

**STC INVITES TENDER FOR IMPORT OF CRUDE  
DEGUMMED SOYABEAN OIL (CDSBO)**

**Tender No. STC/EOIL/TDR/PDS/CDSBO/02/2012-13  
Dated 07.03.2013**

**Due on 22.03.2013 at 11.30 Hrs. (IST)**

**Copy of the tender documents can be obtained from**

**SH. JATIN SAINI, ASSISTANT MANAGER, EDIBLE  
OILS, THE STC OF INDIA LTD., NEW DELHI**

**or can be downloaded from our website**

**[www.stc.gov.in](http://www.stc.gov.in)**

**or**

**[www.tenders.gov.in](http://www.tenders.gov.in)**

**or**

**[www.eprocure.gov.in](http://www.eprocure.gov.in)**



**THE STATE TRADING CORPORATION OF INDIA LTD;**  
**(A Govt. of India Enterprise)**  
**Jawahar Vyapar Bhavan, Tolstoy Marg, New Delhi - 110001**

**TENDER FOR PURCHASE OF CRUDE DEGUMMED SOYABEAN OIL**

**TENDER NO. STC/EOIL/TDR/PDS/CDSBO/02/2012-13 DATED 07.03.2013**  
**CLOSING AT 11.30 HRS IST ON 22.03.2013**

**TERMS AND CONDITIONS OF TENDER**

**1. INVITATION FOR BIDS**

**THE STC OF INDIA LIMITED ( A GOVT. OF INDIA ENTERPRISE), JAWAHAR VYAPAR BHAVAN, TOLSTOY MARG, NEW DELHI-110 001 (INDIA) invites bids for import of Edible Oils, as per the terms and conditions prescribed hereunder:-**

**2. COMMODITY**

**CRUDE DEGUMMED SOYABEAN OIL (CDSBO)**

**3. SPECIFICATIONS:-**

**QUALITY AND SPECIFICATIONS OF CRUDE DEGUMMED SOYABEAN OIL**

<b>CRUDE DEGUMMED SOYABEAN OIL (CDSBO)</b>	
<b>GRADING FACTORS</b>	<b>SPECIFICATIONS</b>
Free Fatty Acids (expressed as oleic, molecular weight 282)	Basis 1.00% max.
Moisture and volatile matter	max. 0.20%
Impurities (insoluble in petrol ether)	max. 0.10%
Lecithin (expressed as Phosphorus)	Basis 0.020% max
Sediment (Gardner Break Test)	max 0.10%
Unsaponifiable Matter (test as per N.S.P.A.).	max 1.50%
Colour (Lovibond Cell 1 inch)	Not darker than 50 Yellow and 5 Red
Flash Point	Min 250 Deg. F (121 Deg.C)

- Oil with flashpoints below 250 degrees Fahrenheit (121g.C.) is rejectable.  
The contracted goods shall be of good merchantable quality, solvent extracted, guaranteed unbleached, produced from sound yellow soybeans.

- **BUYERS NOMINATED SURVEYORS TO GIVE CERTIFICATE FOR ABOVE.**

**4. QUANTITY & DISCHARGE PORTS**

**5000 MT ( +/- 2%) OF CRUDE DEGUMMED SOYABEAN OIL FOR KANDLA PORT at Buyer's option.** The Bids should be made for the entire tender quantity. STC Reserves the right to reduce or increase the quantity.

**5. QUALITY & WEIGHT**

The oil should conform to quality and specifications as in clause 3 above. **Quality final as per samples drawn from ship's tanks at time of loading and certified by surveyors/analysts nominated by Buyers at Sellers expenses.**

Net quantity of oil received in land tanks of Buyers at discharge port(s) as certified by reputable surveyors appointed by Buyers at their cost will be final, binding and conclusive on both parties and final settlement to be made on that basis. However, Seller's nominated Surveyors may also be present at the time of unloading and final quantifications.

Ship's tanks to be of stainless steel or epoxycoated and surveyor's certificate as to the suitability of ship's tanks and the quality of the material before and after loading in compliance with contractual specifications will be final.

