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(SOUTHERN REGIONAL OFFICE),
(A Government of India Undertaking)
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**INVITING APPLICATIONS FOR EMPANELMENT OF VENDORS FOR
REGISTRATION OF POLYESTER STAPLE FIBRE MANUFACTURERS.**

National Textile Corporation Limited inviting applications for empanelment Of vendors for registration of Polyester Staple Fiber manufacturers for PSF Supply from all over India to our various NTC Units.

Pre bid Meeting: 09.12.2019 at 2.30 P.M

Last date for submission of Filled application For Vendor Registration in Southern Regional Office, National Textile Corporation Limited, Coimbatore: **On 19.12.2019 up to 3.00 PM**

Suppliers are requested to submit their filled applications in sealed covers and Form is available in the Annexure 1

NATIONAL TEXTILE CORPORATION LIMITED

REVISED STANDARD OPERATING PROCEDURE FOR PROCUREMENT OF POLYESTER STAPLE FIBRE

A. OBJECTIVE -

Standard Operating Procedure (SOP) for procurement of Polyester Staple Fibre (PSF) to facilitate a quick decision through proper procurement and maintaining the inventory of PSF as per the requirement.

B. SCOPE-

This policy covers the procurement methodology for virgin PSF through e-Tendering process.

C. PSF PROCUREMENT COMMITTEE –

A committee* has been set up for procuring PSF for its mills having members from Head Office, Southern Regional Office and Western Regional Office for ensuring transparency and to strengthen the system

- Officer In charge – Southern Regional Office.
- Chief General Manager (Tech) – Head Office.
- General Manager (Finance) – Western Regional Office.
- General Manager (Technical) – Southern Regional Office (Member Secretary & Administrator for E-portal.

*On availability of any officer (below board level), higher in rank than the CGM in the Management, revision of this committee would be considered to be headed by him.

- PSF procurement committee will scrutinize the offers and compile the complete information like Fiber Quality, Quantity etc.
- The Committee will finalize the manufacturers and rates as per the procedures laid down in this SOP for purchase of PSF within 24 Hrs and

communicate the same online to the Mills/Regions for placing orders accordingly.

D. VENDOR (Manufacturer) REGISTRATION -

The interested Manufacturers of PSF in India will be registered by NTC as per the eligibility criteria given in **Annexure – I**.

E. PROCUREMENT THROUGH e-TENDERING–

- i) The PSF purchase will be done through e-tendering / e-auction platform. Intimation will be given to the registered manufacturers about e-procurement on their email - id mentioning date and time.
- ii) Registered manufacturers will be requested to send their offers to NTC through online portal. No other mode of submission of offers will be allowed.
- iii) The unit Head will decide and inform about the quality like Cut length, Denier, Lusture i.e Semi dull, dull etc and quantity of PSF required, before procurement in order to get rates of the raw material.
- iv) The registered manufacturers would be requested to quote for discount in terms of Rs per Kg valid for the period of contract i.e. 6 months over the Base Price/ Kg of PSF. The base price is defined at **para F** of this SOP.
- v) For calculating the L1 rate, discount offered by the supplier will be subtracted from its Base Price. The manufacturers whose offered rate (Including discount) is the least would be considered as L1. This discount would remain fixed and valid for six months from the date of first e-tenders finalization. Other two manufacturers which are L2 and L3 will be offered to match their prices with that of L1 quoted price. If any participant

manufacturer does not agree to match the rates as above, offer will be given to L4 party and so on, at L1 quoted price. NTC shall have maximum of three participant manufacturers at any given point of time and quantum of order allocation will be as follows:

- 65 % quantity will be allocated to L1
- 25 % quantity will be allocated to L2 party at L1 rate
- 10 % quantity will be allocated to L3 party at L1 rate

(Percentage of allocation will not be in exact value as above and will be depending upon the spindle capacity of various mills in NTC)

vi) If any manufacturer is not able to supply their allocated quantity, then committee is empowered to divert their allocated quantity to other manufacturer such as L2, L3, and L4 etc at L1 Quoted rate.

vii) For participating in e-tendering process, it should be from manufacturer only.

F. Base price

Base Price is the minimum delivered rate of the fibre at the mill before applying discount.

- i) As the base price of PSF keeps changing every 15 days normally, the Committee will invite quotes online from registered manufacturers of PSF for the base price once in every 15 days.
- ii) The Base price/Kg quoted by the manufacturers should be Mill Delivery Rate including all other costs like transportation, insurance etc, only GST as applicable will be extra.

iii) The Base price/Kg offered for different Denier, Colour / Lusture (like Semi dull / dull) will be valid for fifteen days and NTC Mills will place the order within same period.

iv) The PSF Base Price/kg for a particular fortnight will be valid for all orders placed during that period.

