

Mishra Dhatu Nigam Limited
A Govt. of India Enterprise
P.O. Kanchanbagh, Hyderabad – 500058 (Telangana), India
Phone: 040-24184453, Fax: 040-24340764
Email Id: smondal@midhani.com Website: www.midhani.com

Tender Notice No: MDN/PUR/4667028/OF/ADVT/257/2016-17
Date: 02.01.2017

Issue of Tender Documents up to : 23.01.2017 @ 17.00 Hrs.
Receipt of tender on or before : 24.01.2017 @ 10:30 Hrs.
Opening of Tender Date : 24.01.2017 @ 11:00 Hrs.

Conversion of Austenitic, Low-alloy steel forged slabs into plates as per Scope of Work given at Annexure-I.

List of Tender documents:

		Pages
1. Spec. & Scope of Work	- Annexure-I	3
2. Terms & Conditions	- Annexure-II	3
3. Procedure to be followed	- Annexure-III	1
4. Bank Guarantee format for (EMD)	- Annexure-IV	2
5. Form of Bank Guarantee in lieu of Security Deposit	- Annexure-V	2
6. Pre Contract Integrity Pact	- Annexure-VI	7

Note: Any Corrigendum/Addendum/Date of Extension, if any to the above tender would appear only on the MIDHANI website (www.midhani.gov.in)

Tender details:

Conversion of Austenitic, Low-alloy steel forged slabs into plates

Grade	Sl. No	Input slab size (mm) Thick x Width x length	Output plate size(mm) thick x Width x Length	Approx. Weight of Each Plate
Grade 1	1.	205 X 1350 X 2000	32 X 1350 X 11000 mm min.	3800 Kgs
	2.		51 X 1900 X 5400 mm min.	4150 Kgs
Grade 2	1.	300 X 1500 X 2650	50 X 2550 X 8800 mm min.	8800 Kgs
	2.	300 X 1500 X 1700	32 X 2550 X 8800 mm min.	5700 Kgs
	3.	175 X 1350 X 2000	20 X 2550 X 8800 mm min	3600 Kgs

***The approx. quantity of slabs and plates are indicated in Annexure-I. The above mentioned input sizes are indicative. In case, Parties require input sizes other than indicated sizes, shall they mention input size and quantity to achieve the required output size in the technical bid. This shall be mutually agreed during technical evaluation.**

Note: Price shall be quoted in Rs/Kg for each grade and size

In case of Grade 1, Party shall quote separately for

- a) Hot-rolling and hot levelling**
- b) Heat-treatment and levelling.**
- c) Pickling**

For Grade2, Party shall quote separately for

- a) Hot rolling, levelling and post-roll treatment**
- b) Heat-treatment cycles (all three separately)**

Tender Fee (Non-Refundable):

All bidders shall submit an Tender Fee amount of Rs. 1,000/- (Rupees One Thousand Only) in the form of DD/Banker's Cheque from a Nationalized Bank/ Scheduled Commercial Bank drawn in favor of Mishra Dhatu Nigam Limited, Hyderabad or through online payment with Proof thereof shall be enclosed along with Offer.

Earnest Money Deposit (EMD):

All bidders shall submit an EMD amount of Rs. 1,00,000/- (Rupees One Lakh only) in the form of Demand Draft/ Banker's Cheque from a Nationalized Bank/ Scheduled Commercial Bank drawn in favor of Mishra Dhatu Nigam Limited, Hyderabad or through online payment with Proof thereof or Bank Guarantee (in our prescribed format Annexure-IV) confirmed by

bankers of bidders favoring MIDHANI through a Nationalized Bank/ Scheduled Commercial Bank encashable in INDIA shall be enclosed along with Offer. Bank Guarantee shall be valid for a period of 90 days.

"If EMD is not found enclosed, such offers are liable for rejection"

Security Deposit: In case of EMD exemption, the successful tenderer shall be required to furnish a Security Deposit within two weeks from the date of PO for 10% of Purchase Order/Contract value, in the form of Demand Draft or Bank Guarantee or payment through online with proof thereof.

In case of Bank Guarantee submitted, it should be as per format enclosed at Annexure – V to tender document, and In Indian Currency from a Nationalized Bank or Scheduled Bank encashable in India.

The security deposit shall be valid till completion of supply of PO quantity with a claim period of 3 months from the date of expiry of Bank Guarantee and shall remain binding notwithstanding such variations, alternations or extensions of time as it may be made, given, conceded or agreed to between the Contractor and Purchaser.

The Security Deposit furnished by the successful tenderer shall be subject to the terms & conditions of the contract/PO finally concluded between the parties. The Purchaser will not be liable for payment of any interest on the security deposit or any depreciation thereof. Security Deposit shall be refundable after material is received and accepted.

OUR BANK DETAILS FOR ONLINE SUBMISSION OF TENDER FEE/EMD:

Name of the Firm: M/s. Mishra Dhatu Nigam Limited

Bank Name: HDFC Bank Ltd.

Branch Address: Lakdikapul Branch, Hyderabad.

Account No. : 00210330000440.

Bank IFSC Code: HDFC0000021

MICR Code: 500240002.