**6. SHIPMENT PERIOD**

**25<sup>th</sup> March 2013 to 15<sup>th</sup> April 2013 (Both days inclusive) for KANDLA PORT.**

**Requests for extension in shipment period will not generally be entertained. The Buyer may at his discretion, grant extension in shipment period under special circumstances subject to a rebate of USD 1 per MT per day payable by the Seller to the Buyer. Rebate should be provided in the Commercial invoice. In any case, such extension in shipment period would not exceed a maximum of 3 days; thereafter the Buyer shall have option to cancel the contract without any liability on his part and claim liquidated damages from the Seller. FOSFA contract terms would not apply to this extent. Afloat cargo and cargo under loading with the same grade and specifications shall be accepted only after prior approval of buyer and such cargo should be arriving only after 18 days from the date of closing of Tender.**

**7. PRICE**

Price to be quoted as per format in Annexure-I in **US Dollars PMT CIF Landed Weight Final** on one safe Indian port one safe berth basis.

**8. PACKING**

In bulk.

9. **COUNTRY OF ORIGIN**

USA/SOUTH AMERICA

10. **VALIDITY**

Bids must remain **valid upto 17.30 hrs. Indian Standard Time (IST) on 22.03.2013**

11. **DEVIATIONS:**

Bidder should submit a separate statement along with the Bid giving deviations, if any, (as per Annexure-II) with respect to the terms of this tender which, inter alia, should also include any deviation with respect to the quality parameter(s).

**Acceptance of the deviation shall be at the sole discretion of the Buyer. No deviation in respect of basis of the Price quotation as at para 7 above will be accepted.**

12. **SUBMISSION OF BIDS**

The offer complete in all respects addressed to the Chief General Manager, Edible Oils, 6<sup>th</sup> Floor Annex, Jawahar Vyapar Bhavan, Tolstoy Marg, New Delhi-110-001 (India) must be submitted in sealed Envelope **latest by 11.30 hrs. IST on 22.03.2013 and put in the Tender Box kept at Ground Floor, at the above address. Any offer/bid received through Fax/E-mail will not be considered/accepted.**

The bids **shall be opened at 12.00 hrs. IST** on same day i.e. **22.03.2013 at 6<sup>TH</sup> floor, Annexe** at the above address. Bidders or their authorized representatives, with authorization certificate, may attend the opening of the tender, if they wish to do so.

Offers should be submitted as per Price bid format provided at Annexure-I.

The following may also be complied with;

a) The local agent of the bidder duly authorized by his principal, may submit offers, negotiate and sign contracts and other documents. In case of any litigation and/or arbitration between STC and the bidders, summons or any other legal process served on the local agent, shall be admitted and held as valid as if served upon the principal/bidder.

b) Bidders who have never in the last three years supplied edible oils to STC/MMTC/PEC may participate in the tender along with Bid Bond (as per Performa provided as Annexure-III) for 2% value of the quantity offered. If such offers are found to be lowest, then the bidder shall have to immediately undertake to give to STC, and to submit within 48 hours of bid opening Performance Guarantee Bond (as per Performa provided as Annexure-IV), for additional 4% of the value of the offered quantity failing which the Bid Bond shall be forfeited. Such Bidders may also submit the following along with Bid Bond:-

1. Brief details of Company.
  2. Audited Balance Sheet of the Company for last 3 years.
  3. If Trader, give full details of Refiners.
  4. Total Quantity exported during last three years.
  5. Total quantity of CDSBO exported to India during last 3 years with name of major buyers in India.
  6. Latest credit Report of Company from Dun & Bradstreet.
- c) The Buyer(s) reserve the right to split the quantity and ask for additional quantity.
- d) Letter(s) of acceptance will be issued by Fax or e-mail or Courier to the successful bidder(s) and or his/their Agents(s) in India within the validity of offer.
- e) The Buyer reserves the right to accept or reject any or all bids wholly or partially or counter the bid(s) without assigning any reason thereof.

### **13. DOCUMENTS CONSTITUTING CONTRACT**

The invitation Bids, the terms and conditions of Tender, Offer of the Bidder/Supplier and Letter of Acceptance issued by the Buyer along with any amendment issued prior to signing of contract shall constitute the contract between the Buyer and the Seller.

