump sum facilitation fee of ₹ 40,000/- (Rupees Forty Thousand only) if a draft Settlement Agreement is prepared by the SAC.
- b) Provided that the total fees payable shall not exceed a maximum of ₹ 4,00,000/- (Rupees Four Lacs only) per Conciliator per dispute (case referred for Conciliation) excluding service tax. This is unless otherwise agreed to in writing by both the Parties.

- c) In addition to the fees and expenses stated in sub-rule (a) above, the SAC shall be entitled to incur for themselves secretarial services at a lump sum amount of ₹25,000/- (Rupees Twenty Five Thousand only). The SAC/ Conciliators will make its own arrangements for secretarial services. The SAC/ Conciliators shall make their own local travel arrangements.
- d) If the Conciliation Proceedings are held at a place other than the location/ residence of the Conciliator (outstation visit), then each such Conciliator shall also be entitled for reimbursement of (i) actual rail/ air travel expenses, (ii) expenses for suitable Hotel Accommodation, (iii) meals and local travel on actual basis. The accommodation to the Conciliator(s) shall be provided at the guest houses of HPCL, where available.
- e) In all cases the fees and expenses of conciliation mentioned above shall be borne equally by the Parties. Further, the Parties shall pay and bear their respective share of the fees and expenses within 30 (thirty) days from the date of first meeting/ hearing, to the Conciliators as directed by the SAC or to such an account as may be designated by them. The process and payment stage can be agreed and varied by the consent of the Parties and the Conciliator(s).
- f) Final account towards fees, payment for secretarial services and other expenses of the Conciliation proceedings shall be reconciled and settled between the Parties and the SAC on the termination of the Conciliation proceedings. In case of signing of a Settlement Agreement, the fees and expenses as determined by the SAC as per these Rules shall be paid by the Parties within 30 (thirty) days of the signing the Settlement Agreement.
- g) In the event where the dispute does not involve any monetary claim or disputed amount cannot be quantified, then the Conciliator's fees will be a consolidated sum of Rs.3.00 lakhs inclusive of fees for hearing, study, facilitation, etc. Secretarial charges will be extra as per the above provisions.

12. Non-disclosure of Information

When a Party to a Conciliation proceeding provides any information concerning any issue of dispute to the SAC subject to a specific condition that such an information is to be treated confidential, the SAC shall not disclose that information to the other Party.

13. Co-operation of Parties

- a) The Parties shall, in good faith co-operate with the SAC and in particular will endeavor to comply with any request of the SAC to submit written materials, provide evidence, give clarification, attend meetings/hearings, etc.
- b) Conciliation being an amicable dispute settlement mechanism, the Parties shall not take adversarial roles, but instead make every possible effort to understand and appreciate the other Party's viewpoints without, however, diluting the correct factual position.

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- c) The Parties shall make every possible effort to render optimum co-operation for a speedy, efficient and mutually acceptable amicable resolution of disputes.
- d) The Parties shall not in any manner make any attempt to unduly influence the Conciliation proceedings or the SAC by way of inducement in any form or manner and shall conduct themselves with full dignity, honesty and integrity.
- e) Notwithstanding that any Conciliation Proceedings have commenced or continued between the Parties, no work shall be stopped by a Contractor merely because of the pendency of disputes before Conciliation. Every work including extra work shall have to be carried out and performed as per the terms of the contract, by a contractor irrespective of the pendency of conciliation proceedings.

