

NATIONAL TEXTILE CORPORATION LIMITED
(A Government of India Enterprise)
Core- IV, Scope Complex, 7 Lodi Road, New Delhi 110003
Website: www.ntcltd.org

DOCUMENTS

For

ENGAGEMENT OF FIRM OF CHARTERED ACCOUNTANTS REGISTERED WITH SFIOTO CONDUCT SPECIAL AUDIT OF FIVE (05 NOS) JOINT VENTURE COMPANIES OF NATIONAL TEXTILE CORPORATION LIMITED (NTC) LOCATED IN THE STATE OF MAHARASHTRA FOR THE PERIOD SINCE 2008-09 TO TILL DATE

Annexure	Description	Page No.
I	NIT, Eligibility Criteria, Terms and Conditions, Offer Submission, etc.	2-5
II	Format of Covering Letter	6
III	Proforma for Technical Offer	7
IV	Scope of Work for Special Audit	8-9
V	Proforma for Price Offer	10
VI	Submission of Audit Report	11
VII	Format of Integrity Pact	12-28

ANNEXURE I

NTC/JV Audit/2023-24 Dated: 01.10.2023

To
Name of Audit Firm

Dear Sirs

NOTICE

SUBJECT: NOTICE INVITING OFFER FOR ENGAGEMENT OF FIRM OF CHARTERED ACCOUNTANTS REGISTERED WITH SFIO TO CONDUCT SPECIAL AUDIT OF FIVE (05 NOS) JOINT VENTURE(JV) COMPANIES OF NATIONAL TEXTILE CORPORATION LIMITED (NTC) LOCATED IN THE STATE OF MAHARASHTRA FROM 2008-09 TO TILL DATE

The National Textile Corporation Limited (NTC), is a Schedule “A” public sector company under the ambit of Ministry of Textiles, Government of India, engaged in production of yarn and fabric through its 23 mills in operation located all over India. NTC has entered into Joint venture Agreements in respect of its 5 mills in the state of Maharashtra in 2007-08 with three Strategic Partners. NTC invites proposal from reputed Audit Firms (Proprietary Concern and Partnership Firms, LLP) situated in the state of Maharashtra for providing Special Audit services in respect of its five JV companies as per the Scope of Work.

(i)	Date of Issue of offer document	01/11/2023
(ii)	Last date of Submission of Offer Document	21/11/2023 till 3.00 PM
(iii)	Date of opening of Offer	21/11/2023 at 3.30 PM

SCOPE OF WORK: Special Audit of 5 nos. JV Companies since its inception till date as per Annexure “III

FEES: Fees quoted should be on lump sum basis for the entire period of all the five JV Companies as mentioned above including out of Pocket Expenses etc but exclusive of GST as per Annexure “IV”.

PAYMENT TERMS: On submission of Audit report, payment to be made in through A/C payee cheque/RTGS against invoice raised for that.

VALIDITY OF OFFER: The validity of engagement will be for a period of six months from the date of allotment of Audit works.

1. ELIGIBILITY CRITERIA (Self Attested copy of testimonial to be enclosed):

- a) The Audit Firms shall be in existence for a minimum period of five years as on due date of the offer. Appropriate supporting documents such as copies of registration certificates etc. shall be attached.
- b) Having Average Annual Turnover of at least Rupees Ten Lakhs (Rs.10,00,000/-). In support of above necessary Financial Statements to be attached. For the purpose of ascertaining parameter of Turnover of the firms, average turnover for the previous three financial years (2020-21 to 2022-23) shall be considered.
- c) Should have registration with SFIO.
- d) Should have Headquarters/Branch Office in Mumbai
- e) List of Cliental including PSU Company or similar if any will be preferable. Firms are requested to enclose one profile worksheet also along with technical documents.