Note:

- i. Order may be placed on multiple parties.
- ii. Note: Bidders are requested to contact Ms. S Bhavana , contact: 040 24184208 ,email: bhavana.midhani@gmail.com for any technical clarification/quaries and Mr. Sujan Mondal, contact 040 24184453,email: smondal@midhani.com for any commercial clarification/quaries(if any).

for Mishra Dhatu Nigam Limited


सुजन मंडल / SUJAN MONDAL
सहायक प्रबंधक - क्रय
Assistant Manager-Purchase

**DETAILED SPECIFICATION & SCOPE OF WORK FOR CONVERSION OF
SLABS INTO PLATES**

Chemical Composition:

Grade1: Cr: 18%, Ni: 10%; Mn: 2%; BAL: Fe (Austenitic Stainless-Steel)

Grade 2: Ni: 3%; Cr: 0.5%; Si: 0.25%; Mo: 0.3%; Mn: 0.75% BAL: Fe (Low-alloy steel)

1.0 MIDHANI will supply the input slabs of steels in ground & ultrasonically tested condition as per the sizes mentioned below.

Grade	S. No	Input		Output		
		slab size* (mm) Thick x Width x length	Appro x. no of slabs	Plate size(mm) thick** x Width x Length	Approx weight of each plate required	Approx . no of plates
Grade 1	1.	205 ^{±10} X 1350 ^{+50/-10.0} X 2000 ^{±20}	2	32 ^{+2.0/-0.0} X 1350 ^{±20} X 11000 mm min.	3800 Kg	2
	2.		2	51 ^{+2.0/-0.0} X 1900 ^{±20} X 5400 mm min.	4150 Kg	2
Grade 2	1.	300 ^{±15} x 1500 ⁺⁵⁰ x 2650 ^{+100/-50.0}	1	50 ^{±1} x 2550 ^{+50/-0.0} x 8800 mm min.	8800 Kg	1
	2.	300 ^{±15} x 1500 ⁺⁵⁰ x 1700 ^{+100/-50.0}	1	32 ^{±1} x 2550 ^{+50/-0.0} x 8800 mm min.	5700 Kg	1
	3.	175 ^{±15} x 1350 ⁺⁵⁰ x 2000 ^{+100/-50.0}	1	20 ^{±1} x 2550 ^{+50/-0.0} x 8800 mm min	3600 Kg	1

* The above mentioned input sizes are indicative. In case, Parties require input sizes other than indicated sizes, they shall mention input size and quantity to achieve the required output size in the technical bid. This shall be mutually agreed during technical evaluation.

** - thickness mentioned is the final thickness to be achieved for despatch and not the hot-rolled thickness.

2.0 The plates are to be supplied in hot rolled and heat-treated condition.

2.0.1 Surface shall be free from pits, rolled in scales, cracks, laps, dents edge waviness, and other surface defects visible to eye. The minimum **usable** length of the plate should be as mentioned in the table.

3.0 **HOT ROLLING** The party has to follow the heating cycle which will be given by Midhani at the time of process. However, tentative cycle includes progressively heating the plates to 1250°C and soaking for 4-5 hours prior to rolling. The minimum rolling temperature should be above 850°C.

3.0.1 For Grade 1, the following process steps are to be followed:

- a) Soaking the slabs for 4-5 hours at 1250°C
- b) Hot rolling of the slabs to plates.
- c) After final rolling, levelling of the hot plates and air-cooling the plates.
- d) Annealing of the levelled plates at 1050°C for about 2hrs and immediately water-quenching.
- E) Pickling of the heat-treated plates.
- f) Cold levelling of the pickled plates.

For Grade 2, the following process steps are to be followed:

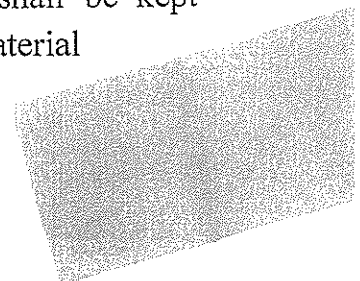
- b) Soaking the slabs for 4-5 hours at 1250°C
- c) Hot rolling of the slabs to plates.
- d) After final rolling, levelling of the hot plates.
- e) Immediately loading the hot-levelled plates into furnace maintained at 650°C and soaking for about 48 hrs(Post-Roll Treatment) and then furnace-cool.
- f) Heat treatment cycle to be followed for the plates:
Cycle 1: Soaking the plates at 1050°C for 3-4 hrs and water-quenching
Cycle 2: Soaking the plates at 900°C for 4-5 hrs and water-quenching
Cycle 3: Soaking the plates at 640°C for 6-8 hrs and water-cooling
- g) Cold levelling of the heat-treated plates.

4.0 EQUIPMENT CALIBERATION: Calibrated furnaces and measuring instruments shall be used during the process. MIDHANI will be calibrating the furnaces if required.

5.0 Furnace for Heat-Treatment: A duly calibrated furnace (preferably electrically-heated) which has a uniformity of $\pm 10^{\circ}\text{C}$ is required. Water quenching should be done within 90 seconds of the plates coming out of the furnace (ROLLER-HEARTH FACILITY ONLY has to be used for Grade 2). Job thermocouple has to be present.

6.0 IDENTIFICATION: Every slab has unique identification like heat no, grade code, which the party has to maintain throughout by punching and painting. While loading in furnace, and rolling, the top & Bottom side of the slab has to be identified.