14. Agreement of Settlement

- a) After discussing with and hearing the Parties involved, if the SAC is of the view that there exist circumstances for a settlement of the dispute, the SAC shall formulate the draft terms of a possible settlement and submit the same to the Parties for their consideration and comments.
- b) If any part of the draft terms of settlement is not acceptable to any of the Parties, further meetings/hearings shall be held for possible resolution till mutually acceptable terms are reached.
- c) When a settlement can be arrived at only in regard to any one or only some of the issues referred for Conciliation, an Agreement of Settlement may be signed in regard to the said issue(s), but not the others. Such a Settlement shall be binding on only that one or only some of the issues which are Settled and not the others, unless otherwise agreed upon in writing by both Parties.
- d) An Agreement of Settlement shall contain a statement to the effect that each of the person(s) signing: (I) is fully authorized by the respective Party he/she represents, (II) has fully understood the contents of the same, (III) is signing the same out of complete free will and consent, without any pressure or undue influence and (IV) the same shall be final and binding on and enforceable against the Party and the persons who(m) he represents.
- e) When an Agreement of Settlement is signed, the same shall be final and binding on the Parties and the persons claiming under/ through them respectively.
- f) The SAC shall authenticate the Agreement of Settlement. The Agreement of Settlement shall be made in 2 Originals – one each for the two parties. If there are more Parties, then every Party shall be given an original signed Agreement of Settlement and hence more originals shall be made.
- g) The settlement agreement shall have the same status and effect as if it is an arbitral award on agreed terms on the substance of the dispute, under Section 30 of the Arbitration and Conciliation Act, 1996.

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15. Confidentiality and Admissibility of Evidence in Other Proceedings

- a) The SAC and the Parties shall keep confidential all information furnished, documents filed, evidence produced/adduced during the course of the Conciliation proceedings and the contents of any terms of settlement or draft Settlement Agreement or final Settlement Agreement, except where its disclosure is necessary for purposes of implementation and enforcement of the Settlement Agreement.
- b) Confidentiality under these Rules shall extend to proposals, alternative proposals, communications exchanged between/amongst the Parties, communications exchanged between any of the Parties and the SAC or any of the Conciliators (in case of multi Conciliator Committee), minutes of meeting/hearings, draft Settlement Agreement(s), expert opinions, evidence of witness etc. in relation to the Conciliation proceedings.
- c) Neither the Parties nor the Conciliator(s) shall rely upon or introduce as evidence or give testimony regarding any of the following in any arbitration, judicial or similar proceedings:
 - i. A proposal or alternative proposal by a party, or the willingness of a party to accept a proposal or alternative proposal during the Conciliation proceedings;
 - ii. Views expressed during the Conciliation proceedings in respect of a possible settlement of a dispute or the terms of a possible settlement or otherwise;
 - iii. Statements or admissions made by a party in the course of the Conciliation proceedings;
 - iv. Proposals or suggestions made or views expressed by the SAC;
 - v. A document prepared solely for purposes of the Conciliation proceedings.
- d) The above provisions on confidentiality and admissibility of evidence of the aforesaid material/matter shall also extend to any arbitration, judicial or similar proceedings relating to disputes, which are not the subject matter of the same Conciliation proceedings.
- e) No person who has been a part of the Conciliation proceedings including the Conciliator(s), a Party, witness, or any third party, shall, unless required by applicable law or unless the Parties agree otherwise in writing, give testimony in any arbitration or judicial or similar proceedings concerning any aspect of the Conciliation proceedings, except in respect of a Signed Settlement Agreement, if the veracity of the same is in question, doubt or challenge.
- f) Subject to the limitations contained in this Rule, evidence that is otherwise admissible in arbitration or judicial or similar proceedings does not become inadmissible merely as a consequence of it having been used in a Conciliation proceeding.

16. Judicial or other Proceedings

- a) During the course or pendency of a Conciliation proceeding under these Rules; the Parties shall not initiate or take any step to initiate any judicial or other proceedings in respect of a dispute, which is subject matter of a pending Conciliation proceeding and if any proceeding is already pending, then the Party(ies) shall ensure that the same is kept in abeyance/ withdrawn.

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- b) Subject to the above sub rule (a), reference of any dispute to Conciliation under these Rules shall be without prejudice to any rights and interest of the Parties involved to resort to Court or judicial proceedings, in case the Conciliation proceedings fails or terminates.
- c) The Conciliation Proceedings under these Rules shall not be deemed to be Arbitration proceedings and any agreement for conciliation shall not be deemed to be an agreement between the parties for Arbitration.