G. Quality Parameters of the PSF Supply -

Quality parameter and its tolerance limit are as under:-

PSF Quality parameter	Unit	Standards & Tolerance limit	Fibre Testing Standards to be adopted
Cut Length	MM	For Cut Length Below 40 mm - ± 1.0 mm	BISFA - In House Method (The International Bureau of Standardization of Manmade Fibres)
		For Cut Length 40 mm & above - ± 1.5 mm	
Over Length Fibre	Nos. per gram	20 No's per Grams of PSF Sample.	
Denier	Denier	± 0.05	ASTM D-1577(American Society For Testing & Materials)
Tenacity	Grams Per Denier	0.8 & 1.0 Denier ≥ 6.0 GPD & above.	ASTM D-3822 (American Society For Testing & Materials)
		1.1,1.2 and 1.4 Denier ≥ 5.5 GPD & above	
Fuse Fibre	In milli grams	8 mg per 100 Grams of PSF Sample in the Card Fleece.	
Spin finish	%	0.1350 -0.2000	Chemical Extraction Method
Colour / Lusture	Visual	Dull, semi Dull	White Index (As per shade card)

Note: The above Quality parameters of the PSF supply applicable for the various denier from 0.80, 1.00, 1.10, 1.20 and 1.40 Denier.

***The above quality parameters are subject to the written recommendation of SITRA (South India Textile Research Association).**

The manufacturer should furnish the test certificate on PSF Quality parameters mentioned as above, with each consignment. In case the standard used in testing the quality parameters is different than the above mentioned, the manufacturer should mention the test methods applied and the instruments used.

- Each mill to send the samples for testing to SITRA monthly once as well whenever there is a change in Merge Number as informed by the Manufacturer.
- The PSF Sample will be packed through proper sealing and forwarded to SITRA via NTC Centralized laboratory accompanied by certification by the individual Mills Raw Material Inspection Committee.

H. Deductions, Rejections and Penalties:

1. The Lots of particular supply having the quality parameter outside the tolerance limit will be rejected by the respective mills.
2. Rejected bales will be replaced by the manufacturers at their costs within 30 days of communication from NTC in writing which includes e-mail, fax, or any form of written communication.
3. If party does not replace the fibre within 30 days from the date of intimation NTC would charge interest @ 12.5% on defective value of fibres from the 31st day.
4. If any dispute arises between NTC and the manufacturer on account of test report/sampling, in such a case, joint sample will be collected in the presence of Manufacturer's representative and NTC designated mill officials. The collected sample will be sent to recognized Independent Testing lab (SITRA). Such test report of Independent Testing lab - SITRA shall be binding on both the parties.
5. If a manufacturer bid for the PSF but does not supply, NTC will recover the difference of the price (if on higher side) of the next bidding or price after 15 days (if bidding is not done earlier) of similar variety fibres from the payments outstanding/ security deposit.
6. If the lot supplied by the manufactures is rejected three times in six months in a particular mill, they will be debarred from the supply during the contract period of six months.

I. Delivery Period and Payment of Supply-

1. Minimum quantity supplied by a manufacturer for virgin PSF should be 2500 Metric ton per year, which is approximately 10 % of NTC requirement
2. Delivery of material is to be done within 7 days from the date of purchase order followed by the schedules given by the Mills/Regions.
3. Payment will be made by NTC within 7 days, from the date of receipt of material received.
4. Cash discount of Rs 0.50 per kgs will be provided by the vendor on the payments made by NTC within 5 days from the date of receipt of material.
5. In case there is dispute on the testing of the material, the payment will be made after 7 days from the date of settling the issue between the parties, without any Interest in making payment.
6. The quality and quantity of PSF received will be checked by the Mills, and in case of any deviation noted, the claim of damages can be raised by NTC within one month from date of receipt.

J. Standard Operating System-

1. Unit Heads/Regional office officials are responsible to maintain the required quantum of raw-material stock with them and ordering their requirements on monthly basis to the procurement committee in writing.
2. Regional office's will get requirement of PSF with specified quality and parameters from the Mills and provide this feed back to Committee.

K. Ideal Stock position of PSF –

Maximum 30 days of Consumption. Variation in prices and the marketing sentiments; Committee/ ROs can decide the covering fiber for extended period.

