

MMTC LIMITED, SCOPE COMPLEX, LODHI ROAD, NEW DELHI, INDIA

<u>NOTICE INVITING TENDER NO. MMTC/FERT/ UREA/2016-17/1DATED 3.5.2016 FOR SUPPLY OF WHITE PRILLED UREA</u>		
1.	COMMODITY	SUPPLY OF WHITE PRILLED UREA IN BULK
2.	QUANTITY	25,000 MT +/- 10%. MMTC RESERVES THE RIGHT TO DECIDE EXACT QUANTITY TO BE PURCHASED EITHER IN FULL OR PART AND ALSO RESERVES THE RIGHT TO BUY PART QUANTITY OUT OF THE OFFERED QUANTITY BY A BIDDER. MMTC ALSO HAS THE DISCRETION TO INCREASE THE QUANTITY TO MEET THE EXIGENT REQUIREMENT OF OUR CUSTOMERS
3.	SHIPMENT PERIOD	WITHIN 30 DAYS FROM THE DATE OF LOI . DELIVERY PERIOD: JUNE 2016
4.	SPECIFICATIONS	<p>WHITE PRILLED UREA (FERTILIZER GRADE) FREE – FLOWING AND FREE FROM VISIBLE CONTAMINATION OF CLAY OR GRIT</p> <p>TOTAL NITROGEN % AGE BY WEIGHT 46.00 MIN (ON DRY BASIS)</p> <p>MOISTURE % AGE BY WEIGHT 0.5 MAX</p> <p>BIURET % AGE BY WEIGHT 1.50 MAX</p> <p>CRUSHING STRENGTH IN KG 0.4- 0.7</p> <p>PARTICLE SIZE: THE PORTION OF THE MATERIAL PASSING THROUGH 2.8 MM IS SIEVE (TYLER SIEVE 7) AND RETAINED ON 1 MM IS SIEVE (TYLER SIEVE 16) SHALL NOT BE LESS THAN 90% BY WEIGHT, AND NOT MORE THAN 5% BY WEIGHT SHALL PASS THROUGH 1.00 MM IS SIEVE</p>
5.	DISCHARGE PORT	CHENNAI PORT, INDIA
6.	DISCHARGE RATE	3000 MT PWWSSHEXEIU . THE VESSEL SHOULD COFORM TO THE CHENNAI PORT TRUST SPECIFICATIONS FOR DRAFT (11M) , BEAM (32.3 M) & LOA (246 M) . THE DISCHARGE RATES APPLICABLE PER WEATHER WORKING DAY (PWW) BASIS 4 OR MORE AVAILABLE / WORKABLE HOLDS/ HATCHES , PRO RATA IF LESS.

7.	ORIGIN	TO BE INDICATED BY BIDDERS.
8.	PRICE	<p>TO BE INDICATED BY BIDDERS IN US DOLLARS PER METRIC TONNE FOB LOADPORT AND C&F DISPORT AT SIGHT AND FOR 30, 60, 90 DAYS CREDIT FROM THE B/L DATE SEPARATELY .</p> <p>IN CASE THE OFFER PRICE IS QUOTED IN CURRENCY OTHER THAN US DOLLARS, FOR PURPOSE OF EVALUATION ONLY, THE SBI CARD RATE ON THE DATE OF TENDER CLOSING WILL BE USED FOR CONVERSION OF THE OFFERED PRICE INTO US DOLLARS EQUIVALENT.</p>
9.	PAYMENT	BY L/C AS PER MMTC'S FORMAT.
10.	VALIDITY	VALID UPTO 1700 HRS IST ON 06.06.2016 .
11.	INSPECTION	CARGO SHALL BE INSPECTED AT LOADPORT FOR QUANTITY AND QUALITY BY AN INTERNATIONALLY REPUTED INSPECTION AGENCY APPOINTED BY THE BUYER
12.	EMD/ BID BOND	<p>CATEGORY- I "PRODUCERS" WHO SUBMIT THE BIDS DIRECTLY (OR THROUGH AUTHORIZED REPRESENTATIVE/AGENT IN INDIA) AND OFFERING UREA FROM THEIR OWN PRODUCTION UNITS ARE EXEMPT FROM SUBMISSION OF BID BOND. ONLY THOSE PRODUCERS WILL BE TREATED AS "PRODUCERS" WHOSE NAMES ARE LISTED IN IFA PUBLICATION "SURVEY OF UREA CAPACITIES 1995" OR ANY UPDATED EDITION.</p> <p>CATEGORY - II "ACCREDITED SUPPLIERS" AS RECOGNIZED BY MMTC SHALL SUBMIT A BID BOND AT THE RATE OF US \$ 4.00 PMT OF THE QUANTITY OFFERED. THEY SHALL ALSO SUBMIT A LATEST BANK REFERENCE ALONG WITH THE OFFER.</p> <p>CATEGORY- III ALL OTHER BIDDERS WHO ARE NOT COVERED ABOVE SHALL SUBMIT A BID BOND @ US \$ 10.00 PMT OF THE QUANTITY OFFERED. THEY SHALL ALSO SUBMIT D&B REPORT OF THE BIDDER(NOT MORE THAN 12 MONTHS OLD) AS ON DATE OF SUBMISSION OF BID. REPORT SHOULD BE OF MINIMUM 'SATISFACTORY' OR EQUIVALENT RATINGS.</p> <p>MTPL, BEING 100% SUBSIDIARY OF MMTC, IS EXEMPTED FROM SUBMITTING BID BOND AND PERFORMANCE GUARANTEE BOND.</p>
13.	PERFORMANCE GURANTEE BOND	IN THE EVENT OF AN OFFER BEING ACCEPTED, PERFORMANCE GUARANTEE BOND SHALL HAVE TO BE SUBMITTED BY THE OFFERER STRICTLY AS PER