17. Personal Exemption of Conciliators

- a) A Conciliator shall be given full immunity by both Parties and shall not be held liable for anything done or omitted to be done by him during the course of a Conciliation proceeding, whether by way of any civil or criminal action or otherwise howsoever. No Conciliator shall be summoned or presented by any party as a witness in any arbitration or judicial or similar proceedings in regard to any information received or action taken by him during the course of a Conciliation proceeding.
- b) No Conciliator shall be engaged by the parties in any arbitration or judicial or similar proceedings in respect of a dispute which is the subject matter of a Conciliation proceeding.

18. Termination of Conciliation proceedings

The Conciliation Proceedings are terminated:

- i. By the signing of the Settlement Agreement by the Parties, on the date of the Agreement; or
- ii. By a written declaration of the SAC, after consultation with the Parties, to the effect that further efforts at Conciliation are no longer justified, on the date of the declaration; or
- iii. By a joint written declaration of the Parties addressed to the SAC to the effect that the Conciliation proceedings are terminated, on the date of the declaration; or
- iv. By a written declaration of one party to the other Party (or other parties) and the SAC, to the effect that the Conciliation proceedings are terminated, on the date of declaration; or
- v. On the expiration of the time period specified in Rule 10(a) above for the completion of a Conciliation proceeding, or any agreed extension thereof by the Parties; or
- vi. On the non-payment of fees/expenses as specified under Rule 11 by a Party; or
- vii. On the failure of the Parties to appoint a Conciliator to constitute the SAC in accordance with these Rules.
- viii. On disqualification of a Conciliator who is part of the SAC.

19. Miscellaneous

The Management of HPCL may revise, amend or alter these Rules or the Schedule of Fees and other charges to be charged and paid as and when it may think necessary.

Any matter not covered in these Rules shall be in accordance with the provisions of Part-III of the Arbitration and Conciliation Act, and in general consonance with the intent of these Rules.

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SCHEDULE A

**DECLARATION OF ACCEPTANCE AND INDEPENDENCE BY MEMBERS OF
SETTLEMENT ADVISORY COMMITTEE**

**Ref: Conciliation betweenand arising out
of contract/agreement (insert details) dated.....**

I, the undersigned, do hereby agree to serve, as a member of the Settlement Advisory Committee in the referred case and hereby make the following declarations:

1. I am familiar with the requirements of the law, particularly the Arbitration and Conciliation Act,1996 and HPCL Conciliation Rules, 2018.
2. I am available to serve as a Member of the Settlement Advisory Committee and I am independent of any of the Parties involved in the referred Conciliation proceeding and have no interest – business, financial or otherwise - in any part of the contract/Agreement under reference or subject of the Conciliation proceeding. I am not related to either of the two parties as a serving employee or consultant or Director or Legal Adviser or a substantial shareholder or being a close relative of the owner of either party or in any other manner which will affect my independence or impartiality.
3. I have not dealt earlier with the contract under reference or the subject matter of the Conciliation proceeding in any manner or capacity, which could compromise my ability, independence or impartiality to resolve the dispute(s).
4. In future I will not act as an arbitrator or as a representative or counsel of any Party in any arbitration or judicial or similar proceedings in respect of the dispute which has been referred and which is the subject matter of the Conciliation proceedings.
5. The fees and other facilities for conciliation, offered to and accepted by me will remain fixed and under no circumstances will there be any demand from me for any alteration or change or increase therein, under any nomenclature.