7.0 SCRAP: The scrap, rejection etc generated during conversion shall be kept separately and returned to MIDHANI along with the finished material



Challan wise. Total material balance is to be submitted by the party. The scale loss of 5% maximum on input material shall be allowed.

8.0 REJECTION: In the event of rejections which are attributable to the party, Midhani shall not pay the conversion charges for the rejected plates. However, rejected plates also shall be returned to MIDHANI.

9.0 QUALITY SURVEILLANCE, INSPECTION & ACCEPTANCE:

- (a) Quality Surveillance: In addition to quality assurance measures adopted by the party to ensure the quality guarantees, quality surveillance may be carried out at appropriate stages of manufacture by Midhani. Party shall allow Midhani /Third Party to witness the manufacturing of plates at their works. Inspection and examination carried out during quality surveillance shall not release the party from the obligations under this Order.
- (b) Inspection of Finished Products: After conversion of slabs into plates, the inspection will be done by Midhani/ third party at the party's work centre.
- (c) The party shall furnish technical documents detailing process steps and other important process parameters adopted during manufacturing and inspection report duly certified by inspection agency (MIDHANI/Third Party).

10.0 DELIVERY SCHEDULE: MIDHANI shall supply input material for rolling in 4-5 batches. Delivery of plates is to be effected within 1 month(per batch) from receipt of input slabs from Midhani.

11.0 DISPATCH: The rolled plates along with the scrap generated during the process are to be dispatched to MIDHANI, Hyderabad through our authorized transporter on freight to pay basis.

12. VALIDITY: The order shall be valid for 2 years from the date of placement of order.

13. **Party shall quote price per Kg for each grade and size.**

14. In case of Grade 1, Party shall quote seperately for

- a) Hot-rolling and hot levelling
- b) Heat-treatment and levelling.
- c) Pickling

For Grade2, Party shall quote seperately for

- a) Hot rolling, levelling and post-roll treatment
- b) Heat-treatment cycles (all three seperately)

TERMS AND CONDITIONS FOR JOBWORKS

- 1.) **EXCISE DUTY:**
 - a. The input materials will be issued under current Central Excise Rule. No Excise Duty is therefore applicable. The duplicate copy of Excise Challan is to be filled –in properly and returned along with finished material.
 - b. As per the latest guidelines of central Excise Rules, the material issued to the job-Worker is to be returned to the Parent factory within 180 days from the date of issue.
 - c. The above shall be governed by the Central Excise Tariff & Procedure as applicable.
- 2.) **TAXES:** Sales tax is not applicable since it is Job Work. However, if any other taxes are applicable /payable by the purchaser, the same must be specifically stated in the offer failing which offer will be considered as inclusive of all taxes.
- 3.) **PROCESS LOSS AND SCRAP:** The scrap generated shall be kept separately and shall be returned back along with finished material challan wise. Total material balance shall be submitted by party. A maximum process loss of 5% on input weight is allowed. If the process loss exceeds the allowed percentage, an equivalent amount for exceeded scrap shall be recovered from the party.
- 4.) **REJECTIONS:** The work has to be carried out as per scope of work at annexure-I. In the event of rejections which are attributed to the party, conversion cost for the same shall not be paid.
- 5.) **INDEMNITY BOND:** The successful tenderer shall submit Indemnity Bond covering the value of free issue material as directed by the Purchaser. The value of the material will be furnished at the time of placement of order.
- 6.) **PRE CONTRACT INTEGRITY PACT:** Party required to submit signed copy of Pre Contract Integrity Pact as per Annexure-VI along with techno-commercial bid in absence of which offer may get rejected.
- 7.) **INSURANCE:** The successful tenderer shall take an Insurance policy covering all risks for the value of material issued by MIDHANI lying at his works.
- 8.) **PRICES:** Price shall be quoted in Rs/Kg for each grade and size and it shall remain firm till complete execution of order.
- 9.) **TRANSPORT:** To and Fro transportation shall be arranged by MIDHANI at its own cost.
- 10.) **DELIVERY:** As per Annexure-I clause no 10.
- 11.) Tenderers shall submit their quotes in clear terms without any vague expressions.