		<p>MMTC’S FORMAT ONLY (ANNEXURE-II) WITHIN 7 DAYS FROM THE DATE OF ISSUANCE OF ACCEPTANCE OF OFFER. CONDITIONAL PG BONDS ARE NOT ACCEPTABLE. THE PG BOND SHOULD BE ESTABLISHED THROUGH ANY INDIAN SCHEDULED BANK IN NEW DELHI. THE VALUE OF THE PG BOND IN US DOLLARS SHALL BE AS FOLLOWS:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 65%;">CATEGORY-I(PRODUCERS)</td> <td style="text-align: right; width: 35%;">1% VALUE OF THE CONTRACT</td> </tr> <tr> <td>CATEGORY–II(ACCREDITED SUPPLIERS)</td> <td style="text-align: right;">3% VALUE OF THE CONTRACT</td> </tr> <tr> <td>CATEGORY- III OTHER BIDDERS</td> <td style="text-align: right;">10% VALUE OF THE CONTRACT</td> </tr> </table> <p>PLEASE NOTE THAT PG BOND SHOULD BE KEPT VALID FOR A MINIMUM PERIOD OF ONE YEAR FROM THE LAST DATE OF VALIDITY OF OFFER.</p>	CATEGORY-I(PRODUCERS)	1% VALUE OF THE CONTRACT	CATEGORY–II(ACCREDITED SUPPLIERS)	3% VALUE OF THE CONTRACT	CATEGORY- III OTHER BIDDERS	10% VALUE OF THE CONTRACT
CATEGORY-I(PRODUCERS)	1% VALUE OF THE CONTRACT							
CATEGORY–II(ACCREDITED SUPPLIERS)	3% VALUE OF THE CONTRACT							
CATEGORY- III OTHER BIDDERS	10% VALUE OF THE CONTRACT							
14.	GENERAL	<p>(I) PLEASE NOTE THAT THE FORM OF MATERIAL SHOULD BE STRICTLY AS PER SPECIFICATIONS AS MENTIONED ABOVE.</p> <p>(II) INDIAN AGENT’S COMMISSION, IF ANY, WILL BE PAID ONLY IN INDIAN RUPEES AND DEDUCTED FROM THE INVOICE VALUE. PAYMENTS ARE SUBJECT TO STATUTORY DEDUCTIONS.</p> <p>(III) MMTC RESERVES THE RIGHT TO ACCEPT OR REJECT ANY OR ALL TENDERS OR TO RE-TENDER AT MMTC’S SOLE DISCRETION WITHOUT ASSIGNING ANY REASONS.</p> <p>(IV) CONTRACT SHALL BE CONSTRUCTED AND GOVERNED BY INDIAN LAW.</p> <p>(V) IN CASE BIDDERS ARE FINDING IT DIFFICULT TO PROVIDE FOR US \$ BID BOND/ PG, BIDDERS MAY SUBMIT THE SAME IN EQUIVALENT RUPEES</p> <p>(VI) DISCHARGE PORT JOINT DRAFT SURVEY QUANTITY SHALL BE FINAL.</p> <p>(VII) QUALITY ANALYSED BY CENTRAL CONTROL FERT. LAB., FARIDABAD OR THEIR REPRESENTATIVES SHALL BE FINAL AND BINDING ON THE SELLER.</p> <p>(VIII) THE PAYMENT FOR SHORT LANDED QUANTITY, IF ANY, AS PER DISCHARGE PORT DRAFT SURVEY SHALL BE COMPENSATED BY THE SELLER TO MMTC.</p> <p>(IX) SELLER SHOULD NOT CHARTER VESSEL OF MORE THAN 15 YEARS OF AGE. IN CASE OF NECESSITY, SHOULD TAKE PRIOR APPROVAL OF MMTC. OVERAGE</p>						

