



MISHRA DHATU NIGAM LIMITED

A Government of India Enterprise

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Invites
EXPRESSION OF INTEREST
FOR

**Design, Engineering, Supply, erection, installation, testing and
commissioning of dynamic reactive power compensation panel
with hybrid solution for 20T Electric Arc Furnace and Ladle
Refining Furnace**

| | | |
|-----------------------------------|------------|---------------|
| Start of EOI Documents: | 14/08/2020 | at 11:00 Hrs |
| End of Issue of tender Documents: | 14/09/2020 | at 17:30 Hrs |
| Receipt of tender on/before: | 15/09/2020 | by 10: 30 Hrs |
| Opening of tender: | 15/09/2020 | at 10:35 Hrs |

Note:

- Detailed Invitation for EOI is herewith attached
- Any Corrigendum to the TENDER shall be published in MIDHANI website only, www.midhani-india.in

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1. INTRODUCTION & OBJECTIVE

Mishra Dhatu Nigam Limited (MIDHANI), a public sector company has been playing a very active role in development and manufacture of strategic materials for various sectors. MIDHANI is a unique integrated metallurgical plant located in Hyderabad, Telangana, India. It has wide manufacturing facilities for production of low alloy steels, high alloy steels, special steels, stainless steels, super alloys, titanium and titanium alloys in various forms and sizes. Our annual turnover is about INR 800 crores. More information can be found on www.midhani-india.in

MIDHANI desires to procure Dynamic Reactive Power Compensation Panel with Hybrid Solution for 20T Electric Arc Furnace and Ladle Refining Furnace as detailed below. The details of the Project are given in this EOI.

2. Load Description:

3Ph, 3wire, 50Hz 11KV AC Vacuum Circuit Breaker is providing power supply to 20T Electric Arc Furnace after stepping down the Voltage from 11KV to 220V through a 12MVA, 11KV/220V Transformer and another 11KV AC Vacuum Circuit Breaker on the same bus is providing power supply to LRF after stepping down the Voltage from 11KV to 220V through a 6 MVA, 11KV/220V Transformer. The equipment will be loaded based on the arc current required for melting of the scrap, alloys, refined metal and mix of refined metal and scrap. The loading varies from no load to full load in a fluctuation manner.

3. Specification:

- Dynamic reactive power compensation equipment with hybrid solution shall be supplied. The supply shall consist of minimum ratings as follows
 - Dynamic reactive power compensation panel
- (415V-690V), 3ph, 3600KVAR (1800KVAR+1800KVAR) IGBT based-3 level Active compensation along with 11KV, 3ph, 2500KVAR detuned capacitor bank with suitable series air core reactor as hybrid solution (consisting of both active and passive compensation devices) including required transformer, cables/ busduct, LT Panel etc.,

The proposed reactive power compensation KVAR ratings are minimum requirement, supplier has to study the load and design the compensator with suitable ratings in order to meet the performance criteria.

4. Scope of work:

The scope of work includes the following

Design, Engineering, manufacturing, supply, erection, testing and commissioning of Hybrid Dynamic Reactive Power compensation system.

All the equipments supplied shall be designed, manufactured and tested in compliance with latest relevant IS standards/ IEC standards

5. Performance Guarantee Test and Provisional Acceptance:

The average power factor at the Incoming 11KV VCB Panels shall be between 0.95 lagging to unity and Harmonics shall be within the limits as per IEEE519.

Performance shall be monitored for 5 Heats in 20T EAF and LRF after completion of commissioning of the panels.