- 12.) Tenderers are requested to submit their offers according to Purchaser's Terms & Conditions.
- 13.) The Purchaser is not bound to accept the lowest or any tender or to assign reasons for its non-acceptance. The Purchaser also reserves the right to accept the tender either in whole or in part.
- 14.) **REPEAT ORDER:** Within a period of six months from the date of completion of the order, the Purchaser further reserves the right to place repeat order on the successful tenderer for an additional quantity up to 100% of the original ordered quantity.
- 15.) **COUNTER TERMS & CONDITIONS:** Where counter terms & conditions have been offered by the tenderer, the Purchaser shall not be governed by these unless specific acceptance has been given in writing in the order by the Purchaser.
- 16.) **INSPECTION:** The Purchaser reserves the right to get the finished/ semi-finished goods inspected during the course of progress of work at the Contractor's works
- 17.) **VALIDITY:** The offer should be valid for a minimum period of 90 days from the date of opening of the tender.
- 18.) **ARBITRATION:** Any dispute or difference whatsoever arising between the parties out of or relating to the construction, meaning and operation or effect of this Contract or the breach thereof shall be settled by Arbitration in accordance with the Rules of Arbitration of the Indian Council of Arbitration and the award made in pursuance thereof shall be binding on the parties.
- 19.) **JURISDICTION:** All questions, disputes or differences arising under, out of or in connection with the contract shall be subject to the exclusive jurisdiction of court within local limits of Hyderabad, Telangana.
- 20.) Tenders not conforming to Purchaser's terms & conditions shall be summarily rejected.
- 21.) **GENERAL DIRECTIONS OF THE WORK:** The contractor shall obtain instructions for carrying out the work pertaining to his Contract from the Purchaser or its authorized representative. The Contractor shall take care of the progress of the work through a qualified representative. Any instructions given to such representative shall be considered as having been issued directly to the Contractor.
- 22.) **RESPONSIBILITY FOR PERFORMANCE OF CONTRACT:** The Successful tenderer is responsible for the due performance of the contract in all respects as per the Scope of work.
- 23.) **SUB LETTING OR SUB-CONTRACTING OF CONTRACT:** The Successful tenderer shall not sublet, transfer or assign the contract or any part thereof without the written permission of the Purchaser.
- 24.) **LIQUIDATED DAMAGES FOR DELAY IN EXECUTION OF CONTRACT:** If the Contractor shall fail to complete the assigned work within the time prescribed in the Contract thereof, or extended time thereof, the Contractor shall be liable to pay the Purchaser as

- liquidated damages for such default, but not as a penalty, a sum calculated at the rate of 1% (One percent) of the Contract Price per week of delay, subject to a maximum of 10% (Ten percent) of the Contract Price. The Purchaser may, without prejudice to any other method of recovery, deduct the amount of such damages from any money in his due to the Contractor. The payment or deduction of such damages shall not relieve the Contractor from his obligations to complete the work or from any other of his obligations and liabilities under the Contract.
- 25.) **RISK PURCHASE:** If the Contractor shall fail to complete the assigned work within the time prescribed in the tender/contract thereof, the Purchaser reserves the right to get the job done through other sources at the Contractor's cost & risk.
- 26.) **ADDENDA TO TENDER DOCUMENTS:** The Purchaser reserves the right to issue addenda to the tender documents to clarify, modify, supplement or delete any of the condition, clause or items stated in the tender documents issued with this invitation to tender. Each addendum issued will be distributed to each tenderer or his authorized representative and the addendum so issued shall form a part of the original tender documents to be reviewed as required.
- 27.) **NO CLAIM OR COMPENSATION FOR SUBMISSION OF TENDER:** The tenderers whose tenders are not accepted shall not be entitled to claim any costs, charges and expenses of the tender, incidental to or incurred by them, through or in connection with their submission of tenders even though the Purchaser may elect to withdraw the invitation to tender.
- 28.) **PAYMENT TERMS:** Payment of all the bills will be made within a period of 30 days from the date of receipt and acceptance of the materials at site.
- 29.) **TENDER OPENING:** The Tender will be opened in the presence of tenderers or their authorized representatives, who choose to be present. The representative should produce an authorization letter from the tenderer for attending the Tender opening

30.) **DEFINITIONS:**

PURCHASER: The term "Purchaser" as used herein shall mean "Mishra Dhatu Nigam Limited" incorporated under the companies Act 1956, and having its registered office at P.O. Kanchanbagh, Hyderabad-500 058. Telangana, India, and shall include its successors and assigns.

TENDERER: The term "Tenderer" shall mean the person, firm or corporation submitting a tender against the invitation to tender and shall include his/ its heirs, executors, administrators, legal representatives, successors and assigns.

CONTRACTOR: The term "Contractor" shall mean the Tenderer whose tender has been accepted and shall include his/its heirs, executors, administrators, legal representatives, successors and assigns approved by the Purchaser.

PROCEDURE TO BE FOLLOWED FOR SUBMISSION OF TENDER:

ENVELOPE NO.1:

PART - I "TECHNO-COMMERCIAL BID"	
ALONG WITH EMD	TENDER No: MDN/PUR/4667028/OF/ADVT/257/2016-17
To	DATE;, DUE DATE:
THE ADDL. GENERAL MANAGER (I/C-PURCHASE)	
MIDHANI, HYDERABAD - 500 058.	
NAME OF THE TENDERER:	

ENVELOPE NO.2:

PART - II "PRICE BID"	
TENDER No: MDN/PUR/4667028/OF/ADVT/257/2016-17	DATE:
To	
THE ADDL. GENERAL MANAGER (I/C-PURCHASE)	
MIDHANI, HYDERABAD - 500 058.	
NAME OF THE TENDERER:	

PLEASE PUT ALL THE TWO ENVELOPES IN A BIGGER SIZE ENVELOPE:

ENVELOPE NO.3

TENDER No: MDN/PUR/4667028/OF/ADVT/257/2016-17, DATE;, DUE DATE:
CONTENTS:
A) TECHNO-COMMERCIAL BID ALONG WITH EMD COVER
B) PRICE BID
To
THE ADDL. GENERAL MANAGER (I/C-PURCHASE)
MISHRA DHATU NIGAM LIMITED
PO: KANCHANBAGH,
HYDERABAD - 500 058. INDIA
NAME OF THE TENDER:

BANK GUARANTEE FOR EARNEST MONEY DEPOSIT

1. WHEREAS MISHRA DHATU NIGAM LIMITED (A GOVERNMENT OF INDIA ENTERPRISE) PO KANCHANBAGH, HYDERABAD (hereinafter referred as " The Owner / Company" which expression shall unless repugnant to the subject or context includes its legal representatives, successors and assigns) has issued tender paper vide its Tender No: _____ for supply of _____ (herein after called "the said tender") to M/s. _____ (herein after called "the said Tenderer(s)" which expression shall unless repugnant to the subject or context includes their legal representatives, successors and assigns) and as per terms and conditions of the said tender, the tenderer shall submit a Bank Guarantee for Rs./USD _____ towards earnest money in lieu of cash.
2. WE (Bank Name and Address) (herein after called the bank) do hereby undertake to pay the amount due and payable under this Guarantee without any demur merely on a demand from the company stating that in the opinion of the company, which is final and binding, the amount claimed is due because of any withdrawal of the tender or any material alteration to the tender after the opening of the tender by way of any loss or damage caused or would be caused or suffered by the company by reason of any breach by the said tenderer(s) of any of the terms and conditions contained in the said tender or failure to accept the Letter of Intent / Agreement or that the amount covered under this Guarantee is forfeited. Any such demand made on the bank by the owner shall be conclusive as regards the amount due and payable by the Bank under this Guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs./USD _____.
3. We undertake to pay to the Company any money so demanded notwithstanding any dispute or disputes raised by the tenderer(s) in any suit or proceeding pending before any office, court or tribunal relating thereto, our liability under this present guarantee being absolute and unequivocal. The payment so made by us under this bond shall be a valid discharge of our liability for payment thereunder. Our liability to pay is not dependant or conditional on the owner proceeding against the tenderer.
4. The guarantee herein contained shall not be determined or affected or suspended by the liquidation or winding up, dissolution or change of constitution or insolvency of the said tenderer(s) but shall in all respect and for all purposes be binding and operative until payment of all money due or liabilities under the said tender are fulfilled.
5. WE (Bank Name and Address) further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the finalization of the said tender and that it shall continue to be enforceable till the said tender is finally decided and order placed on the successful tenderer(s) and /or till all the dues of the company under/or by virtue of the said tender have been fully paid and its claims satisfied or discharged or till a duly authorized officer of the company certifies that the terms and conditions of the said tender have been fully and properly carried out by the said tenderer(s) or till date: _____ whichever is earlier and accordingly discharges the guarantee.

6. That the Owner/Company will have full liberty without reference to us and without affecting this guarantee to postpone for any time or from time to time, the exercise of any of the power of the owner under the tender.
7. We (Bank Name and Address), lastly undertake not to revoke this guarantee during its currency except with the previous consent of the company in writing. We further undertake to keep this Guarantee renewed from time to time on the request of the Tenderer(s).
8. Notwithstanding anything contained herein before, our liability shall not exceed Rs./USD _____ towards earnest money in lieu of cash and shall remain in force till (date). Unless a demand or claim under this Guarantee is made on us within three months from the date of expiry i.e., _____ we shall be discharged from all the liabilities under this guarantee

Date: _____

(Bank Name and Address)

Signature of duly
Authorized person
On behalf of the Bank
With seal & signature code

FORM OF BANK GUARANTEE IN LIEU OF SECURITY DEPOSIT

1. This deed of guarantee executed onday of by

(Name and Address of the Bank)

the Bank hereinafter called Bank (which term shall mean and include its successors and assigns wherever the context so admits) in favour of M/s. MISHRA DHATU NIGAM LIMITED., a government of India Enterprise incorporated and registered as a company under the Companies Act, 1956, having its registered office at P.O. Kanchanbagh, Hyderabad – 500 058, state of A.P. India, herein after referred to as the “purchaser” (which terms shall mean and include its successors in office and assigns).

2. In consideration of M/s. Mishra Dhatu Nigam Limited (Purchaser) having agreed to exempt hereinafter called the said Contract(s) (which term shall mean and include its successors assigns and legal representatives) from the demand under the terms and conditions of Purchase / Work Order No. dated for(hereinafter called the said agreement) of Earnest Money / Security Deposit/ Defect Liability deposit for the due fulfillment by the said Contractor(s) of the terms and conditions contained in the said agreement on production of a bank guarantee for Rs/ USD.....(Rs/ USD..... only), we (name of the bank, address) (hereinafter referred to as “The Bank”) at the request of Contractor(s) do hereby undertake to pay Purchaser an amount not exceeding Rs/ USD (in words.....) against any losses or damage caused to or suffered or would be caused to or suffered Purchaser by reason of any breach by the said Contractor(s) of any of the terms and conditions contained in the said agreement.
3. We (Bank) do hereby unconditionally and irrevocably agree and undertake to pay to Purchaser the amounts due and payable under this Guarantee without any demur, merely on a demand from Purchaser stating that the amount claimed is due by way of loss or damage caused to or would be caused to on suffered by Purchaser by reason of breach by the said agreement or by reason of the contractor(s) failure to perform the said agreement. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this Guarantee. However, our liability under this Guarantee shall be restricted to an amount not exceeding Rs/ USD (in words.....)
4. We undertake to pay Purchaser and money so demanded notwithstanding any dispute or disputes by the contractor(s) / supplier(s) in any suit or proceedings pending before any court of tribunal relating thereto, our liability under this present being absolute and unequivocal. The payment so made by us under this Guarantee shall be valid discharge of our liability for payment thereunder and the contractor(s) shall have not claim against us for making such payment.
5. We (Bank) further agree that the guarantee herein contained shall remain in full force and affect during the period that would be taken for the performance of the said Agreement and that it shall continue to be