		<p>INSURANCE PREMIUM SHALL BE TO SELLER'S ACCOUNT. SELLER SHALL ENSURE THAT THE VESSEL EMPLOYED IS NOT MORE THAN 20 YEARS OLD</p> <p>(X) VESSEL SHOULD BE SIGLE DECKER, AND SHOULD HAVE HYDRAULIC HATCH COVER. VESSEL SHUOLD BE SUITABLE FOR GRAB DISCHARGE .</p> <p>(XI) THE SCALE OF PANALTIES FOR DEVIATION IN QUALITY AND DEFAULT IN PERFORMANCE BY THE SELLER SHALL BE AS PER OUR LATEST STANDARD UREA IMPORT CONTRACT.</p> <p>(XII) OTHER TERMS WILL BE SIMILAR TO THE CONTRACT FOR FERTILIZER IMPORTS BY MMTC.</p> <p>(xiii) a) Signing of Integrity Pact (IP) is mandatory for every bidder participating in this tender. A copy of the IP is enclosed (Annex.-III), which may be deemed to have been signed by MMTC. The Bidder(s) and MMTC shall be bound by the provisions of IP in case any complaint relating to the tender is found substantiated.</p> <p>b). The IP shall be executed on a plain paper and duly signed on each page by the same signatory who signs the bid document.</p> <p>c) . Any bid not accompanied by duly signed IP by the bidder shall be summarily rejected.</p> <p>d) . All sub-contractors/associates whose contribution in the tender is above 5 crore shall sign IP with MMTC after the tender is awarded to the successful bidder. All bidders shall inform their sub-contractors/associates accordingly.</p> <p>e) . The Independent External Monitors (IEMs) for this tender shall be Shri Bijoy Chatterjee IAS (Retd.) . All correspondence to him regarding implementation of IP should be addressed to : Shri Bijoy Chatterjee, IAS (Retd.) , Independent External Monitor , MMTC Limited, Core-1, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi-100003.</p> <p>MMTC reserves the right without assigning any reason to accept or reject any tender in part or full or to buy any quantity in excess of the tender quantity. MMTC is not</p>
--	--	---

		bound to accept the lowest offer.
--	--	-----------------------------------

THE BIDS (BOTH TECHNICAL AND PRICE) ARE TO BE SUBMITTED ELECTRONICALLY FOR WHICH BIDDERS MAY LOG ON TO WEBSITE [HTTPS://MMTC.EPROC.IN](https://mmtc.eproc.in) . THE BID BONDS IN ORIGINAL AND THE CREDIT RATING (AS REQUIRED) ARE REQUIRED TO BE SUBMITTED PHYSICALLY IN SEALED ENVELOPS IN TENDER BOX LATEST BY 1400 HRS IST ON 11.5.16 PLACED AT MMTC LIMITED, FERTILIZER DIVISION, 2ND FLOOR, CORE 1, SCOPE COMPLEX, LODHI ROAD, NEW DELHI.

CHIEF GENERAL MANAGER (FERT.)

ANNEXURE-I

BID BOND PROFORMA

(ON A STAMP PAPER OF RS. 100/- TO BE EXECUTED BY A
DELHI/NEW DELHI BRANCH OF ANY SCHEDULED BANK OF INDIA)

M/S. MMTC LTD.,
FERTILIZER DIVISION, CORE NO.1
“SCOPE COMPLEX”
7- INSTITUTIONAL AREA, LODI ROAD,
NEW DELHI-110 003. INDIA.