L. Access to SOP

This SOP document will be available on NTC website at www.ntcltd.org as well as on Government e-procurement portal (CPP).

M. Interest to be paid by the mills on late payment

1. NTC will not pay any interest up to 10th day from the date of receipt.
2. Thereafter, interest payable by NTC on due amount would be 12% p.a.

N. Liquidated Damage (LD) Clause

- I. 0.1% per day of purchase order value for delay after delivery schedule. The delay shall be reckoned from the end of delivery schedule. The delivery schedule is of 7 days from the date of issuing of Purchase Order. Liquidated damage will be changed to a maximum of 0.7% i.e. upto 07 days period. If the bidder failed to supply even after the Liquidated Damage (LD) period, then work order will stand terminated.

Delays arising out of genuine factor(\$) or any other beyond control of mill/supplier are to be ascertained by PSF committee and it has right to waive –off penalty.

- II. As already referred under clause ‘‘H (5) of SOP’’, in order to protect Government interest in case of rising prices, the NTC will recover the difference of the price (if on higher side)in the next bidding or 15 days (if bidding is not earlier) of similar variety fibers from the payments outstanding / security deposit.

The Total liquidity damages applicable will be the sum of (I) and (II) subject to overall ceiling of 10% of value of defaulting supply order.

O. PERFORMANCE SECURITY DEPOSIT (PSD)

In order to ensure the performance of the contract, a PSD shall be obtained from the successful bidders(S) after award of contract. The PSD shall be obtained from every successful bidders irrespective of its registration status.

The PSD shall be equal to an amount of 10% of the subject order value. Since, as per the clause '5 of Annexure -1 of SOP, every supplier has submitted a security deposit, the balance amount in the form of bank guarantee (10% of first supply order value of Base rate minus Rs.25 Lakhs) will be payable by the eligible vendor immediately after the placement of supply order.

The Bank Guarantee (BG) shall be from a Public Sector Bank (PSB) and should be valid for a period of 7 months from the date of first supply order. This BG will be valid for revolving over the future contracts within the period of six month.

NTC will confirm the sanctity of the submitted Bank Guarantee from the respective banks. The Submitted Bank Guarantee will be returned to the respective vendors after a period of 7 months from the first supply order if there are no pending dues.

O.INTEGRITY PACT

1. NTC entered integrity pact MOU with Transparency International. The bidders have to submit duly signed enclosed Performa of Integrity Pact. Only those vendors, who commit themselves to integrity pact will be consider to competent for participating in bidding process.

2. The tendering is being monitored by Independent External Monitor Shri Kalyan Chand, Retd. IRS (Contact No.: +91 9968095320) and Shri Ashok Kumar Tripathi, Retd. District Judge (Contact No.: +919911566668). If any party is aggrieved they are free to approach the said IEMs in terms of Integrity Pact.

Copy of Integrity Clause is enclosed as **Annexure-II**.

P.FORCE MAJURE

The General Manager of mills shall not be liable for any failure or delay in execution of contract due to any cause beyond their control including fire, floods, strikes, go-slow, lock-out, closure, pestilence dissilience dispute with staff dislocation of normal working conditions, war riots epidemics political upheavals Government actions commotion, breakdown of machinery, shortage of labour, demands or otherwise or any other cause or conditions beyond the control of aforesaid causes or not and the existence of such cause or consequence may operate at the sole discretion of the General Manager of Respective Mills. To extend the time of execution on the part of the General Manager, for said mills by such period as may be necessary to enable the respective General Manager to affect execution after the cause of delays will have ceased to exist. The provisions aforesaid shall not be limited or abrogated by any other terms of the contract whether printed or written.

Q.ARBITRATION

The Terms & Condition of this tender document shall prevail in case of any dispute arising out of this contract. Any dispute or difference whatsoever arising between the parties out of this contract shall be settled by arbitration in accordance with the rule of Arbitration or the Indian Council of Arbitration and the award made in pursuance, thereof shall be binding on the parties.

The matter will be referred to the arbitrator solely appointed by the OFFICER INCHARGE SOUTHERN REGIONAL OFFICE. All the decisions made by the arbitrator shall be final and binding of both the parties.

There should be no impact on the ongoing supply in case the matter referred to arbitration.

The Cost of arbitration shall be borne by the both the parties. The cost shall, inter alia, include the fees of arbitrator(s) as per rates fixed by the Employer from time to time.

The Principal Civil Court, Coimbatore in respect of SRO mills and The Principal Civil Court, Mumbai in respect of WRO mills will have Jurisdiction in respect of the mills of the concerned regions.