### **14. LETTER OF CREDIT ( DOCUMENTARY CREDIT)**

The Buyer shall establish in favour of the Seller an Irrevocable Letter of Credit in US Dollars for 100% value of the contracted quantity through a scheduled bank in India within 7 banking days or earlier, after issue of Letter of Confirmation along with the complete information required from the Seller for opening of the L/C. Buyer shall however, prefer if documents are sent as CAD (Cash Against Documents) basis. The delay in furnishing the information will be on Seller's account. Confirmation charges, if any, to be strictly on the Seller's account. **All Bank charges outside India to be on Seller's account.**

### **15. INSPECTION**

1. **Shipped quality as certified by an independent surveyor appointed by the Buyer at Seller's cost shall be final.**
2. **Landed Weight certified by an independent surveyor, appointed by buyer at the their cost, to be final and binding on both the buyer and the seller. Weight as ascertained by calibrated shore tanks at the time of discharge and duly certified by the independent surveyor shall be final for this purpose.**
3. If supplier fails to perform as per the agreed contract terms, the supplier would be debarred for future participation and other Public Sector Undertakings would be informed of their default and to take similar actions.

## 16. SHIPMENT

1. Afloat cargo and cargo under loading with the same grade and specifications shall be accepted only after prior approval of buyer.
2. A tolerance of 2 pct. more or less in quantity at seller's option is acceptable.
3. Commingling with other cargoes of **same grade and specifications** is allowed.
4. Partial shipment/transshipment not allowed.

## 17. MARINE INSURANCE

The goods will be insured by the Seller at their cost. Sellers to take Insurance policy on SG Policy Form, covering the consignment for 110% of the invoice value with underwriter of international repute having local representative and claim settling agent in India, in the currency of the contract (US DOLLARS) covering following for discharge at any Indian port(s).

“Against ‘All Risks’ from whatsoever cause or nature as per the Institute Cargo Clause (All Risks) including the risk of War and SRCC Risks as per Institute War Clauses (Cargo)-11-3-80 and Institute, Strikes, Riots and Civil Commotions Clause 1-1-63 both applicable to Insurance Policy irrespective of percentage including the risk of leakage and contamination, loss in weight resulting from reconditioning in the vent or contamination will be paid irrespective of percentage. The insurance Cover is from storage tanks of the Sellers to the storage tanks of buyers in India. Policy issued by more than one underwriter with or without indicating their percentage of interest is not acceptable.”

## 18. POST LANDING SURVEY

1. Net quantity of oil received in land tanks of Buyers at discharge port(s) as certified by reputable surveyors appointed by Buyers at their cost will be final, binding and conclusive on both parties and final settlement to be made on that basis. However, Seller's nominated Surveyors may also be present at the time of unloading and final quantifications.
2. In case of any damage to the cargo found at discharge port during joint survey, the claim shall be lodged by the buyer on the Seller.
3. The discharging shall be allowed to commence by Buyer's surveyor on completion of formalities under intimation to the Chief General Manager of respective PSU (Buyer) .
4. Seller to settle the short-landing claim with one month of lodging the claim and beyond that it will attract interest @ LIBOR + 500 basis

## 19. PAYMENT

- a) **100% payment by Irrevocable** without recourse to drawer, non-transferable/non- divisible letter of credit (Payable at Sight)/or CAD basis at supplier's option.
- b) The **Letter of Credit shall be negotiable** against the following documents:

- i) Seller's signed **Commercial Invoice in three (3) originals with three (3) copies** for goods shipped on the basis of shipped weight showing inter alia quantity/description, quality of Edible Oil shipped, price and net Invoice value.
- ii) Complete set of **Original Charter party Bill of Lading, marked "FREIGHT PREPAID"** is made out to order of opening bank and blank endorsed, notify party "APPLICANT". Bill of Lading(s) to be **signed by Master of the Vessel or by a named agent** for and on behalf of the Master or the Owner of the Vessel.
- iii) **Full Loading Survey Report & Certificate of Weight and Quality** by the independent inspection agency of repute nominated by the Buyer.
- iv) **Certificate of origin** issued by Chamber of Commerce in Country of origin.
- v) **Health Certificate in original and three copies** issued by Government nominated official agency in the country of origin that Crude Degummed Soyabean Oil shipped is fit for human consumption.
- vi) **Official stowage Certificate in original and three copies** issued by independent surveyor of International repute stating that the vessel tanks were duly examined prior to commencement of loading and found clean, dry and suitable for loading of the Crude Degummed Soyabean Oil.
- vii) A certificate from the shipping company or its agent stating that the **vessel is classified** by an approved classification society as per Institute classification clauses and classified as Lloyds 100A1 or its equivalent classification stating that the **vessel is not more than 25 years old and is seaworthy**. Invoice to certify that vessel is seaworthy.
- viii) Copy of Fax advising shipment particulars to the Buyer.
- ix) Copy of Fax for nominating the Surveyors as per directions of the Buyer.
- c) **Negotiation of documents under reserve is not acceptable.**
- d) **TT reimbursement is strictly not allowed.**