DEAR SIRs,

WHEREAS M/S. _____ (OFFEROR) HAS OFFERED TO SUPPLY A QUANTITY OF _____ MTS OF PRILLED UREA TO MMTC AND THE OFFEROR IS REQUIRED TO SUBMIT A BID BOND IN US DOLLARS AT THE RATE OF USD PMT FOR THE QUANTITY OFFERED ALONGWITH THE OFFER AS A GUARANTEE FOR FULFILLMENT OF ALL THE TERMS AND CONDITIONS OF SUBSEQUENT SALE, WE (BANK WITH FULL ADDRESS) HEREBY GUARANTEE AND UNDERTAKE TO PAY IMMEDIATELY ON DEMAND BY MMTC LTD., NEW DELHI THE AMOUNT OF US\$ _____ IN CASE THE OFFEROR FAILS TO PERFORM ANY OR ALL THE OBLIGATIONS, UNDERTAKEN BY HIM AS PER MMTC’S ACCEPTANCE WITHOUT RESERVATION, PROTEST, DEMUR AND RECOURSE TO SAID OFFEROR. ANY SUCH DEMAND IN WRITING MADE BY MMTC SHALL BE CONCLUSIVE AND BINDING ON US IRRESPECTIVE OF ANY DISPUTE OR DIFFERENCE RAISED BY THE OFFEROR.

NOTWITHSTANDING ANYTHING MENTIONED HEREIN BEFORE, OUR LIABILITY UNDER THE GUARANTEE IS RESTRICTED TO US\$ _____ (US DOLLARS _____ ONLY) AND IT WILL REMAIN IN FORCE UPTO _____ UNLESS A CLAIM UNDER THE GUARANTEE IS FILED AGAINST US ON OR BEFORE _____ ALL YOUR RIGHTS UNDER THE SAID GUARANTEE SHALL BE FOREFEITED AND WE SHALL BE RELIEVED AND DISCHARGED FROM ALL THE LIABILITIES THEREUNDER. WE, _____ BANK FURTHER AGREE THAT THE GUARANTEE HEREUNDER CONTAIN SHALL NOT SO AFFECTED BY CHANGE IN THE TERMS OF PURCHASE ORIGINALLY OFFERED BY THE OFFEROR.

DATED:

FOR

PLACE:

BANK

ANNEXURE II

PERFORMANCE GUARANTEE BOND PROFORMA

(TO BE ISSUED BY ANY SCHEDULED BANK OF INDIA ON STAMP PAPER OF
RS. 100/-)

M/S. MMTC LTD.,
FERTILIZER DIVISION
CORE NO.1,
SCOPE COMPLEX,
7, INSTITUTIONAL AREA,
LODI ROAD,
NEW DELHI-110 003 (INDIA)

1. AGAINST CONTRACT NO. _____
DATED _____ (HEREINAFTER CALLED THE SAID "CONTRACT")
ENTERED INTO BETWEEN THE MMTC LTD., (HEREINAFTER CALLED THE
BUYERS) AND M/S. _____ (HEREINAFTER CALLED
THE SELLERS) THIS IS TO CERTIFY THAT AT THE REQUEST OF THE SELLERS,
WE _____ BANK ARE HOLDING IN TRUST IN FAVOUR OF THE
BUYERS, THE AMOUNT OF US\$ _____ PAYABLE TO THE BUYERS
ON DEMAND IMMEDIATELY WITHOUT PROTEST OR DEMUR OR REFERENCE
TO THE SELLERS IF THE SELLERS FAIL TO PERFORM ALL OR ANY OF THEIR
OBLIGATIONS UNDER THE SAID CONTRACT OR SUPPLY MATERIAL SHORT
THAN THE CONTRACTED QUANTITY AS REVEALED BY DRAFT SURVEY AT
THE DISCHARGE PORT OR IF PENALTIES ARE LEVIED DUE TO QUALITY
DEVIATIONS (NUTRIENTS/ MOISTURE/PARTICLE SIZE) FROM CONTRACTUAL
SPECIFICATIONS AS REVEALED BY DISCHARGE PORT ANALYSIS REPORT OR
LIABILITY TOWARDS DEAD FREIGHT AND DESPATCH/DEMURRAGE NOT
SETTLED. THE DECISION OF THE BUYERS DULY COMMUNICATED IN
WRITING TO THE BANK THAT THE SELLER HAVE FAILED TO PERFORM ALL
OR ANY OF THE OBLIGATIONS UNDER THE CONTRACT OR HAVE DELIVERED
SHORT QUANTITY AT THE DISCHARGE PORT AS PER SURVEY REPORT AT
THE DISCHARGE PORT/OR PENALTIES HAVE BEEN LEVIED DUE TO QUALITY
DEVIATIONS (NUTRIENTS/MOISTURE/PARTICLE SIZE) FROM CONTRACTUAL
SPECIFICATIONS AS PER ANALYSIS REPORT AT THE DISCHARGE PORT OR
HAVE NOT SETTLED DESPATCH/DEMURRAGE. AND DEAD FREIGHT SHALL
NOT BE QUESTIONED AND SHALL BE FINAL AND CONCLUSIVE
(IRRESPECTIVE OF THE STAND THAT MAY BE TAKEN BY OR ON BEHALF OF
THE SELLERS). THE SAID AMOUNT OF US\$ _____ WILL ACCORDINGLY
FORTHWITH BE PAID WITHOUT ANY CONDITIONS OR PROOF WHATSOEVER.