R. JURISDICTION

All suits or proceedings relating to any dispute or claim arising out of or in course of performance in this contract shall be filed in appropriate court. Only Courts in Coimbatore (for SRO based mills) /Mumbai (for WRO based mills) shall have the jurisdiction to decide or adjudicate on any matter, which may arise.



NATIONAL TEXTILE CORPORATION LIMITED
(A Government of India Undertaking)
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(CIN-U74899DL1968PLC004866)

REQUEST FOR REGISTRATION OF POLYESTER STAPLE FIBRE MANUFACTURERS

National Textile Corporation Ltd, New Delhi (NTC) intends to register PSF manufacturers for its 23 Mills and will invite the quotes for PSF from the registered manufacturers through E- bidding process. Interested manufacturers may please see detailed terms and conditions on NTC websites www.ntcltd.org and Central Public Procurement Portal (CPP).

Vendor Registration Criteria and validity of offer

1. The Annual Requirement of NTC of PSF is approx. 25,000 Metric Tons (MT).
2. The average turnover of last three years of applicant should be at least Rs 100 Cores.
3. The applicant manufacturers should have their own production unit.
4. The applicant needs to submit last three years Quantum of Supply, Annual Audited report, Annual Income tax returns, Company Registration Certificates, PAN card and GST Registration Certificate at the time of Registration.
5. The Registered applicants on award of contract for supply of PSF shall be required to make deposit of Security amounting to Rs 25.00 lacs. The Security deposit can be made in the form of BG/Lien on FD (Scheduled /Nationalized Banks) or Demand Draft/Pay Order in favor of National Textile Corporation Limited. The BG /Lien FD will be restored to the parties after one year from the date of award of contract, subject to no dispute, on their written request stating that they do not want to participate in NTC future tenders for PSF.

In case of Security deposit in Demand Draft/ Pay order form, an interest equal to MCLR of SBI (for 3 months tenure) shall be payable by NTC to the Manufacturer.

6. The Company/organization should not be in defaulters list of any National/Government/Private/PSU/International organizations. A self attested certificate to be produced in this regard.
7. The applicant should not be a defaulter on GST on the date of application, and should submit a self declaration to that effect.
8. The applicant on award of contract should give a Revolving credit limit up to Rs 12 Crores for supply of PSF.
9. The process of vendor registration shall be open and manufacturers can register at any time. A Non-refundable Application Registration fee of Rs 20,000/- (Twenty thousand) will have to accompany the application in form of a Demand Draft drawn in favor of National Textile Corporation Limited, Payable at Coimbatore.
10. E-tendering service provider shall collect transaction fees from the successful vendors at the rate of 0.05% of the estimated value of a tender or e-Reverse Auction as input by the Principal subject to a minimum of INR 1000/- and maximum INR 15000/-per participating bidder plus applicable taxes.
11. The empanelled vendors not participating in 5 consecutive bids for supply of PSF will be debarred for further participation for a period ONE year.

INTEGRITY PACT

Between

National Textile Corporation Limited (NTC) hereinafter referred to as

“The Principal”

and

.....hereinafter referred to as

“The Bidder/Contractor”

Preamble

The Principal intends to award, under laid down organizational procedures, contract/s forThe Principal values full compliance with all relevant laws of the land, rules, regulations, economic use of resources and of fairness/ transparency in its relations with its Bidder(s) and/or Contractor(s).

In order to achieve these goals, the Principal will appoint an Independent External Monitor (IEM), who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

Section 1- Commitments of the Principal

1. The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles:-
 - a. No employee of the Principal, 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 self or third person, any material or immaterial benefit which the person is not legally entitled to.
 - b. The Principal will, during the tender process treat all Bidder(s) with equity and reason. The Principal will in particular, before and during the tender process, provide to all Bidder(s) the same information and will not provide to any Bidder(s) confidential/additional information through which the Bidder(s) could obtain an advantage in relation to the tender process or the contract execution.
 - c. The Principal will exclude from the process all known prejudiced persons.
2. If the Principal obtains information on the conduct of any of its employees which is a criminal offence under the IPC/PC Act, or if there be a substantive suspicion in this regard,

the Principal will inform the Chief Vigilance Officer and in addition can initiate disciplinary actions.