- enforceable till all the dues of Purchase under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharges or till Purchaser certifies that the terms and conditions of the said Agreement have been fully and properly carried out by the said contractor(s) and accordingly discharges this guarantee. Provided that if Purchaser together with the Contractor seeks an extension of terms of the Guarantee, such extension shall be granted by the Bank and the guarantee shall be in full force till the expiry of such extended period.
6. We (Bank) further agree with Purchaser that Purchaser shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said agreement or to extend time of performance by the said contractor(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by purchaser against the said Contractor(s) and to forbear or enforce any of the terms and conditions relating to the said agreement and we shall not be relieved from our liability by reason of any such variation of extension being granted to the said contractor(s) or for any forbearance, act or omission on the part of Purchaser or any indulgence by Purchaser to the said contractor(s) or by any such matter or thing whatsoever which under the law relating to sureties would but for this provisions, have effect of so relieving us.
 7. It shall not be necessary for Purchaser to proceed against the contractor before proceeding against the Bank and the guarantee herein contained shall be enforceable against the Bank notwithstanding any security which Purchaser may have obtained or obtains from the contractor.
 8. This guarantee shall not be discharged due to the change in the constitution of the Bank or the contractor(s).
 9. We (Bank) lastly undertake not to revoke this guarantee during its currency except with the previous consent of Purchase in writing.
 10. Notwithstanding anything contained herein before, our liability is limited to a sum not exceeding Rs/ USD (in words.....) unless a claim is made on us in writing on or before (3 months beyond the date of delivery / completion as specified in the contract) we shall be discharged from liability under this guarantee.

In witness whereof these presents are executed at on the date, month and year first herein above written.

FOR AND ON BEHALF OF THE BANK WITHIN NAMED

PRE-CONTRACT INTEGRITY PACT

General

1. Whereas M/s. MISHRA DHATU NIGAM LIMITED a Government of India Enterprise incorporated and registered as a company under the company Act, 1956 having its registered office at P.O. Kanchanbagh, Hyderabad – 500058 state of Telangana, India hereinafter referred to as the Buyer and the first part, propose to procure -----, hereinafter referred to as Defence Stores, and M/s-----, (which term shall mean and include its successors assigns and legal representation), herein after referred to as the Bidder and the second party, has offered the stores.
2. Whereas the Bidder is a private company / public company / partnership / registered export agency, constituted in accordance with the relevant law in the matter and the Buyer is a Ministry of the Government of India performing its functions on behalf of the President of India.

Objectives

3. Now, therefore, the Buyer and the Bidder agree to enter into this Pre-contract agreement, hereinafter referred to as Integrity Pact, to avoid all forms of corruption by following a system that is fair, transparent and free from any influence / unprejudiced dealings prior to, during and subsequent to the currency of the contract to be entered into with a view to: -
 - 3.1 Enabling the Buyer to obtain the desired Defence Stores at a competitive price in conformity with the defined specifications of the Service by avoiding high cost and the distortionary impact of corruption on public procurement, and
 - 3.2 Enabling bidder to abstain from bribing or any corrupt practice in order to secure the contract by providing assurance to them that their competitors will also refrain from bribing and other corrupt practices and the Buyer will commit to prevent corruption, in any form, by their officials by following transparent procedures.

Commitments of the Buyer:

4. The Buyer Commits itself to the following: -
 - 4.1 The Buyer undertakes that no official of the Buyer connected directly or indirectly with the contract, will demand, take a promise for or accept directly or through intermediaries, any bribe, consideration, gift, reward, favour or any material or immaterial benefit or any other advantage from the Bidder, either for themselves or for any person, organization of third party related to the contract in exchange for an advantage in the bidding process, bid evaluation, contracting or implementation process related to the contract.

- 4.2 The buyer will, during the pre-contract stage, treat all Bidders alike, and will provide to all Bidders the same information and will not provide any such information to any particular Bidder which could afford an advantage to that particular Bidder in comparison to other Bidders.
- 4.3 All the officials of the Buyer will report to the appropriate Government office any attempted or completed breaches of the above commitments as well as any substantial suspicion of such a breach.
5. In case of any such preceding misconduct on the part of such officials (s) is reported by the bidder to the Buyer with full and verifiable facts and the same is prima facie found to be correct by the Buyer, necessary disciplinary proceedings, or any other action as deemed fit, including criminal proceedings may be initiated by the Buyer and such a person shall be debarred from further dealings related to the contract process. In such a case while an enquiry is being conducted by the Buyer the proceedings under the contract would not be stalled.