2. IT IS FULLY UNDERSTOOD THAT THIS GUARANTEE IS EFFECTIVE FOR A PERIOD OF ONE YEAR FROM THE DATE OF THIS GUARANTEE AND THAT WE _____ BANK UNDERTAKE NOT TO REVOKE THIS GUARANTEE DURING ITS CURRENCY WITHOUT THE CONSENT IN WRITING OF THE BUYERS.

3. WE, _____ BANK, FURTHER AGREE THAT THE BUYERS SHALL HAVE THE FULLEST LIBERTY, WITHOUT AFFECTING IN ANY MANNER OUR OBLIGATIONS HEREUNDER TO VARY ANY OF THE TERMS AND CONDITIONS OF THE SAID CONTRACT OR TO EXTEND TIME OF PERFORMANCE BY THE SELLERS FROM TIME TO TIME OR TO POSTPONE FOR ANY TIME OR FROM TIME TO TIME ANY OF THE POWERS EXERCISABLE BY THE BUYERS AGAINST THE SAID SUPPLIERS AND/OR FOREBEAR TO ENFORCE ANY OF THE TERMS AND CONDITIONS RELATING TO THE SAID CONTRACT AND WE, _____ BANK, SHALL NOT BE RELEASED FROM OUR LIABILITIES UNDER THIS GUARANTEE BY REASON OF ANY SUCH VARIATIONS OR EXTENSION BEING GRANTED TO THE SAID SELLERS OR FOR ANY FORBEARANCE AND/OR OMISSION ON THE PART OF THE BUYERS, OR ANY INDULGENCE BY THE BUYERS, TO THE SAID SELLERS OR BY ANY OTHER MATTER OR THING WHATSOEVER WHICH UNDER THE LAW RELATING TO THE SURETIES WOULD, BUT FOR THIS PROVISION HAVE THE EFFECT OF SO RELEASING US FROM OUR LIABILITY UNDER THIS PERFORMANCE GUARANTEE.

4. WE, _____ BANK, FURTHER AGREE THAT THE GUARANTEE HEREIN CONTAINED SHALL NOT BE AFFECTED BY CHANGE IN THE CONSTITUTION OF THE SAID SUPPLIER/ IMPORTER/CONSIGNEE.

FOR _____ BANK

ACCEPTED

INTEGRITY PACT

Between

MMTC Limited hereinafter, referred to as “MMTC”,

And

..... hereinafter referred to as “The Buyer/Vendor/Bidder”

Preamble

WHEREAS, MMTC is an international trading company dealing in export/import/sale/purchase of various commodities;

WHEREAS, MMTC values full compliance with all relevant laws of the land, rules, regulations and the principles of economic use of resources and of fairness / transparency in its relation with its Buyer/Vendor/Bidder. IN PURSUANCE, thereto, the following clauses of the Integrity Pact will be applicable and this document shall deem to be an integral part of the Agreement/ Contract between us.

In order to achieve the goals, MMTC may appoint an Independent External Monitor (IEM), who will monitor the tender/auction/e-auction/e-sale/sale/purchase process and the execution of the contract for compliance with the principles mentioned above.

Section 1 – Commitments of MMTC

1. MMTC commits itself to take all necessary measures to prevent corruption and to observe the following principles:

- a) No employee of MMTC, personally or through family members, will in connection with the tender for, or the execution of a contract, demand, take a promise for or accept, for himself/herself or third person, any material or non-material benefit which he/she is not legally entitled to.
- b) MMTC will, during the tender/auction/e-auction/e-sale/sale/purchase process, provide to all Buyer(s)/Vendor(s)/Bidder(s) the same information and will not provide to any Buyer/Vendor/Bidder any confidential/additional information through which the Buyer/Vendor/Bidder could obtain an advantage in relation to the tender/auction/e-auction/e-sale/sale/purchase process or the contract

execution.

c) MMTC will exclude from the process all known prejudiced persons.

2. If MMTC obtains information on the conduct of any of its employees which is a criminal offence under the relevant Anti-Corruption Laws of India, or if there be a substantive suspicion in this regard, MMTC will inform its Chief Vigilance Officer and in addition can initiate disciplinary action.