6. Eligibility criteria:

| Sl. No | Criteria | Documents required for confirmation |
|--------|--|--|
| 01 | <p>Bidder</p> <p>a) Should have been established and operating for a period of at least 5 years prior to the date of Tender.</p> <p>b) Should not be a Trading company.</p> | <p>For (a):</p> <ul style="list-style-type: none"> - Certificate of Incorporation issued by the Registrars of Companies “OR” - Certificate of Registration by Registrar of Firms “OR” - GST Registration in case of proprietary firms “OR” - Relevant Registration/Incorporation Certificate issued by Concerned State authorities in case of Foreign Firms with proof of address. <p>For (b): Self Certified Document that the Company is not a Trading Company</p> <p>Note: Other partners/associates/representatives of OEMs shall also submit relevant certificates of incorporation/Registration certificate.</p> |
| 02 | <p>Annual Turnover</p> <p>Bidder Should have a minimum annual turnover of Rs. 476.38 Lakhs in each of the previous three financial years</p> | Audited annual accounts |
| 03 | <p>Positive Net Worth/Solvency:</p> <p>Bidder</p> <p>Should have Positive Networth in each of the previous three financial years “OR”</p> <p>Should submit solvency certificate for Rs. 92.63 Lakhs issued not earlier than 6 months from the date of Tender.</p> | <p>Audited annual accounts “OR”</p> <p>a) In case of Indian parties it should be issued by nationalized or scheduled bank from INDIA.</p> |
| 04 | <p>Bidder</p> <p>Should have PAN/ TAN/TIN/GST registration</p> | a) Copy of registration certificates for Indian parties. |
| 05 | <p>Technical Experience:</p> <p>Bidder shall be OEM of Hybrid dynamic reactive power compensation panel (or) Authorized channel partner for supply/ service of OEM of Hybrid dynamic reactive power compensation panel.</p> <p>Bidder shall have an experience of supply, erection, commissioning of Hybrid dynamic reactive power compensation panels of Min 5000 KVAR rating in last 05 years.</p> | Purchase order copies and Job completion/ performance acceptance certificates shall be enclosed as supporting documents. |
| 06 | <p>Bidder</p> <p>Unconditional acceptance of all commercial terms and conditions.</p> | Self certificated document to be submitted |

7. Selection of Bidders:

- a. Based on information provided, Party will be evaluated by Midhani and eligible bidders will be informed within 15 days of last date for receipt of EOI. Detailed commercial terms & condition will be issued to eligible bidders.
- b. Eligible bidders may visit the site before submission of detailed specification.
- c. All the eligible bidders have to submit the detailed specification within 15 days of declaration as eligible bidder.
- d. MIDHANI may organize a bidder's meet within 21 days of receipt of technical specification from all the eligible bidders and finalization of technical specification.

Note: Any Corrigendum to this EOI shall be published in MIDHANI website only.

8. General Terms & Conditions:

- a) MIDHANI reserves the right to accept or reject any offer of Expression of Interest without assigning any reasons what so ever.
- b) Final selection of suitable applicant from the EOIs received will be done by MIDHANI at its sole discretion and the decision of MIDHANI shall be final.
- c) The selected applicant shall ensure compliance of all the Government regulations / conventions / policies / guidelines / orders etc. in force related to any or all of the above activities. Applicant shall undertake to abide by the statutory requirements of the Indian Government from time to time.
- d) Eligible parties to study carefully all documents referred to herein before accepting the same.

9. Evaluation of EOI with Tentative time line:

| S No | Activity | Description | Response by Date |
|------|---------------------------------------|---|--|
| 01 | Release of EOI | EOI is released in news papers. The date of release shall be considered as the zero date for response. | Zero date |
| 02 | Response to EOI | Bidders to recognize the eligibility requirements and understand the project needs. Any clarifications required at this stage may be communicated by email on mrss.midhani@midhani-india.in , vsreenivasan@midhani-india.in | 21 days from Release of EOI |
| 03 | Evaluation of EOI | Submitted documents towards eligibility and bidders acceptance of commercial terms as given in EOI will be scrutinized. | Midhani will declare eligible bidders within 15 days after response to EOI |
| 04 | Submission of Technical Specification | Detailed specification will be submitted by the eligible bidders | Within 15 days from declaration of eligible bidder |

| | | | |
|----|---------------|--|--|
| 05 | Bidders' Meet | Bidder's Meet will be organized by MIDHANI and Finalizing of Technical Specification | Within 21 days of receipt of technical specification |
|----|---------------|--|--|

10.Payment Terms:

- 10% of the supply value as per Purchase order after approval of the drawings against BG along with 14% interest valid till dispatch of FOR stage of last consignment by contractor and acceptance of the same by Midhani.
- 70% payment of supply value as per Purchase order along with 100% taxes made after inspection & receipt and acceptance of materials in MIDHANI.
- 10% payment of supply value as per Purchase order and 90% of Erection &Commissioning along with 100% taxes after successful completion of erection & commissioning and issues of PAC (Provisional acceptance certificate)
- Balance 10% of supply value as per Purchase order and 10% of Erection &Commissioning against submission of performance bank guarantee for 10% value of order. PBG shall be valid till guarantee period.

11.Delivery Schedule:

- Drawings shall be submitted within 21days from the date of Purchase order
- Equipments shall be supplied within 4 months from the date of approval of drawings
- Erection, installation, testing and commissioning within 2 months from the date of site clearance.