2. TERMS AND CONDITIONS:

- a) Validity of Engagement: The validity of engagement will be for a period of six months from the date of allotment of Audit works.
- b) Completion of Job: Time being essence of this contract and Audit shall be completed within four weeks from the date of issue of letter of appointment/ offer letter. (Considering one week for mobilisation of staff etc. and three weeks for completion of audit works and report submission). It is also expected that the Audit has to commence within one week from award of the work.
- c) Acceptance/Rejection of Offer: The Management of NTC reserves the right to reject all or any offer without assigning any reason whatsoever.
- d) Dispute: In case of any dispute arising during execution of contract, an amicable solution may be arrived at with discussion and reconciliation. However, in case of any dispute remaining unresolved, decision of Management of NTC will be final and binding on both the parties to the Contract.
- e) Firms/LLP/Proprietorships/Individuals who fulfil the above minimum criteria may download the Offer Document from the site www.ntcltd.org.
- f) Offer submitted without Integrity Pact will be summarily rejected without assigning any reason.

4. SUBMISSION OF OFFER:

- a. Prospective bidder should submit their complete offer in two separate duly sealed envelope marked A & B. Complete bid should be submitted to Sr. Manager (Finance), at NTC Ltd, (WR) Office, **Mumbai on or before 21.11.2023 up to 3.00 P.M.**
- b. Envelope 'A' should be marked **Technical Bid** containing the valid certificate as per eligibility criteria consist of Qualifying Requirements/Eligibility criteria(Annexure-I, II& III) documents, Technical offer, Name of firms where such services have been provided, PAN, GST, registrations may be enclosed along with.
- c. Envelope 'B' should be marked **Financial Bid** containing financial bid clearly superscribing Offer details and contents inside the envelope, details shall be submitted by the party on schedule date and time as indicated in Offer (as per Annexure IV).
- e. All the two envelope A & B duly completed should be placed in an outer envelope, which shall be sealed and should subscribe the following information clearly.
 - i. Tender document No. & Scope of work with due date.
 - ii. Name & address of the bidder on left corner of each envelop A, B and outer cover.
- f. If the envelopes are not sealed and marked as stated above, the NTC Ltd WRO, Mumbai is not responsible for the misplacement or pre-mature opening of the contents proposal submitted.
- g. Bids submitted by fax telegram, fax, email shall not be entertained and shall be rejected.
- h. **NTC original tender documents along with Integrity Pact should be signed and sealed of bidder and submit with Technical bid in envelop A.**

LATE TENDERS

Tenders received by the NTC Ltd. Western Region, Mumbai after the specified time and due date as per tender documents shall not be eligible for consideration and shall be summarily rejected.

SUBMISSION OF OFFER

The offers should be addressed to: Sr. Manager (Finance), National Textile Corporation Ltd.
NTC HOUSE Western Region Office, 15 N.M. Marg, Ballard Estate, Mumbai 400001 and to be deposited into tender box at material section.

5. CRITERIA FOR REJECTION OF OFFERS:

- i. Offers not submitted as per eligibility criteria and in Two Offer system in two separate envelopes shall be straight away rejected.
- ii. Offers received through Fax/e-Mail/Xerox etc. and with scanned signature shall be rejected.
- iii. Offers which do not confirm unconditional validity for 6 months from the date of opening of offer.
- iv. Non-submission of Integrity Pact, duly signed by the parties.
- v. Any Conditional Offer.

6. BASIS OF EVALUATION

- Firms need to quote for the entire audit work as a whole and evaluation to be made on quotation of lowest price basis of technically qualified bidders. NTC reserves its right to accept or reject any offer without assigning any reasons thereof. The decision of NTC for allotment of Special Audit will be final and binding upon the parties participating in the bid.
- In case of tie Agency who is having maximum no of clients present in the Govt sector.
- In case of tie, the firm who will have maximum numbers of govt clients will be declared the lowest bidder and then the contract will be awarded to that firm.

7 CONFIDENTIALITY:

It is agreed that not at any time or times, the bidder / his representative (s) shall disclose or make public any technical, marketing financial and commercial information with which they become acquainted or of which they become aware during the course of this agreement.