Section 2 – Commitments of the Buyer(s)/Vendor(s)/Bidder(s)

1. The Buyer(s)/Vendor(s)/Bidder(s) commits himself to take all measures necessary to prevent corruption. He commits himself to observe the following principles during his participation in the tender/auction/e-auction/e-sale/sale/purchase process and during the contract execution.

a) The Buyer(s)/Vendor(s)/Bidder(s) will not, directly or through any other person or firm, offer, promise or give to any of MMTC's employees involved in the tender/auction/e-auction/e-sale/sale/purchase process or the execution of the contract or to any third person any material or non-material benefit which he/she is not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.

b) The Buyer(s)/Vendor(s)/Bidder(s) will not enter with other Buyer(s) into any illegal agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process.

c) The Buyer(s)/Vendor(s)/Bidder(s) will not commit any criminal offence under the relevant Anti-Corruption Laws of India; further the Buyer(s) /Vendor(s)/Bidder(s) will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by MMTC as part of the business relationship regarding proposals, plans, business details including information contained or transmitted electronically.

- d) The Buyer(s)/Vendor(s)/Bidder(s) of foreign origin shall disclose the name and address of the Agents/representatives in India, if any. Similarly the Buyer(s)/Vendor(s)/Bidder(s) of Indian Nationality shall furnish the name and address of the foreign principals, if any. Further, all the payments made to the Indian agents/representative have to be in Indian Rupees only.
 - e) The Buyer(s)/Vendor(s)/Bidder(s) will, when presenting his bid, disclose any and all payments he has made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the Contract.
2. The Buyer(s)/Vendor(s)/Bidder(s) will not instigate third persons to commit offences outlined above or be necessary to such offences.

Section 3 – Disqualification from tender process and exclusion from future contracts.

If the Buyer(s)/Vendor(s)/Bidder(s), before award of contract, has committed a serious transgression through a violation of Section 2 above or in any other form such as to put his reliability or credibility as buyer/vendor/bidder into question, MMTC is entitled to disqualify the Buyer(s)/Vendor(s)/Bidder(s) from the tender/auction/e-auction/e-sale/sale/purchase process or to terminate the contract, if already signed, for such reason.

- a) If the Buyer(s)/Vendor(s)/Bidder(s) has committed a serious transgression through a violation of Section 2 above or in any other form such as to put his reliability or credibility as buyer/vendor/bidder into question, MMTC is entitled to also exclude the Buyer(s)/Vendor(s)/Bidder(s) from the future contract award processes. The imposition and duration of the exclusion will be determined by the severity of the transgression. The severity will be determined by the circumstances of the case, in particular the number of transgression, the position of the transgressors within the company, hierarchy of the buyer and the amount of the damage. The exclusion will be imposed for a minimum of 6 months and maximum of 3 years.
- b) If the Buyer(s) /Vendor(s)/Bidder(s) can prove that he has restored/recouped the damage caused by him and has installed a suitable corruption prevention system, MMTC may at its sole discretion revoke the exclusion prematurely.

- c) A transgression is considered to have occurred if in light of available evidence no reasonable doubt is possible.

Section 4 – Compensation for Damages

1. If MMTC has disqualified the Buyer(s) from the tender/auction/e-auction/e-sale/sale/purchase process prior to the award according to Section 3, MMTC is entitled to demand and recover the damages equivalent to Earnest Money Deposit/Bid Security.
2. If MMTC has terminated the contract according to Section 3, or if MMTC is entitled to terminate the contract according to Section 3, MMTC shall be entitled to demand and recover from the Vendor liquidated damages equivalent to 5% of the Contract value or the amount equivalent to Performance Bank Guarantee whichever is higher.
3. If the Buyer(s) /Vendor(s)/Bidder(s) can prove that the exclusion of the Buyer(s) /Vendor(s)/Bidder(s) from the tender/auction/e-auction/e-sale/sale/purchase process or the termination of the contract after the contract award has caused no damage or less damage than the amount of liquidated damages, the Buyer(s) /Vendor(s)/Bidder(s) may compensate only the damage in the amount proved. If MMTC can prove that the amount of the damage caused by the disqualification of the Buyer(s)/Vendor(s)/Bidder(s) before Contract Award or the termination of the Contract after the Contract Award is higher than the amount of the liquidated damages, it is entitled to claim compensation for the higher amount of the damages.

Section 5 – Previous transgression

1. The Buyer(s)/Vendor(s)/Bidder(s) to declare that no previous transgressions occurred in the last 3 years with any other Company in any country conforming to the anti corruption approach or with any other Public Sector Enterprise in India that could justify his exclusion from the tender process.
2. If the Bidder makes incorrect statement on this subject, he can be disqualified from the tender process or the contract, if already awarded and can be terminated for such reason.