**If L/C is required to be confirmed by any bank, such confirmation can also be arranged provided the bank charges involved are paid by the Seller.**

Documents presented within the validity of L/C shall be acceptable.

Third Party documents, except commercial invoice and signed draft, is acceptable.

Documents issued prior to the opening of the L/C are not acceptable (excluding afloat consignments)

L/C to be valid for negotiations for 21 days after shipment.

## **20. DOCUMENTS**

The Seller shall send by fax/email, followed by courier, to Chief General Manager, The STC of India Limited, New Delhi (India) as per address given in para (12) above, three sets of non-negotiable documents prior to the arrival of vessel. The Seller shall also ensure that original shipping documents presented to the negotiating bank are received by the L/C opening bank in India before arrival of the cargo. If these documents are not received by Buyer's bank before the cargo arrival, the Seller shall instruct the shipper to deliver the consignment to the Buyer against their simple Letter of Indemnity and instruct the Shipping Agent accordingly.

## **21. DISCHARGE TERMS**

Buyer to guarantee minimum discharge rate of 80 MT running hour SHINC.

Before tendering NOR, vessel is to comply with all port formalities inclusive of obtaining Gas Free Certificate if required. NOR to be tendered only after vessel called, within the limits of contracted port and after completion of all port formalities including free pratique. Written Notice of Readiness to discharge/deliver cargo (NOR) can be tendered at the discharge port only after the vessel has arrived at the discharge port berth along side, completed all port formalities and filed application for berthing, obtained free pratique, filed Customs and Import General Manifests, secured prior entry at Customs and is ready in all respects for discharging cargo, even if final entry has not been obtained. NOR is to be tendered to the Buyer's port office and its nominated agent signed by the Master and/or owners agent.

NOR to be tendered between 1000 hours to 1700 hours IST on weekdays excluding Sunday , Charter party holidays , local holidays and between 1000 hours to 1300 hours on Saturdays.

Vessel should be of such length and beam as to permit her entry in Indian Ports (Kandla Port). Arrival draft should not exceed draft available on berthing at Indian Ports (Kandla Port). If arrival draft exceeds permitted draft at the nominated port as above, the responsibility of arranging lighter age and all lighter age expenses time and quantity loss if any shall be to Sellers/Ship's account (time consumed in lighter age of vessel shall not count as lay time). Apart from lighter age of non-permissible draft, all time used and cost in respect of port dredging operations, port congestion and other port related activities, will be to the account of the Seller. STC shall not be responsible for any delay/detention/demurrage, consequential losses/shifting/idling charges due to non-commencing of discharge by the Shippers/Sellers at the above oil jetty.

All shifting time will not be counted as in lay time.

Any other document required to meet Indian Statutory Authorities for import has to be provided by the Seller.



## **22. DEMURRAGE**

Demurrage, if any, at the discharge port shall be for buyer's account as per Vegoilvoy Charter Party or rates given below whichever is lower:

<u>Parcel size as per contract</u> <u>Without tolerance limit</u>	<u>Rates per day</u>
Below 6000 MT parcel	USD 1.00 PMT PER DAY ON PRORATA But not exceeding USD 5000 per day.
6000 MT – 10,000 MT parcel	USD 6000 PD or pro rata, whichever is lower.
10001 – 15000 MT parcel	USD 7000 PD or pro rata, whichever is lower.
15001 and above	USD 8000 PD or pro rata whichever is lower.

The above demurrage rates will be paid on proportionate basis in case there is any other cargo on board other than contracted cargo and both cargoes are for discharge at the same port. Discharge rates to be 80 MT per hour.