- i. In the event that the Firm or its representatives are requested pursuant to, or required by, applicable law or regulation or by legal or administrative process to disclose any Confidential Information, or where the Firm wishes to disclose to its professional indemnity insurers or to its advisors, the Firm agrees that it will, as far as is legally and practically possible, provide the Client with prompt notice of such request or requirement in order to enable the Client to seek an appropriate protective order or other remedy. In the event that such protective order or other remedy is not obtained, the Firm or its representatives, as the case may be, shall disclose only the portion of the Confidential Information which is legally or professionally required to be disclosed.
- ii. The Firm shall be permitted to retain copies of such Confidential Information as it is required to retain for legal or professional regulatory purposes. The Firm's confidentiality obligations shall continue indefinitely whilst such confidential information is retained.

RESOLUTION OF DISPUTES

The Terms & Condition of this tender document shall prevail in case of any dispute arising out of this contract and any dispute directly or indirectly connected with this contract will be referred to sole arbitration of the Chairman & Managing Director of National Textile Corporation Ltd. New Delhi or any other officer appointed by the Chairman-cum-Managing Director of the corporation for this purpose. The decision of the said arbitrator shall be final, conclusive and binding upon all concerned.

FORCE MAJURE

The OIC of NTC 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 labor, 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 the Mills. To extend the time of execution on the part of The General Manager of the Mills by such period as may be necessary to enable The General Manager of the Mills 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.

ANNEXURE –II

Format of Covering letter-

Date:

To.

SrManager (Finance),
National Textile Corporation Ltd.
NTC HOUSE Western Region Office,
15 N.M. Marg, Ballard Estate,
Mumbai 400001

Sub: OFFER FOR ENGAGEMENT OF FIRM OF CHARTERED ACCOUNTANTS REGISTERED WITH SFIO TO CONDUCT SPECIAL AUDIT OF 5 JV COMPANIES OF NTC

Dear Sir,

We enclose herewith the Particulars and Details of the Firm, Technical Proposal and Financial Proposal in connection with the above assignment.

We also state as follows:

- a. We hereby declare that all the information and statements made in this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification.
- b. The fees quoted by us in the Financial Proposal are valid till six months from the date of opening of offer. We confirm that this proposal will remain binding upon us.
- c. Fees have been arrived independently without consultation, communication, agreement or understanding (for the purpose of restricting competition) with any competitor.
- d. We agree to bear all costs incurred by us in connection with the preparation and submission of the proposal and to bear any further pre-contract costs.
- e. We understand that NTC is not bound to accept the lowest or any proposal or to give any reason forward, or for the rejection of any proposal.
- f. I confirm that I have authority granted by (name of the firm) to submit the proposal and to negotiate on its behalf.
- g. We have read all the terms and conditions and we agree to all the terms & conditions
- h. We declare that all the facts/statements/documents mentioned are correct.

Thank You,
(Name of Authorised Signatory)
Name/Office Seal of Firm

ANNEXURE –III

PROFORMA FOR TECHNICAL OFFER (For conducting Special Audit of NTC JV Companies since 2008-09 to till date containing the following details:

Sr No.	Particulars	Details (Supporting Document where applicable are required to be submitted along with this form)
1.	Existence for a minimum period of five years	
2.	Average Annual Turnover for last 3 years at least Rs.10 lakhs. For the purpose of ascertaining parameter of Turnover of the offered. Average turnover for the previous three financial years (2020-21 to 2022-23) shall be considered.	
3.	Year of establishment of the Firm	
4.	Partners (details) as per latest ICAI Certificates.	
5.	DISA/CISA qualified partners, if any	
6.	Address of Registered Office and Branch Office.	
7.	Brief Resume of the Firm (please submit an Attachment)	
8.	Registration Certificate issued by ICAI.	
9.	Registration details with SFIO (Please attach copies of registration details)	
10	Experience in SFIO Audits if any	

ANNEXURE -IV
SCOPE OF WORK FOR SPECIAL AUDIT OF NTC JV COMPANIES

The Audit firm is required to exercise such tests of accounting records, internal checks and control and other necessary audit of the transaction as per general principles and standard of audits (SIA) of the Institute of Chartered Accountant of India The Auditor should pay attention to the following areas while auditing:

Sr. No.	Audit Scope	Period	General Areas to be covered
1	Verifying the process of sale from Related Parties	Since 2008-09 till date	All bills raised to the customers during the period to be verified with issued challans, goods issue register, gate pass and other available documents. Realization from sales to be verified from bank statement and its periodic reconciliation. Purchase order received from customer to be verified along with sale invoices. Sales return if any to be verified with return memo. Settlement of claims for quality and other issues to be verified with settlement memos, sanction note and other available documents. Genuineness of all sale transaction to be verified with actual realization to bank account and confirmation from debtors. Mills production register to be counter verified with dispatch and sales quantity. Trading margin to be verified with company's policy and uniform practices. It also covers verifying the movement of sale of goods from related parties along with requisite documents.
2	Verifying the process of Purchase of goods from Related Parties	Since 2008-09 till date	It shall cover the expenses incurred during the year mainly for raw material, Semi-finished and Finished goods purchased during the year. Procedural aspect on procurement to be verified as per standard practice followed by the company. LOI placed to the party to be verified with receipted invoices and challan. GRN to be verified with material receipt register. Payment to suppliers to be verified with bill register along with payment records. Bank statement to be verified with cheque issue register and invoices. Deduction from invoices, if any, to be checked with related debit note and register. It also covers verifying the movement of purchase of goods from related parties along with requisite documents.
3	Computation & recovery of interest on outstanding with debtors Pertaining to Relating parties	Since 2008-09 till date	The recovery of Interest should be as per the requirements & rules of the Organization & must be appropriately made, adequately secured & duly acknowledged. Non-recoverability of both principal and interest to be verified/ reported. Accounting Statement of such unrecoverable advances and interest to be verified and reported.

Sr. No.	Audit Scope	Period	General Areas to be covered
4	Purchase Order	Since 2008-09 till date	The orders placed by the company should be as per DOP Delay in supply and resultant recovery of L.D charges etc. should be checked and commented. Waiver of L.D charges, if any, to be reviewed with reference to the existing circumstances. There should be a comparative price analysis review on the basis of Quotations and other price information. Emergent purchase/ wrong intending/ Excess quantity procurement etc. should be reported.
5	Review of Debtors and Creditors with related party along with ageing	Since 2008-09 till date	Reviews should be taken to establish authentication of balances pending with debtors and creditors during the year. Debtors balances to be verified from sales register and realization in bank statement. Balance confirmation from debtors to be checked and tallied with sales/ debtors ledger. Claim lodged by debtors, if any, to be verified with claim register etc. Balance outstanding with creditors to be verified with bill and creditors ledger. Balance confirmation from creditors to be verified with purchase/creditors ledger.
6	Cash and Bank Balances	Since 2008-09 till date	Verification of Cash, Cash Book and its Auditing. Bank reconciliation with statement and cheque issue register. Dishonour of Cheques. Payments are made through Cheques/RTGS/NEFT to be verified with bank book. Whether all payments are routed through banks or not. Are all realization from sales deposited in banks. Cash sales, if any. Confirmation from banks regarding balance due on closing date.
7	Verification of authorising the transactions with Related parties	Since 2008-09 till date	The Chartered Accountants firm will verify that whether any written authority is in place before making the transaction by the various officials in the company.
8	Verification of payment & receipts with related party	Since 2008-09 till date	It covers verification of all payments with proper procedure made to related party, deductions reg statutory taxes like Sales Tax, GST, Service Tax etc, payment of the same to Govt authorities, deduction of late payment charges etc. It also covers verification of all Receipts from related parties.
9	Verification of any other transactions with related parties	Since 2008-09 till date	It covers Verification of any other transactions with related parties alongwith requisite documents
10	Any other point/area which may be deemed fit by the Auditor	Since 2008-09 till date	It covers Any other point/area which may be deemed fit by the Auditor to verify and comments.

Above Scope of Work is indicative and non- exhaustive in nature.

ANNEXURE -V

PRICE-OFFER

PROFORMA FOR COMMERCIAL/PRICE OFFER(For conducting Special Audit of 5 JV
Companies of NTC since 2008-09 to till date).

Sr No	Particulars	Rate per companies (Rs.)	Amount in total for 5 companies (Rs.)
1.	Fees for Special Audit work		
2.	GST as applicable		
3.	Total Amount		

Total fees quoted in words(Rupees):.....