12.Disclaimer

Bidders shall study carefully, eligibility requirements and Project scope given in the EOI and understand the requirements sought. Claims and objections due to unawareness on the subject shall not be considered.

Eligible bidders to study carefully all documents, Technical Specification & Commercial conditions referred to herein before accepting the same. They shall fully satisfy themselves of the appropriateness of the equipment as indicated in this EOI considering the conditions of working at and around the construction site. Further successful bidders shall take full responsibility for design, manufacturing and supply and safe and efficient operation and guarantee quality of the equipment supplied and specified output. Claims and objections due to ignorance on the subject shall not be considered after submission of the response to EOI.

13.Integrity Pact:

All eligible bidders shall sign the Integrity Pact along with submission of his of technical specification & commercial terms & conditions. Non signatory of Integrity Pact shall disqualify the bidder.

14. Make in India:

Purchase Preference and other provisions as per Public Procurement (Preference to Make in India) Order – 2017 revised dt. 04/06/2020 (attached) shall be followed.

Also please see DDP Notification No. 59011/8/2015-D(HAL-II) & 18(2)/19/PPO-Notification/DP(Plg-MS) issued on different dates.

15. MSME UNITS: As per Public Procurement Policy(PPP) for Micro & Small Enterprises (MSEs) order,2012 vide Gazette notification dated 23.03.2012 by Ministry of Micro, Small and Medium Enterprises of Govt of India, the following benefits will be extended to the MSEs. If Tenderer happens to be a MSE as per Government Guidelines, necessary benefits in line with Government Guidelines issued from time to time shall be provided on submission of valid documentary proof to the satisfaction of the Purchaser. In case organization is an MSE Unit owned by SC/ST Entrepreneur or owned by Women Entrepreneur, submit valid documentary proof for extending benefits as per Government guidelines. Benefits include

i) EMD is exempted for Micro & Small Enterprises (MSEs) registered with DIC/ NSIC/KVIC/ Udyog Aadhar Memorandum (UAM) issued by MoMSME or any other body specified by Ministry of MSME. ii) Purchase Preference to MSE's shall be provided as given below. a) In tenders, participating Micro and Small Enterprises quoting price within price band of L1+ 15 percent shall also be allowed to supply at least 20% requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a Micro and Small Enterprise. In case of more than one such Micro and Small Enterprise, the supply shall be shared proportionately (to tendered quantity). b) In case of tender item is non-divisible and if Micro and Small Enterprises quoted price is within the price band L1+15% shall be allowed to supply total tender requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a Micro and Small Enterprise. iii) "Vendors to intimate the value of Goods & Services which are sub contracted by them from the MSE's if any, pertaining to the ordered item(s)". The benefits mentioned above are meant for procurement of goods produced and services rendered by MSE's. Traders are excluded from availing these benefits

16. ARBITRATION: 1) Any dispute(s) or difference(s) whatsoever arises under or out of or in connection with this contract/EOI, or in respect of any defined legal relationship associated therewith or derived therefrom, shall be resolved/settled by arbitration in accordance with the International Centre for Alternative Dispute Resolution (ICADR) Arbitration Rules 1996. The authority to appoint the arbitrator(s) shall be the International Centre for Alternative Dispute Resolution (ICADR). And will provide administrative services in accordance with ICAR Arbitration Rules 1996. The seat of arbitration shall be India. The language of the arbitration proceeding shall be English. The place of arbitration proceedings shall be Hyderabad, India. In the 2) In the event of any dispute or difference relating to the interpretation and application of the provisions of commercial contract(s) between Central Public Sector Enterprises (CPSEs)/Port Trusts inter se and also between CPSEs and Government dept./Organizations (Excluding disputes concerning Railways, Income Tax, Customs & Excise Dept.), such disputes or differences shall be taken up by either party for resolution through AMRCD as mentioned in DPE OM No. 4(1)/ 2013- DPE(GM)/FTS-1835 dated 22/5/2018 or the latest DPE Guidelines issued from time to time 19. JURISDICTION: All questions, disputes arising under, out of or in connection with the contract shall be subject to the exclusive jurisdiction of court within local limits of Hyderabad, India.

17.JURISDICTION: All questions, disputes arising under, out of or in connection with the contract/EOI shall be subject to the exclusive jurisdiction of court within local limits of Hyderabad, India.