Date:

(Signature)

Name:

Address:

List of Scheduled Commercial Banks (SCBs)

List of Scheduled Public Sector Banks	
Sr.No.	Name of the Bank
1.	Allahabad Bank
2.	Andhra Bank
3.	Bank of Baroda
4.	Bank of India
5.	Bank of Maharashtra
6.	Canara Bank
7.	Central Bank of India
8.	Corporation Bank
9.	Indian Bank
10.	Indian Overseas Bank
11.	Oriental Bank of Commerce
12.	Punjab & Sind Bank
13.	Punjab National Bank
14.	State Bank of India
15.	Syndicate Bank
16.	UCO Bank
17.	Union Bank of India
18.	United Bank of India

List of Scheduled Private Sector Banks	
Sr.No.	Name of the Bank
1.	Axis Bank Ltd.
2.	Bandhan Bank Ltd.
3.	Catholic Syrian Bank Ltd.
4.	City Union Bank Ltd.
5.	DCB Bank Ltd.
6.	Dhanlaxmi Bank Ltd.
7.	Federal Bank Ltd.
8.	HDFC Bank Ltd
9.	ICICI Bank Ltd.
10.	IndusInd Bank Ltd
11.	IDFC FIRST Bank Ltd.* (IDFC Bank Ltd.)
12.	Jammu & Kashmir Bank Ltd.
13.	Karnataka Bank Ltd.
14.	Karur Vysya Bank Ltd.
15.	Kotak Mahindra Bank Ltd
16.	Lakshmi Vilas Bank Ltd.
17.	Nainital Bank Ltd.
18.	RBL Bank Ltd.
19.	South Indian Bank Ltd.
20.	Tamilnad Mercantile Bank Ltd.
21.	YES Bank Ltd.
22.	IDBI Bank Ltd.

[* Note: The notification for changing the name of 'IDFC FIRST Bank Limited' in the Second Schedule of RBI Act, 1934 has been sent to Government of India for Gazette Publication which is yet to be published.]

List of Scheduled Foreign Banks in India	
Sr.No.	Name of the Bank
1.	Australia and New Zealand Banking Group Ltd.
2.	Westpac Banking Corporation
3.	Bank of Bahrain & Kuwait BSC
4.	AB Bank Ltd.
5.	Sonali Bank Ltd.
6.	Bank of Nova Scotia
7.	Industrial & Commercial Bank of China Ltd.
8.	BNP Paribas
9.	Credit Agricole Corporate & Investment Bank
10.	Societe Generale
11.	Deutsche Bank
12.	HSBC Ltd
13.	PT Bank Maybank Indonesia TBK
14.	Mizuho Bank Ltd.
15.	Sumitomo Mitsui Banking Corporation
16.	The Bank of Tokyo- Mitsubishi UFJ, Ltd.
17.	Cooperatieve Rabobank U.A.
18.	Doha Bank
19.	Qatar National Bank

20.	JSC VTB Bank
21.	Sberbank
22.	United Overseas Bank Ltd
23.	FirstRand Bank Ltd
24.	Shinhan Bank
25.	Woori Bank
26.	KEB Hana Bank
27.	Industrial Bank of Korea
28.	Kookmin Bank
29.	Bank of Ceylon
30.	Credit Suisse A.G
31.	CTBC Bank Co., Ltd.
32.	Krung Thai Bank Public Co. Ltd.
33.	Abu Dhabi Commercial Bank Ltd.
34.	Mashreq Bank PSC
35.	First Abu Dhabi Bank PJSC
36.	Emirates Bank NBD
37.	Barclays Bank Plc.
38.	Standard Chartered Bank
39.	NatWest Markets Plc
40.	American Express Banking Corporation
41.	Bank of America
42.	Citibank N.A.
43.	J.P. Morgan Chase Bank N.A.
44.	SBM Bank (India) Limited*
45.	DBS Bank India Limited*
46.	Bank of China Ltd.
[* Note: SBM Bank (India) Limited (Subsidiary of SBM Group) and DBS Bank India Limited (Subsidiary of DBS Bank Ltd.) have been issued licence on December 06, 2017 and October 04, 2018 respectively for carrying on banking business in India through Wholly Owned Subsidiary (WOS) mode. They have commenced operations as WOS with effect from December 01, 2018 and March 01, 2019.]	