Section 2- Commitments of the Bidder(s)/contractor(s)

1. The Bidder(s)/Contractor(s) commit themselves to take all measures necessary to prevent corruption. He commits himself to observe the following principles during his participation in the tender process and during the contract execution.
 - a. The Bidder(s)/Contractor(s) will not, directly or through any other person or firm, offer, promise or give to any of the Principal's employees involved in the tender process or the execution of the contract or to any third person 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) will 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 cartelisation in the bidding process.
 - c. The Bidder(s)/Contractor(s) will not commit any offence under the relevant IPC/PC Act; further the Bidder(s)/ contractor(s) will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.
 - d. The Bidder(s) /Contractors(s) of foreign origin shall disclose the name and address of the Agents/representatives in India, if any. Similarly the Bidder(s)/Contractors(s) of Indian Nationality shall furnish the name and address of the foreign principals, if any. Further details as mentioned in the "Guidelines on Indian Agents of Foreign Suppliers" shall be disclosed by the Bidder(s)/Contractor(s). Further, as mentioned in the Guidelines all the payments made to the Indian agent/representative have to be in Indian Rupees only. Copy of the "Guidelines on Indian Agents of Foreign Suppliers" is placed at **Annexure-A**.
 - e. The Bidder(s)/Contractor(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 Bidder(s)/Contractor(s) will not instigate third persons to commit offences outlined above or be an accessory to such offences.

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

If the Bidder(s)/Contractor(s), before award or during the execution has committed a transgression through a violation of Section 2, above or in any other form such as to put his reliability or credibility in question, the Principal is entitled to disqualify the Bidder(s)/Contractor(s) from the tender process or take action as per the procedure mentioned in the “Guidelines on Banning of Business Dealings”. Copy of the “Guidelines on Banning of Business Dealings” is annexed and marked as **Annexure-B**.

Section 4- Compensation for Damages

1. If the Principal has disqualified the Bidder(s) from the tender process prior to the award according to Section 3, the Principal is entitled to demand and recover the damages equivalent to Earnest Money Deposit / Bid Security.
2. If the Principal has terminated the contract according to Section 3, or if the Principal is entitled to terminate the contract according to section 3, the Principal shall be entitled to demand and recover from the Contractor liquidated damages of the Contract value or the amount equivalent to Performance Bank Guarantee.

Section 5 – Previous transgression

1. The Bidder declares that no previous transgressions occurred in the last three 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 action can be taken as per the procedure mentioned in “Guidelines on Banning of Business Dealings.”

Section 6 - Equal treatment of all Bidders / Contractors / Subcontractors

1. The Bidder(s)/ Contractor(s) undertake(s) to demand from his subcontractors a commitment in conformity with this Integrity Pact.
2. The Principal will enter into agreements with identical conditions as this one with all Bidders and Contractors.
3. The Principal will disqualify from the tender process all bidders who do not sign this Pact or violate its provisions.

Section 7 – Criminal charges against violating Bidder(s) /Contractor(s) / Subcontractor(s)

If the Principal obtains knowledge of conduct of a Bidder, Contractor or Subcontractor, or of an employee or a representative or an associate of a Bidder, Contractor or Subcontractor which constitutes corruption, or if the Principal has substantive suspicion in this regard, the Principal will inform the same to the Chief Vigilance Officer.

Section 8 – Independent External Monitor / Monitors

1. The Principal appoints competent and credible Independent External Monitor for this Pact. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.
2. The Monitor is not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. It will be obligatory for him to treat the information and documents of the Bidder(s)/ Contractors as confidential. He reports to the Chairman, NTC.
3. The Bidder(s)/ Contractor(s) accepts that the Monitor has the right to access without restriction to all Project documentation of the Principal including that provided by the Contractor. The Contractor will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to Subcontractors. The Monitor is under contractual obligation to treat the information and documents of the Bidder(s)/ Contractor(s)/Subcontractor(s) with confidentiality.
4. The Principal will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the Monitor the option to participate in such meetings.
5. As soon as the Monitor notices, or believes to notice, a violation of this agreement, he will so inform the Management of the Principal and request the Management to discontinue or take corrective action, or to take other relevant action. The monitor can in this regard submit nonbinding recommendations. Beyond this, the Monitor has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.
6. The Monitor will submit a written report to the Chairman, NTC within 8 to 10 weeks from the date of reference or intimation to him by the *Principal* and, should the occasion arise, submit proposals for correcting problematic situations.
7. If the Monitor has reported to the Chairman, NTC, a substantiated suspicion of an offence under relevant IPC/PC Act, and the Chairman NTC has not, within the reasonable time taken visible action to proceed against such offence or reported it to the Chief Vigilance Officer, the Monitor may also transmit this information directly to the Central Vigilance Commissioner.
8. The word '**Monitor**' would include both singular and plural. Monitor would be entitled to receive such compensation as may be decided time to time by the CMD/Competent Authority.