18. TO RECOVER LIQUIDATED DAMAGES: In the event of unsatisfactory delayed or non supply of materials, the supplier shall be liable to pay by way of liquidated damages at the rate of 1% of the total contract prices per week or the part there of Subject to a maximum of 10% of the contract price without prejudice to the right of the purchaser to take any other action. The amount shall also be recoverable from any other contract on account of the supplier.

19.RISK PURCHASE: The supply of all items must be completed satisfactorily and within the specified period in the order failing which, the Purchaser reserves the right to purchase stores from other sources at the supplier's cost and risk.

20.CANCELLATION / SHORT CLOSURE OF CONTRACT: The Purchaser may, without prejudice to any other remedy for breach of Contract, by written notice of default sent to the supplier, terminate the contract in whole or in part: a) If the supplier fails to deliver any or all of the stores within the time period(s) specified in the contract, or any extension thereof granted by the purchaser. b) If the supplier fails to perform any other obligation under the contract within the period specified in the contract or any extension thereof granted by the purchaser. c) Purchaser reserves the right to cancel the Purchase Order / contract on its own under exceptional circumstances. On receipt of notice for Short Closure, the contractor shall cease all further work, except for such work as may be specified in the notice for the sole purpose of protecting that part of the stores already executed. Further, the liability of MIDHANI in such cases will be limited to the extent of the cost as assessed by MIDHANI, in its opinion, till the point of short closure.

21.REJECTION: In case any material is rejected, the same has to be rectified / replaced by the supplier within 15 days from the date of intimation failing which Midhani shall not be responsible for any damages to the materials. The supplier would automatically forfeit the lien on material immediately after the above stipulated time.

22. One Bid per Bidder: Each Bidder shall submit only one Bid, either individually, or as a partner in a partnership firm or a partner in a Joint Venture or a public limited firm. A Bidder who submits or participates in more than one Bid (other than as a subcontractor or in cases of alternatives that have been permitted or requested) will cause all the proposals with the Bidder's participation to be disqualified.

23. ADDENDA TO TENDER DOCUMENTS: The Purchase reserves the rights to issue addenda to the tender documents to clarify, modify, supplement or delete any of the condition, clauses or items stated in the tender documents issued with this Invitation to Tender. Each addendum issued will be distributed 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.

24. Security Deposit: Security Deposit of 10% of PO Value shall be submitted by the successful bidder after placement of PO. In case of SD not submitted within 21 days from the date of Purchase Order, interest @ 12% p.a. shall be levied for the period of delay beyond

21 days. (<http://ebs.in/midhani/public>) All Central PSU and Govt. departments may be exempt from submission of SD in all tenders

25.Force Majeure: a) Unforeseeable causes beyond the control and without any fault or negligence of either party which effect delay or failure to fulfil this agreement partially or wholly shall be regarded as force majeure and shall include causes such as Act of God, War Fires, Floods, Epidemics, Quarantines , Govt. Restrictions Strikes, Earth Quake. etc. b)The occurrence of case of force Majeure shall be notified by the party affected by it to the other party immediately by cable/fax and confirmed by registered air mail letter, stating the nature of occurrence accompanied by a certificate issued by Chamber of Trade/Commerce or by the Ministry of Shipping, Government of India, New Delhi as the case may be . The same procedure shall be observed when the case of force majeure ceases

26.Contact Detail

For Commercial queries- _____

For Technical Queries- VS Sreenivasan, AGM(EM), Cell No:8978885172, vsreenivasan@midhani-india.in / Anand Bhushan, Sr Manager(MRSS), Cell No:9100077195, mrss.midhani@midhani-india.in

Complete Address Mishra Dhatu Nigam Limited (MIDHANI),P.O. Kanchanbagh, Hyderabad-500058

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 A.P., 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 equipment at a competitive price in conformity with the defined specifications of the Service by avoiding in 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, if 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 or 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 disfavour 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 last 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.
- 6.10 A person signing IP shall not approach the courts while representing the matters to IEMs and he/she will wait their decision in that matter.
- 6.11 A Bidder undertakes that in case of subcontracting, he becomes a Principal Contractor and he/she shall take the responsibility of adoption of IP by the sub contractor.

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

- 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 up to 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 behaviour) 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 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 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 favoured customer treatment to the Buyer in respect of all matters pertaining to the present case.

12. Independent Monitors

- 12.1 Shri R MUKUNDAN, IRPS(Retd) , No.150-E, "Mandakini" Railway Officer's Enclave, Sterling Road, Nungambakam, CHEENAI-600 034 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 extant 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 up to 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 at Hyderabad 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

In the presence of

Witness:

1.

2.

Witness:

1.

2.