Additional Payment Terms

All bidders to note that

“As per Rule 48(4) of CGST Rules, notified class of registered persons have to prepare invoice by uploading specified particulars of invoice (in FORM GST INV-01) on Invoice Registration Portal (IRP) and obtain an Invoice Reference Number (IRN).

Effective 01st April 2021, E – Invoicing is extended to Vendors having turnover for more than Rs. 50 Crores.

For ease of payment, Vendors are encouraged to issue E Invoice though their turnover may be less than Rs. 50 Crores.

IRP-generated QR Code on B2B & Export Invoices, Credit & Debit Notes:

As per Rule 48(4) of CGST Rules (inserted vide [Notification No. 68/2019 – Central Tax Dated 13-12-2019](#) and read with other notifications), notified registered persons, **in case of B2B & Export supplies**, have to prepare invoice by uploading specified particulars in FORM GST INV-01 on Invoice Registration Portal (IRP) and upon obtaining Invoice Reference Number (IRN). The Portal will also return a QR Code which contains key particulars of the invoice including IRN.

While the 64-character IRN need not be printed on the invoice, the **QR code generated by IRP** shall be printed on the invoice issued to the buyer. (It was also clarified that printing of QR code on separate paper is not allowed. While the printed QR code shall be clear enough to be readable by a QR Code reader, the size and its placing on invoice is upto the preference of the businesses.)

	Notification No. 68/2019 – Central Tax Dated 13-12-2019, 13/2020-Central Tax dated 21st March, 2020 & 61/2020 Dt. 30-7-2020 , Notification No. 05/2021 – Central Tax New Delhi, the 8 th March, 2021	
1	Type of transaction covered	Supplies made by a class of registered persons to other registered persons and exports
2	Applicable to whom?	Registered persons (GST taxpayers) having an aggregate turnover above Rs. 50 crore in a financial year.
3	Notification highlights	Notified registered persons, in case of B2B & Export supplies, have to prepare invoice by uploading specified particulars in FORM GST INV-01 on Invoice Registration Portal (IRP) and upon obtaining Invoice Reference Number (IRN). On upload of e-invoice particulars on the Invoice Registration Portal (<i>IRP</i>), the portal would return a QR Code also which will contain key details of the invoice like the IRN, sellers’ and buyers’ GSTIN, taxable value and tax amount, IRN, digital signature and dominant HSN of the invoice etc.
4	QR code to be generated by	Generated by the IRP and returned against the e-invoice details reported to IRP.

5	Purpose	To embed key particulars of reported invoice and to verify whether an invoice has actually been reported to IRP or not and whether digital signature is intact or tampered with.
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PURCHASE PREFERENCE (LINKED WITH LOCAL CONTENT) (PP - LC)

Manufacturers / Suppliers / Service providers (including EPC & Works Contracts) having the capability of meeting / exceeding the local content targets as mentioned in this document shall be eligible for 20% purchase preference, subject to their complying with the requirements / conditions defined herein and submitting documents required in support of the same.

Bidders can avail Purchase Preference under any of the extant GoI Policies : PP-LC / PPP for MSE 2012 / Domestically Manufactured Electronic Products (DMEP) / Domestically Manufactured Telecom Products (DMTP). Vendors are requested to declare their preference in their un-priced bids. Format of undertaking (Attachment - 1) for purchase preference being claimed under applicable policy is enclosed with this document. Purchase preference benefits shall be extended to the bidder based on the declared option, subject to the bidder meeting the requirements contained in that purchase preference policy. The option once exercised cannot be modified subsequently.