Section 9 – Pact Duration

This Pact begins when both parties have legally signed it. It expires for the Contractor 12 months after the last payment under the contract or contract period (extended if applicable) whichever is later and for all other Bidders 6 months after the contract has been awarded.

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 Chairman of NTC.

Section 10 – Other provisions

1. This agreement is subject to Indian Law. Place of performance and jurisdiction is the Registered Office of the Principal, i.e. New Delhi.
2. A person signing IP shall not approach the courts while representing the matters to the IEMs and he/she will await their decision in the matter
3. Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.
4. If the Contractor is a partnership or a consortium, this agreement must be signed by all partners or consortium members.
5. 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.
6. In the event of any contradiction between the Integrity Pact and its Annexure, the Clause in the Integrity Pact will prevail.”

(For & On behalf of the Principal)

(Office Seal)

For & On behalf of Bidder/Contractor)

(Office Seal)

Place.....

Date.....

Witness 1 :

(Name & Address) _____

Witness 2 :

(Name & Address) _____

Guidelines on Banning Business Dealings

Annexure B

• **Introduction**

- 1.1. National Textile Corporation Limited (NTC) deals with Agencies viz parties/ contractors/ suppliers/ bidders, who are expected to adopt ethics of highest standards and a very high degree of integrity, commitments and sincerity towards the work undertaken. It is not in the interest of NTC to deal with Agencies who commit deception, fraud or other misconduct in the tendering process.
- 1.2. Since banning of business dealings involves civil consequences for an Agency concerned, it is incumbent that adequate opportunity of hearing is provided and the explanation, if tendered, is considered before passing any order in this regard keeping in view the facts and circumstances of the case.

2. Scope

- 2.1 The Information for Bidders/ Instruction to Bidders and even the General Conditions of Contract (GCC) of NTC generally provide that NTC shall have the rights to remove from list of approved suppliers / contractors or to ban business dealings if any Agency has been found to have committed misconduct or fraud or anything unethical not expected from a reputed contractor.
- 2.2 The procedure of (i) Removal of Agency from the List of approved suppliers / contractors/bidders; (ii) Suspension and (iii) Banning of Business Dealing with Agencies, has been laid down in these guidelines.
- 2.3 These guidelines shall apply to all the Mills whether operational or closed/ showrooms/ RMDs/ Regional Offices/Sub Offices/Liaison Office of NTC.
- 2.4 It is clarified that these guidelines do not deal with the poor performance of the contractors/ Agencies.
- 2.5 The banning shall be with prospective effect, i.e. future business dealings.

3. Definitions

In these Guidelines, unless the context otherwise requires:

- I. "Party / Contractor / Supplier / Bidders" shall mean and include a public limited company or a private limited company, a joint Venture, Consortium, HUF, a firm whether registered or not, an individual, cooperative society or an association or a group of persons engaged in any commerce, trade, industry, etc. "Party / Contractor/ Supplier / Bidder" in the context of these guidelines is indicated as 'Agency'.
- II. "Unit" shall mean the Mills whether operational or closed/showrooms/RMDs/Regional Offices/Sub Offices/Liaison Office of NTC.
- III. "Competent Authority" and 'Appellate Authority' shall mean the following:

a) For NTC Wide Banning

The concerned director shall be the 'Competent Authority' for the purpose of these guidelines. CMD shall be the 'Appellate Authority' in respect of such cases.

b) For Mills whether operational or closed/showrooms/RMDs/Regional Offices/Sub Offices/Liaison Office of NTC.

Head of the Unit/Head of Finance shall be the 'Competent Authority' for the purpose of these guidelines, in respect of concerned unit/Sub-office/Regional Office. The concerned Executive Director/ Regional Head of the Unit/ Region shall be the 'Appellate Authority' in all such cases.

- IV. "Investigating Committee" shall mean any Officer/Committee appointed by Competent Authority to conduct investigation.
- V. "Approved Agencies viz Parties / Contractors / Suppliers/Bidders" shall mean and include list of Parties/ Contractors / Suppliers / Bidders etc, who have been pre-qualified by NTC for any tender/contract/bid.

4. Initiation of Banning / Suspension

Action for banning /suspension business dealings with any Agency shall be initiated by the department responsible for invitation of bids after noticing the irregularities or misconduct on the part of Agency concerned. Besides the concerned department, Vigilance Department may also be competent to initiate such action.