Section 6 – Equal treatment of all Buyer(s) /Vendor(s)/Bidder(s)

1. MMTC will enter into agreements with identical conditions as this one with all Buyer(s) /Vendor(s)/Bidder(s) without any exception.
2. MMTC will disqualify from the tender process all Buyer(s)/Vendor(s)/Bidder(s) who do not sign this Pact or violate its provisions.

Section 7 – Criminal charges against violating Buyer(s)/Vendor(s)/Bidder(s)

If MMTC obtains knowledge of conduct of Buyer(s)/Vendor(s)/Bidder(s) or of an employee or a representative or an associate of Buyer(s)/Vendor(s)/Bidder(s), which constitutes corruption, or if MMTC has substantive suspicion in this regard, MMTC will inform the same to its Chief Vigilance Officer and/or appropriate Govt. authorities such as CBI.

Section 8 – Independent External Monitor(s)

1. MMTC appoints competent and credible Independent External Monitor (IEM) for this Pact. The task of the IEM is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.
2. The IEM is not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. He reports to the CMD, MMTC.
3. The IEM has the right to access without restriction to all trade/project related documentation of MMTC. The Buyer(s)/Vendor(s)/Bidder(s) will also grant the IEM, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his trade/project documentation. The IEM is under contractual obligation to treat the information and documents of the Buyer(s)/Vendor(s)/Bidder(s) with confidentiality.
4. MMTC will provide the IEM sufficient information about all meetings among the

parties related to the project/contract provided as meetings could have an impact on the contractual relations between MMTC and the vendor. The parties offer to the IEM the option to participate in such meetings.

5. As soon as the IEM notices, or believes to notice, a violation of this agreement, he will so inform the Management of MMTC and request the Management to discontinue or take corrective action, or to take other relevant action. The IEM can in this regard submit NON-BINDING RECOMMENDATIONS. Beyond this, the IEM has not right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.

6. The IEM will submit a written report to the CMD, MMTC within 4 to 6 weeks from the date of reference or intimation to him by MMTC and, should the occasion arise, submit proposals for correcting problematic situations.

7. If the IEM has reported to the CMD, MMTC, a substantiated suspicion of an offence under relevant Anti Corruption Laws of India, and the CMD, MMTC, has not, within the reasonable time taken visible action to proceed against such offence or reported it to its Chief Vigilance Officer, the IEM may also transmit this information directly to the Central Vigilance Commissioner, Govt. of India.

8. The word “**IEM**” would include both singular and plural.

Section 9 – Pact Duration

1. This Pact begins when both parties have legally signed it. It expires for the Vendor 12 months after the last payment under the contract, and for all other Bidders, 6 months after the Contract has been awarded.

2. If any claim is made/lodged during this time, the same shall be binding and continue to be valid despite the lapse of this pact as specified above, unless it is discharged/determined by CMD, MMTC.

Section 10 – Other provisions

1. This agreement is subject to Indian Law, Place of performance and jurisdiction is

the Registered Office of MMTC, i.e. New Delhi.

2. Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.
3. If the Vendor is a partnership or a consortium, this agreement must be signed by all partners or consortium members.
4. Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intentions.

.....
(For & on behalf of MMTC)
(Office Seal)

.....
(For & on behalf of Buyer/Vendor/Bidder)
(Office Seal)

Place :

Date :

Witness 1 :

Name :

Address :

Witness 2 :

Name :

Address :

ANNEXURE IV

FRAUD PREVENTION POLICY

(1) COMMITMENTS OF THE BIDDER(S) / CONTRACTOR(S) / BUYER(S) / VENDER(S):

THE BIDDER(S)/CONTRACTOR(S)/BUYER(S)/VENDER(S) SHALL BE BOUND TO TAKE ALL MEASURES NECESSARY TO PREVENT FRAUD AND CORRUPTION WHILE DEALING WITH MMTC. THEY AGREE AND UNDERTAKE TO OBSERVE THE PRINCIPLES/PROVISIONS AS LAID DOWN IN "FRAUD PREVENTION POLICY" OF MMTC (FULL TEXT OF WHICH IS AVAILABLE ON MMTC'S WEBSITE AT <http://mmtclimited.gov.in> DURING THEIR PARTICIPATION IN THE TENDER PROCESS, DURING THE EXECUTION OF CONTRACT AND IN ANY OTHER TRANSACTION WITH MMTC.