Vide Notification No. 18-10/2017-IP dated 29.08.2018, Ministry of Communications notified Preference to Domestically Manufactured Telecom Products, Services or Works (as per Table-A of the notification), in furtherance to Public Procurement Policy (Preference to Make in India), Order 2017. A copy of the Notification is available on the website of Ministry of Communication. Bidders shall refer Order no. P-45021/2/2017-B.E.-II dated 15.6.2017, amended by Order no. P-45021/2/2017-B.E.-II dated 28.05.2018 and P-45021/149/2019-BE-II dated 29.05.2019. Latest amendment issued to the policy in this regard shall be applicable. The policy is applicable for notified Telecom Products, Services or Works as mentioned in the Table-A of the afore said notification.

In case a MSE bidder opts for purchase preference based on PP-LC / DMEP / DMTP, the bidder shall not be entitled to claim purchase preference benefit available to MSE bidders under PPP-2012. However, the exemptions from furnishing Bid Document fee and Bid security/EMD shall continue to be available to MSE bidders.

Order of precedence for applying the purchase preference shall be :-

- (a) Public Procurement Policy for MSE 2012.
- (b) Purchase Preference linked with Local Content.

Definitions

Domestic products: Goods and/or service (including design and engineering) produced by companies investing and producing in India.

Local content: hereinafter abbreviated to LC means the amount of value added in India which shall, unless otherwise prescribed by the Nodal Ministry, be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported component in the item (including all custom duties) as a proportion of the total value, indicated in percentage.

Domestic Manufacturer: Business entity or individual having business activity established under Indian law and producing products domestically.

Supplier of goods and/or provider of service shall be a business entity having capability of providing goods and/or service in accordance with the business line and qualification thereof and classified as under:

'**Class-I local supplier**' means a supplier or service provider, whose goods, services or works offered for procurement has **local content equal to or more than 50%** as defined under this Policy.

'**Class-II local supplier**' means a supplier or service provider, whose goods, services or works offered for procurement has **local content more than 20% but less than 50%**, as defined under this Policy.

'**Non local supplier**' means a supplier or service provider, whose goods, services or works offered for procurement, has **local content less than or equal to 20%**, as defined under this Policy.

Verification: Activity to verify the accomplishment of LC by domestic manufacturers and/or suppliers of goods and/or providers of service with the data obtained or collected from respective business activities.

Purchase Preference: Where the quoted price is within 20% of the lowest price, other things being equal, purchase preference may be granted to the bidders concerned, at the lowest valid price bid.

Local content (LC) in Goods: shall be the use of raw materials design and engineering towards manufacturing, fabrication and finishing of work carried out within the country.

Local content (LC) in Services: shall be the use of services up to the final delivery by utilizing manpower (including specialist), working appliance (including software) and supporting facilities carried out within the country.

Local content (LC) in EPC Contracts: shall be the use of materials, design and engineering comprising of manufacturing, fabrication, assembly and finishing as well as the user of services by utilizing manpower (including specialist), working appliance (including software) and supporting facilities carried out within the country.

Factory overhead cost: indirect costs of manpower, machine/working appliance/facility and the whole other fabrication costs needed to produce a unit of product with the cost not chargeable directly to the specified product.

Company overhead cost: Costs related to the marketing, administration and general affairs cost of the company.

Indian Company: means a company formed and registered under the Companies Act, 2013.

Foreign company: means any company or body corporate incorporated outside India which – (a) has a place of business in India whether by itself or through an agent physically or through electronic mode and (b) conducts any business activity in India in any other manner.

Procurement :

The prescribed local content mentioned in this document shall be applicable on the date of Notice Inviting Tender.

Margin of Purchase Preference : The margin of purchase preference shall be 20%.

Only Class-I local supplier and Class-II local supplier shall be eligible to bid in this tender. However, preference as per PP-LC will be given only to Class-I local supplier. Class-II local supplier will not get any purchase preference.

The producers of goods and / or providers of services shall be obliged to fulfil the requirements of quality and delivery time in accordance with the provisions of the respective contracts of goods and services.