5. Suspension of Business Dealings.

- 5.1 If the conduct of any Agency dealing with NTC is under investigation, the Competent Authority may consider whether the allegations (under investigation) are of a serious nature and whether pending investigation, it would be advisable to continue business

dealing with the Agency. If the Competent Authority, after consideration of the matter including the recommendation of the Investigating Committee, if any, decides that it would not be in the interest to continue business dealings pending investigation, it may suspend business dealings with the Agency. The order of suspension would operate for a period not more than six months and may be communicated to the Agency as also to the Investigating Committee. The Investigating Committee may ensure that their investigation is completed and whole process of final order is over within such period. However, if investigations are not completed in six months time, the Competent Authority may extend the period of suspension by another three months, during which period the investigations must be completed.

- 5.2 The order of suspension shall be communicated to all Departmental Heads of NTC and Heads of the Units, which would also be displayed on Intranet, if available. During the period of suspension, no business dealing may be held with the Agency.
- 5.3 As far as possible, the existing contract(s) with the Agency may continue unless the Competent Authority, having regard to the circumstances of the case, decides otherwise.
- 5.4 If the Agency concerned asks for detailed reasons of suspension, the Agency may be informed that its conduct is under investigation. It is not necessary to enter into correspondence or argument with the Agency at this stage.
- 5.5 It is not necessary to give any show-cause notice or personal hearing to the Agency before issuing the order of suspension.

6. Ground on which Banning of Business Dealings can be initiated

- 6.1 If the security consideration, including questions of loyalty of the Agency to NTC so warrants;
- 6.2 If the Director of a company (other than Govt. company) /owner of the Agency, proprietor or partner of the firm, is convicted by a Court of Law for offences involving moral turpitude in relation to its business dealings with the Government or any other public sector enterprises, during the last five years;
- 6.3 If business dealings with the Agency have been banned by the Ministry of Textiles, Government of India.
- 6.4 If the Agency has resorted to corrupt, fraudulent practices including misrepresentation of facts;
- 6.5 If the Agency uses intimidation / threatening or brings undue outside pressure on NTC or its official for acceptance / performances of the job under the contract;

6.6 If the Agency misuses the premises or facilities of the NTC, forcefully occupies or damages the NTC's properties including land, water resources, forests / trees or tampers with documents/records etc. (Note: The examples given above are only illustrative and not exhaustive. The Competent Authority may decide to ban business dealing for any good and sufficient reason).

7. Banning of Business Dealings

7.1 A decision to ban business dealings with any Agency shall normally apply throughout NTC. However, the Competent Authority of the Unit can impose such ban unit-wise only if in the particular case banning of business dealings by respective Unit will serve the purpose and achieve its objective and banning throughout the Company is not required in view of the local conditions and impact of the misconduct / default to beyond the Unit. Any ban imposed by Corporate Office shall be applicable across all Units of NTC.

7.2 There will be an Investigating Committee in each Unit to be appointed by Head of the Unit for processing the cases of "Banning of Business Dealings". However, for procurement of items /award of contracts at Corporate Office, the committee shall consist of officers not below the rank of Senior Manager from Indenting Division & Finance. Member from department responsible for invitation of bids shall be the convener of the committee. The functions of the committee shall, inter-alia include:

- i) To study the report of the department responsible for invitation of bids and decide if a prima-facie case for banning exists, if not, send back the case to the Competent Authority.
- ii) To recommend for issue of show-cause notice to the Agency by the concerned department as per clause 9.1.
- iii) To examine the reply to show-cause notice and call the Agency for personal hearing, if required.
- iv) To submit final recommendations to the Competent Authority for banning or otherwise.

8. Removal from List of Approved Agencies - Suppliers/ Contractors, etc.

8.1 If the Competent Authority decides that the charge against the Agency is of a minor nature, it may issue a show-cause notice as to why the name of the Agency should not be removed from the list of approved Agencies - Suppliers / Contractors/Bidders etc.

8.2 The effect of such an order would be that the Agency would not be qualified for competing in Open Tender Enquiries or Limited Tender Enquiries till the period mentioned in the order.

8.3 Past performance of the Agency may be taken into account while processing for approval of the Competent Authority for awarding the contract.

9. Show-cause Notice

9.1 In case where the Competent Authority decides that action against an Agency is called for, a show-cause notice has to be issued to the Agency, Statement containing the imputation of misconduct or misbehaviour may be appended to the show-cause notice and the Agency should be asked to submit within 15 days a written statement in its defence.

9.2 If the Agency requests for inspection of any relevant document in possession of NTC, necessary facility for inspection of documents may be provided.