Commitments of Bidders:

6. The Bidder commits himself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of his bid or during any pre-contract or post-contract stage in order to secure the contract or in furtherance to secure it and in particular commits himself to the following:-
 - 6.1 The Bidder will not offer, directly or through intermediaries, any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the Buyer, connected directly or indirectly with the bidding process, or to any person, organization or third party related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the Contract.
 - 6.2 The Bidder further undertakes that he has not give, offered or promised to give, directly or indirectly any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the Buyer or otherwise in procuring the contract or forbearing to do or having done any act in relation to the obtaining or execution of the Contract or any other contract with the Government for showing or forbearing to show favour or disfavor to any person in relation to the Contract or any other contract with the Government.
 - 6.3 The Bidder will not collude with other parties interested in the contract to impair the transparency, fairness and progress of the bidding process, bid evaluation, contracting and implementation of the contract.

- 6.4 The Bidder will not accept any advantage in exchange for any corrupt practice, unfair means and illegal activities.
- 6.5 The Bidder further confirms and declares to the Buyer that the Bidder is the original manufacture / integrator / authorized government sponsored export entity of the defence stores and has not engaged any individual or firm or company whether Indian or foreign to intercede, facilitate or in any way to recommend to the Buyer or any of its functionaries, whether officially or unofficially to the award of the contract to the Bidder, nor has any amount been paid, promised or intended to be paid to any such individual, firm or company in respect of any such intercession, facilitation or recommendation.
- 6.6 The Bidder, either while presenting the bid or during pre-contract negotiations or before signing the contract, shall disclose any payments he has made, is committed to or intends to make to officials of the Buyer or their family members, agents, brokers or any other intermediaries in connection with the contract and the details of services agreed upon for such payments.
- 6.7 The Bidder shall not use improperly, for purposes of competitor or personal gain, or pass on to others, any information provided by the Buyer as part of the business relationship, regarding plans, technical proposals and business details, including information contained in any electronic data carrier. The Bidder also undertakes to exercise due and adequate care lest any such information is divulged.
- 6.8 The Bidder commits to refrain from giving any complaint direct or through any other manner without supporting it with full and verifiable facts.
- 6.9 The Bidder shall not instigate or cause to instigate any third person to commit any of the actions mentioned above.

7. Previous Transgression

- 7.1 The Bidder declares that no previous transgression occurred in the last three years immediately before signing of this Integrity Pact, with any other company in any country in respect of any corrupt practices envisaged hereunder or with any Public Sector Enterprise in India or any Government Department in India that could justify bidder's exclusion from the tender process.
- 7.2 If the Bidder makes incorrect statement on this subject, Bidder can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason.

8. Earnest Money / Security Deposit (If applicable)

- 8.1 Every bidder, while submitting commercial bid, shall deposit an amount as specified in the RFP as Earnest Money / Security Deposit, with the buyer through any of the following instruments: -

(i) Bank Draft or a Demand draft in favour of M/s. Mishra Dhatu Nigam Limited, Hyderabad.

(ii) A confirmed guarantee by an Indian Nationalized Bank, promising payment of the guarantee sum to M/s. Mishra Dhatu Nigam Limited, Hyderabad 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.

8.2 The Earnest Money / Security Deposit shall be valid upto a period of Six Months or the complete conclusion of the contractual obligations to complete satisfaction of both the bidder and the buyer, whichever is later. In case there are more than one bidder, the Earnest Money / security deposit shall be refunded by the buyer to those bidder) s) whose bid (s) does/do not qualify for negotiation by the Commercial Negotiation Committee (CNC) as constituted by the Buyer, Immediately after recommendation is made by the CNC on the bid(s) after an evaluation.

8.3 In the case of successful bidder a clause would also be incorporated in the Article pertaining to Performance Bond in the Purchase Contract that the provisions of sanctions for violation shall be applicable for forfeiture of performance bond in case of a decision by the Buyer to forfeit the same without assigning any reason for imposing sanction for violation of this pact.

8.4 The provisions regarding Sanctions for violation in Integrity Pact include forfeiture of performance Bond in case of a decision by the Buyer to forfeit the same without assigning any reason for imposing sanction for violation of Integrity Pact.

8.5 No interest shall be payable by the Buyer to the Bidder(s) on earnest money / Security Deposit for the period of its currency.

9. Company Code of Conduct

9.1 Bidders are also advised to have a company code of conduct (clearly rejecting the use of bribes and other unethical behavior) and a compliance program for the implementation of the code of conduct throughout the company.

10. Sanctions for Violation:

10.1 Any breach of the aforesaid provisions by the Bidder or any one employed by him or acting on his behalf (whether with or without the knowledge of the Bidder) or the commission of any offence by the Bidder or any one employed by him or acting on his behalf, as defined in chapter IX of the Indian Penal Code, 1860 or the Prevention of Corruption Act 1988 or any other act enacted for the prevention of corruption shall entitle the Buyer to take all or any one of the following actions, wherever required: -