Purchase Preference – Linked with Local Content (LC)

Wherever the goods/services are procured under this policy, eligible (techno-commercially qualified) Class - I Local Suppliers will be granted a purchase preference of 20%, i.e., where the quoted price is within 20% of the lowest price, other things being equal, purchase preference will be granted to the eligible (techno-commercially qualified) Class - I Local Suppliers concerned, at the lowest valid price bid.

Goods:

The contract for 50% of the procured quantity would be awarded to the lowest techno-commercially qualified Class - I Local Supplier, subject to matching the L1 price, if such bidders are available. The remaining quantity will be awarded to L1 bidder.

However, if L1 bidder happens to be Class - I Local Supplier, the entire procurement value shall be awarded to such bidder.

If L1 bidder is not Class - I Local Supplier, then the lowest eligible Class - I Local Supplier among the eligible Class - I Local Suppliers, whether L2, L3, L4 or higher, will be invited to match the L1 bid. In case first eligible Class - I Local Supplier fails to match L1 bid, the next Class - I Local Supplier will be invited to match L1 bid and so on.

Only the Class - I Local Suppliers whose bids are within 20% of the L1 bid would be allowed an opportunity to match the L1 bid.

If the tendered quantity cannot be divided in the prescribed ratio of 50:50, then the eligible Class I Local Supplier shall be awarded contract for quantity not less than 50%, as may be divisible, subject to matching the L1 price.

If the tendered item is non-divisible, the contract will be awarded to the eligible Class - I Local Supplier for the entire quantity, subject to matching the L1 price.

In case none of the eligible Class - I Local Suppliers match the L1 bid, the actual bidder holding L1 bid will secure the order for full procurement value.

Services / EPC Contracts:

If L1 bidder happens to be Class - I Local Supplier, the bidder will be awarded full value of the order.

If L1 bidder is not Class - I Local Supplier, then the lowest eligible Class - I Local Supplier among the eligible Class - I Local Suppliers, whether L2, L3, L4 or higher, will be invited to match the L1 bid. In case first eligible Class - I Local Supplier fails to match L1 bid, the next Class - I Local Supplier will be invited to match L1 bid and so on.

Only the Class - I Local Suppliers whose bids are within 20% of the L1 bid would be allowed an opportunity to match the L1 bid.

In case none of the eligible Class - I Local Suppliers match the L1 bid, the actual bidder holding L1 bid will secure the order for full procurement value.

Determination of LC

LC of goods

LC of goods shall be computed on the basis of the cost of domestic components in goods, compared to the whole cost of product. The whole cost of product shall be constituted of the cost spent for the production of goods, covering direct component (material) cost; direct manpower cost, factory overhead cost and shall exclude profit, company overhead cost and taxes for the delivery of goods.

The criteria for determination of the local content goods shall be as follows: -

- a. In the case of direct component (material), based on country of origin
- b. In the case of manpower, based on INR component

The calculation of LC of the combination of several kinds of goods shall be based on the ratio of the sum of the multiplication of LC of each of the goods with the acquisition price of each goods to the acquisition price of combination of goods.

LC of Service

LC of service shall be calculated on the basis of the ratio of service cost of domestic component in service to the total cost of service.

The total cost of service shall be constituted to the cost spent for rendering of service, covering :

- a. Cost of component (material) which is used;
- b. Manpower and consultant cost; cost of working equipment/facility; and
- c. General service cost, excluding profit, company overhead cost, taxes and duties.

The criteria for determination of the cost of local content in services shall be as follows: -

- a. In the case of material being used to help the provision of service, based on country of origin;
- b. In the case of manpower and consultant based on INR component of the services contract;
- c. In the case of working equipment/facility, based on country of origin; and
- d. In the case of general service cost, based on the criteria as mentioned in clauses a, b and c above

LC of EPC Contracts

LC of EPC contracts shall be the ratio of the whole cost of domestic components in the combination of goods and services to the whole combined cost of goods and services.