9.3 The Competent Authority may consider and pass an appropriate speaking order:

- a) For exonerating the Agency if the charges are not established;
- b) For removing the Agency from the list of approved Suppliers/Contractors, etc.
- c) For banning the business dealing with the Agency.

9.4 If it decides to ban business dealings, the period for which the ban would be operative may be mentioned.

9.5 Unitwise banning may be done for a period upto six months only and for more than six months banning, it should be pervasive i.e. for all the units. In case of pervasive banning for more than six months i.e. across all the units, it should be done after approval of the Director (Finance) of the corporate office.

10. Appeal against the Decision of the Competent Authority

10.1 The Agency may file an appeal against the order of the Competent Authority banning business dealing etc. The appeal shall be filed to Appellate Authority. Such an appeal shall be preferred within one month from the date of receipt of the order banning business dealing, etc.

10.2 Appellate Authority would consider the appeal and pass appropriate order within 120 days which shall be communicated to the Agency as well as the Competent Authority.

11. Circulation of the names of Agencies with whom Business Dealings have been banned

The concerned unit shall forward the name and details of the Agency (ies) banned to IT&C Division of Corporate Office for displaying the same on the NTC website.

Corrupt, Fraudulent, Collusive or Coercive Practices Policy

1.0 Corrupt, Fraudulent, Collusive or Coercive Practices

It is expected from the Bidders/ suppliers/ contractors that they will observe the highest standard of ethics during the procurement and execution of such contracts. In pursuance of this policy:

- (a) For the purposes of this provision, the terms set forth below shall mean as under:
 - (i) "Corrupt practice" means the offering, giving, receiving or soliciting of anything of value and /or personal satisfaction to influence the action of a public official in the procurement process or in contract execution; and
 - (ii) "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Purchaser, and includes collusive practice among Bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the Purchaser of the benefits of free and open competition;
 - (iii) "Collusive practice" means a scheme or arrangement between two or more bidders, with or without the knowledge of the Purchaser, designed to establish bid prices at artificial, non-competitive levels; and
 - (iv) "Coercive practice" means harming or threatening to harm, directly or indirectly, person or their property to influence or affect the execution of a contract;
 - (v) "Integrity Pact" means an agreement called Integrity Pact between the contractor and the Employer shall be signed committing the persons/ officials of both the parties, not to exercise any corrupt influence on any aspect of the Tender/Contract. The Independent External Monitor(s)(IEM) appointed by the Employer shall oversee the compliance of obligation under the Integrity Pact.
 - (vi) "Independent External Monitor(s) (IEMs)" means the External Monitor(s) appointed by the Employer to oversee the implementation of Integrity Pact
- (b) A Bid may be rejected by the Purchaser if it is determined at any stage that the respective Bidder has engaged in corrupt, fraudulent, collusive and coercive practices or defaulted commitments under integrity pact as mentioned above in competing for the contract in question.
- (c) The Purchaser may declare a firm ineligible, either indefinitely or for a stated period of time, if it at any time determines that the firm has engaged in corrupt or fraudulent practices, Collusive and Coercive practices or defaulted commitments under integrity pact in competing for, or in executing, a contract.
- (d) Banning of Business Dealings: It is not in the interest of NTC to deal with Agencies who commit deception, fraud or other misconduct in the tendering process. The grounds on which Banning of Business Dealings can be initiated are as follows:-

- i) If the security consideration, including questions of loyalty of the Agency to NTC so warrants;
- ii) If the director/ owner of the Agency, proprietor or partner of the firm, is convicted by a court of law for offences involving moral turpitude in relation to its business dealings with the Government or any other public sector enterprises, during last five years;
- iii) If business dealings with the Agency have been banned by the Ministry of Textiles, Government of India or by any other department of GOI.
- iv) If the Agency has resorted to corrupt, fraudulent practices including misrepresentation of facts;
- v) If the Agency uses intimidation / threatening or brings undue outside pressure on NTC or its official for acceptance / performances of the job under the contract:
- vi) If the Agency misuses the premises or facilities of the NTC, forcefully occupies or damages the NTC's properties including land, water resources, forests / trees or tampers with documents/records etc. (Note: The examples given above are only illustrative and not exhaustive. The Competent Authority may decide to ban business dealing for any good and sufficient reason).
- vii) In the transaction where NTC is a seller, the term Purchaser shall be deemed to have been replaced by 'Seller' and vice versa.

The procedure for banning of Business Dealings shall be governed as per NTC's "Guidelines on Banning Business Dealings" as enclosed separately. **(Annexure B)**.