- (i) To immediately call off the pre-contract negotiations without assigning any reason or giving any compensation to the Bidder. However, the proceedings with the other Bidder(s) would continue.
- (ii) The earnest Money / Security Deposit / Performance Bond, if furnished by the bidder, shall stand forfeited either fully or partially, as decided by the Buyer and the Buyer shall to be required to assign any reason therefore.
- (iii) To immediately cancel the contract, if already signed, without giving any compensation to the Bidder.
- (iv) To recover all sums already paid by the Buyer, and in case of an Indian Bidder with interest thereon at 2% higher than the prevailing Prime Lending Rate, while in case of a Bidder from a country other than India with interest thereon at 2% higher than LIBOR. If any outstanding payment is due to the Buyer from the Bidder in connection with any other contract for any other Defence stores, such outstanding payment could also be utilized to recover the aforesaid sum and interest.
- (v) To en-cash the advance bank guarantee and performance bond / warranty bond, if furnished by the Bidder, in order to recover the payments, already made by the Buyer, along with interest.
- (vi) To cancel all or any other Contracts with the Bidder.
- (vii) To debar the Bidder from entering into any bid from the Government of India for a minimum period of five years, which may be further extended at the discretion of the buyer.
- (viii) To recover all sums paid in violation of this Pact by Bidder(s) to any middleman or agent or broker with a view to securing the contract.
- (ix) If the Bidder or any employee of the Bidder or any person acting on behalf of the Bidder, either directly or indirectly, is closely related to any of the officers of the Buyer, or alternatively, if any close relative of an officer of the Buyer has financial interest / stake in the Bidder's firm, the same shall be disclosed by the Bidder at the time of filing of tender. Any failure to disclose the interest involved shall entitle the Buyer to rescind the contract without payment of any compensation to the Bidder. The term 'close relative' for this purpose would mean spouse whether residing with the Government servant or not, but to include a spouse separated from the Government servant by a decree or order of a competent court, son or daughter or step son or step daughter and wholly dependent upon Government servant, but does not include a child or step child who is no longer in any way dependent upon the Government servant or of whose custody the Government servant has been deprived of by or under any law, any other person related, whether by blood or marriage, to the Government servant or to the Government servant's wife or husband and wholly dependent upon Government servant.

- (x) The Bidder shall not lend to or borrow any money from or enter into any monetary dealings or transactions directly or indirectly, with any employee of the Buyer, and if he does so, the Buyer shall be entitled forthwith to rescind the contract and all other contracts with the Bidder. The Bidder shall be liable to pay compensation for any loss or damage to the Buyer resulting from such rescission and the Buyer shall be entitled to deduct the amount so payable from the money(s) due to the Bidder.
- (xi) In cases where irrevocable Letters of Credit have been received in respect of any contract signed by the Buyer with Bidder, the same shall not be opened.

10.2 The decision of the Buyer to the effect that a breach of the provisions of this Integrity Pact has been committed by the bidder shall be final and binding on the Bidder, however, the Bidder can approach the monitor(s) appointed for the purposes of this pact.

11. Fall Clause

11.1 The Bidder undertakes that he has not supplied/is not supplying the similar systems or subsystems or Defence stores at a price lower than that offered in the present bid in respect of any other Ministry / Department of the Government of India and if it is found at any stage that the similar system or sub-system was supplied by the Bidder to any other Ministry / Department of the Government of India at a lower price, then that very price will be applicable to the present case and the difference / in the cost would be refunded by the Bidder to the Buyer, if the contract has already been concluded.

11.2 The Bidder shall strive to accord the most favored customer treatment to the Buyer in respect of all matters pertaining to the present case.

12. Independent Monitors

12.1 Mr. N. Vinod Kumar, Flat No. 401, Laxmiram Trident Apts, Kanta Reddy Nagar, Beside Spencer Market, Pillar No. 125, Attapur, Hyderabad – 500 048 is the Independent External Monitor for Midhani.

12.2 As soon as the Monitor notices, or believes to notice, a violation of this agreement, he will so inform the Chairman & Managing Director of M/s. Mishra Dhatu Nigam Limited, Hyderabad.

13. Examination of Books of Accounts: In case of any allegation of violation of any provisions of this Integrity Pact or payment of commission, the Buyer or its agencies shall be entitled to examine the Books of accounts of the Bidder and the Bidder shall provide necessary information of the relevant financial documents in English and shall extend all possible help for the purpose of such examination.

14. **Law and Place of Jurisdiction:** This Pact is subject to Indian Law. The place of performance and jurisdiction is the seat of the Buyer i.e. Hyderabad.

15. **Other Legal Actions:** The actions stipulated in this Integrity Pact are without prejudice to any other legal action that may follow in accordance with the provisions of the extent law in force relating to any civil or criminal proceedings.

16. Validity

16.1 The validity of this Integrity Pact shall be from date of its signing and extend upto 5 years or the complete execution of the contract to the satisfaction of both the Buyer and the Bidder, whichever is later.

16.2 Should one or several provisions of this Pact turn out to be invalid, the remainder of this Pact remains valid. In this case, the parties will strive to come to an agreement to their original intentions.

17. The parties hereby sign this Integrity Pact on -----.

BIDDER

BUYER

M/s. Mishra Dhatu Nigam Limited,
(A Govt. of India Enterprise)
P.O. Kanchanbagh,
Hyderabad 500 058,
INDIA.

In the presence of

T. Raghuram

In the presence of

T. RAGHU RAM
(आपसी क्रय एवं भंडार)
अपनी महा प्रबंधक (Purchase & Stores)
Addl. General Manager

Witness:

Witness:

1.

1.

[Signature]
Sr. Mgr (Purchase)

2.

2.

[Signature]
S. Mondal
AM (Purchase)