Signature:

Name & Designation of the Authorized Signatory
Seal of the Firm/LLP/Proprietorship/Individual: __

Date:

ANNEXURE -VI

Submission of Audit Report

Audit Report of above 5 JVs to be submitted in sealed envelope with two sets original plus one PDF soft copy in email, addressing to Sr. Manager (Finance), National Textile Corporation Limited, Western Region Office, Mumbai.

Email id – minakshi_dg@ntcltd.org,
wrofinance@ntcltd.org, orggmtech.wro@ntcltd.org, kungumaraju@ntcltd.org

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.
- 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. That a person signing IP shall not approach the courts while representing the matter to 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)

(For & On behalf of Bidder/Contractor)

(Office Seal)

(Office Seal)

Place.....

Date.....

Witness 1 :

Witness 2 :

(Name & Address)

(Name & Address)

There shall be compulsory registration of agents for all global (Open) Tender and limited Tender. An agent who is not registered with NTC shall apply for registration in the prescribed Application-Form.

Registered agents will file an authenticated photostat copy duly attested by a Notary Public/Original certificate of the principal confirming the agency agreements and giving the status being enjoyed by the agent and the Commission/remuneration/salary/retainer ship being paid by the principal to the agent before the placement of order by NTC.

Wherever Indian representatives have communicated on behalf of their principals and the foreign parties have stated that they are not paying any commission to the Indian agents, and the Indian representative is working on the basis of salary or as retainer, a written declaration to this effect should be submitted by the party (i.e Principal) before finalizing the order.

DISCLOSURE OF PARTICULARS OF AGENTS/REPRESENTATIVES IN INDIA.IF ANY.

Bidders of Foreign nationality shall furnish the following details in their offer.

The name and address of the agents/representatives in India, if any and the extent of authorization and authority given to commit the Principals. In case the agents/representatives be a foreign Company, it shall be confirmed whether it is real substantial Company and details of the same shall be furnished.

The amount of commission /remuneration included in the quoted price(s) for such agents /representatives in India.

Confirmation of the Bidder that the commission / remuneration if any, payable to his agents/representatives in India, may be paid by NTC in Indian Rupees Only.

Bidders of Indian Nationality shall furnish the following details in their Offers.

The name and address of the foreign principals indicating their nationality as well as their status, i.e. whether manufacturer or agents of manufacturer holding the Letter of Authority of the Principal specifically authorizing the agent to make an offer in India in response to Tender either directly or through the agents/representatives.

The amount of commission/remuneration included in the price(s) quoted by the Bidder for himself.

Confirmation of the foreign principals of the Bidder that the commission/remuneration, if any, reserved for the Bidder in the quoted price(s), may be paid by NTC in India in equivalent Indian Rupees on satisfactory completing of the Project or supplies of Stores and Spares in case of operation items.

In either case, in the event of contract materializing, the terms of payment will provide for payment of the commission/remuneration, if any payable to the agents

/representatives in India in Indian Rupees on expiry of 90 Days after the discharge of the obligations under the contract.

Failure to furnish correct and detailed information as called for in paragraph-2.0 above will render the concerned tender liable to rejection or in the event of a contract materializing, the same liable to termination by NTC. Beside this there would be a penalty of banning business dealing with NTC or damage or payment of a named sum.

Guidelines on Banning Business Dealings

Annexure B

1. Introduction

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.

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

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 agency.

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.

These guidelines shall apply to all the Mills whether operational or closed/showrooms/RMDs/Regional Offices/Sub Offices/Liaison Office of NTC.

It is clarified that these guidelines do not deal with the poor performance of the contractors/ Agencies.

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 their regularities 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.

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.

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.

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.

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.

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

If the security consideration, including questions of loyalty of the Agency to NTC so warrants;

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;

If business dealings with the Agency have been banned by the Ministry of Textiles, Government of India.

If the Agency has resorted to corrupt, fraudulent practices including misrepresentation of facts;

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;

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

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-wisely 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.

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.

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.

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.

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

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.

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

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.

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

Unit wise 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

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.

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)**.