- a. THE BIDDER(S)/CONTRACTOR(S)/BUYER(S)/VENDER(S) SHALL NOT, DIRECTLY OR THROUGH ANY OTHER PERSON OR FIRM OFFER, PROMISE OR GIVE OR OTHERWISE ALLOW ANY OF MMTC'S EMPLOYEE(S) ANY MATERIAL OR OTHER BENEFIT WHICH HE/SHE IS NOT LEGALLY ENTITLED TO, IN ORDER TO OBTAIN IN EXCHANGE ANY ADVANTAGE OF ANY KIND, WHATSOEVER, DURING THE TENDER PROCESS OR DURING THE EXECUTION OF THE CONTRACT.
- b. THE BIDDER(S)/CONTRACTOR(S)/BUYER(S)/VENDER(S) SHALL NOT ENTER WITH OTHER BIDDERS INTO ANY UNDISCLOSED AGREEMENT OR UNDERSTANDING, WHETHER FORMAL OR INFORMAL. THIS APPLIES IN PARTICULAR TO PRICES, SPECIFICATIONS, CERTIFICATIONS, SUBSIDIARY CONTRACTS, SUBMISSION OR NON-SUBMISSION OF BIDS OR ANY OTHER ACTIONS TO RESTRICT COMPETITIVENESS OR TO INTRODUCE CARTELIZATION IN THE BIDDING PROCESS.
- c. THE BIDDER(S)/CONTRACTOR(S)/BUYER(S)/VENDER(S) SHALL NOT COMMIT OR ALLOW ANY EMPLOYEE OF MMTC TO COMMIT ANY OFFENCE UNDER THE RELEVANT PROVISIONS OF IPC/PREVENTION OF CORRUPTION ACT; FURTHER THE BIDDER(S)/CONTRACTOR(S) / BUYER(S)/VENDER(S) WILL NOT USE IMPROPERLY OR ALLOW ANY EMPLOYEE OF MMTC, FOR PURPOSE OF COMPETITION OR PERSONAL GAIN OR PASS ON TO OTHERS ANY INFORMATION OR DOCUMENT PROVIDED BY MMTC AS PART OF THE BUSINESS RELATIONSHIP, INCLUDING INFORMATION CONTAINED OR TRANSMITTED ELECTRONICALLY.

- d. THE BIDDER(S)/CONTRACTOR(S)/BUYER(S)/VENDER(S) SHALL NOT INSTIGATE THIRD PERSON TO COMMIT OFFENCES/ACTIVITIES OUTLINED IN FRAUD PREVENTION POLICY OR BE AN ACCESSORY TO SUCH OFFENCES.
- e. THE BIDDER(S)/CONTRACTOR(S)/BUYER(S)/VENDER(S) IF IN POSSESSION OF ANY INFORMATION REGARDING FRAUD/SUSPECTED FRAUD, HEREBY AGREE AND UNDERTAKE TO INFORM MMTC OF SAME WITHOUT ANY DELAY.

(2) **DISQUALIFICATION FROM TENDER PROCESS AND EXCLUSION FROM FUTURE CONTRACTS:** IF THE BIDDER(S)/CONTRACTOR(S)/BUYER(S)/VENDER(S), BEFORE AWARD OR DURING EXECUTION HAS COMMITTED A TRANSGRESSION THROUGH A VIOLATION OF "FRAUD PREVENTION POLICY" OF MMTC IN ANY OTHER FORM SUCH AS TO PUT THEIR RELIABILITY OR CREDIBILITY, IN QUESTION, MMTC, OTHER THAN TAKING RECOURSE AVAILABLE UNDER LAW, SHALL BE ENTITLED TO DISQUALIFY THE BIDDER(S)/CONTRACTOR(S)/BUYER(S)/VENDER(S) FROM UNDERTAKING ANY TRANSACTION WITH MMTC AND/OR DECLARE THE BIDDER(S)/CONTRACTOR(S)/BUYER(S)/VENDER(S) INELIGIBLE TO BE AWARDED A CONTRACT EITHER INDEFINITELY OR FOR A STATED PERIOD OF TIME.

(3) **DAMAGES:** IF MMTC HAS DISQUALIFIED THE BIDDER(S) FROM THE TENDER PROCESS PRIOR TO THE AWARD OR DURING EXECUTION ACCORDING TO CLAUSE (2), MMTC SHALL BE ENTITLED TO DEMAND AND RECOVER FROM THE CONTRACTOR LIQUIDATED DAMAGES OF THE CONTRACT VALUE OF THE AMOUNT EQUIVALENT PERFORMANCE BANK GUARANTEE.