The whole combined cost of goods and services shall be the cost spent to produce the combination of goods and services, which is incurred on work site. LC of the combination of goods and services shall be counted in every activity of the combination work of goods and services.

The spent cost as mentioned above shall include production cost in the calculation of LC of goods and service cost in the calculation of LC of services respectively as mentioned above.

Calculation of LC and Reporting

LC shall be calculated on the basis of verifiable data. In the case of data used in the calculation of LC being not verifiable, the value of LC of the said component shall be treated as nil.

Certification and Verification

Class – I / Class – II suppliers are eligible to bid only if they meet the local content norms, therefore whether or not they are eligible to avail PP-LC benefit, it will be mandatory to provide adequate documentation as mentioned below in order to establish their status as Class- I or Class – II supplier.

At bidding Stage :

a. Local Content

The bidder shall provide the percentage of local content in the bid.

b. Undertaking by the bidder

- The bidder shall submit an undertaking {(self-assessment) certified by the Authorized signatory of the bidder having Power of Attorney} **(as shown in Attachment 1)** along with the bid stating that the bidder meets the mandatory minimum LC requirement and such undertaking shall become a part of the contract.
- **In case the procurement value is more than Rs. 10 Crores**, the undertaking submitted by the bidder shall be supported by a certificate from statutory auditor or cost auditor of the company (in case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of other than companies) giving the percentage of local content.

After Contract Award:

- a. The bidder shall submit an undertaking {(self-assessment) certified by the Authorized signatory of the bidder having Power of Attorney} along with the bid stating that the bidder meets the mandatory minimum LC requirement and such undertaking shall become a part of the contract.
- b. **In case the procurement value is more than Rs. 10 Crores**, the undertaking submitted by the bidder shall be supported by a certificate from statutory auditor or cost auditor of the company (in case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of other than companies) giving the percentage of local content.
- c. Each supplier shall provide the necessary local-content documentation to the statutory auditor

which shall review and determine that local content requirements have been met, and issue a local content certificate to that effect on behalf of procuring company, stating the percentage of local content in the good or service measured. The Auditor shall keep all necessary information obtained from suppliers for measurement of Local Content confidential.

- d. The Local Content certificate shall be submitted along with each invoice raised. However, the % of local content may vary with each invoice while maintaining the overall % of local content for the total work/ purchase of the pro-rata local content requirement. In case it is not satisfied cumulatively in the invoices raised up to that stage, the supplier shall indicate how the local content requirement would be met in the subsequent stages.
- e. As regards cases where currency quoted by the bidder is other than Indian Rupee, exchange rate prevailing on the date of notice inviting tender (NIT) shall be considered for the calculation of Local Content.
- f. HPCL shall also have the authority to audit as well as witness production processes to certify the achievement of the requisite local content.

Sanctions:

HPCL shall impose sanction on manufacturers / service providers not fulfilling LC of goods/services in accordance with the value mentioned in certificate of LC.

The sanctions may be in the form of written warning, financial penalty and holiday listing.

In the event that a manufacturer or supplier of goods and / or service provider does not fulfil their obligation after the specified period in such warning, HPCL can initiate action for holiday listing such manufacturer/supplier/ Service provider.

A manufacturer and/ or supplier of goods and / or provider of services who has been awarded the contract after availing Purchase Preference is found to have violated the LC provision in execution of the procurement contract of goods and / or services, shall be subject to financial penalty specified in the following clause :

“The financial penalty shall be over and above the PBG value prescribed in the contract and shall not be more than an amount equal to 10% of the contract Price”.

Attachment 1 (Undertaking) to be submitted on letter head, duly filled, stamped and signed (as applicable) by :

- a) **Authorized signatory of the bidder having Power of Attorney for tender value < Rs. 10 Crores.**
- b) **The undertaking submitted by the bidder shall be supported by a certificate from statutory auditor or cost auditor of the company (in case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of other than companies) for tender value > or = Rs. 10 Crores.**