A copy of Charter Party to be provided to the Buyer immediately after nomination of vessel. Claims, if any, for demurrage to be made by the Seller on the Buyer within 60 days of completion of discharge of the vessel at the discharge port.

## **23. ARBITRATION**

Any dispute or difference in respect of any matter relating to or arising out of the contract, if the same is not resolved amicably, will be settled at New Delhi by the Arbitration in accordance with the Rules of Arbitration of Indian Council of Arbitration, Delhi and the award made in pursuance thereof shall be final and binding on the parties. Indian laws will apply. The venue of the Arbitration will be New Delhi.

## **24. FORCE MAJEURE CLAUSE**

- 1) If at any time during the existence of this contract either party is unable to perform in whole or in part any obligation under this contract because of war, hostility, civil commotion, sabotage, quarantine restrictions acts of God and acts of Government (including but not restricted to prohibition of exports or imports) fires, floods, explosions, epidemics, strikes, embargoes, then the date of fulfillment of engagement shall be postponed during the time when such circumstances are operative.
- 2) Any waiver/extension of time in respect of the delivery of any installment or part of the goods shall not be deemed to be waiver/extension of time in respect of the remaining deliveries.
- 3) If operation of such circumstances exceeds three months, each party shall have the right to refuse further performance of the contract in which case neither party shall have the right to claim eventual damages.
- 4) The party which is unable to fulfill its engagements under the present contract must within 15 (fifteen) days of occurrence of any of the causes mentioned in this clause, shall inform the other party of the existence of the circumstances preventing performance of the contract. Certificate

issued by the Chamber of Commerce in the country of Seller or the Buyer shall be sufficient proof of existence of the above circumstances and their duration. Non-availability of raw material will not be an excuse to the Seller for not performing their obligation under this contract.

## **25. CONFIDENTIALITY**

i) This Tender's provisions and existence, as well as any commercial data including price or technical data and any information provided in accordance herewith to the other party shall be considered as confidential. Such information shall not be disclosed to any third party unless required by any applicable law or authorized in writing by the other party.

ii) All such information shall be used by the other party only for the purposes of performance of this Tender.

iii) The restrictions here-in-above shall not apply to any information generally available to the public or received in good faith from a third party without restriction. The parties hereto agree to keep as confidential all documentation furnished or received by either party at any time in connection with this Tender. This provision, as far as practicable, shall apply to all the concerned officials of either party.

iv) Confidentiality will be maintained during existence of this Tender and even on termination/expiry.

## **26. INTIGRITY PACT**

**The Integrity Pact attached at Annexure V to this Tender will form an integral part of this Tender. It will be presumed that Bidders submitting their bids under this Tender has read and understood the Integrity Pact and will abide by this Pact.**

All other terms and conditions, when not in contradiction to the above mentioned terms and conditions shall be governed by FOSFA 81 Rules.

Import of edible oils under this tender is subject to Government of India policies and guidelines from time to time. STC is importing edible oil solely on its own behalf and Government of India is not a party to these imports.

**(SAMIR KAUL)  
CHIEF GENERAL MANAGER  
EDIBLE OILS DIV**

**Tender No.STC/EOIL/TDR/PDS/CDSBO/02/2012-13 Dated 07.03.2013**

**ANNEXURE-I**

**PRICE BID**

Name of Bidder:

\_\_\_\_\_

Address:-

\_\_\_\_\_

\_\_\_\_\_

Tel. \_\_\_\_\_ Fax No. \_\_\_\_\_ Email \_\_\_\_\_

Contact Person

\_\_\_\_\_

**PRODUCT : CRUDE DEGUMMED SOYABEAN OIL**

Quantity(MT)	Port of Discharge	Shipment Period	Unit Price per MT USD/CIF (on Landed Weight Final basis)	Country of origin

We have carefully gone through the terms and conditions of the Tender Documents and hereby agree to abide by the same for the fulfillment of the contract.

Name, Designation & Signature of the Bidder with Seal

**Tender No.STC/EOIL/TDR/PDS/CDSBO/02/2012-13 Dated 07.03.2013**

**ANNEXURE-II**

**DEVIATIONS FROM TENDER TERMS**

**A. TECHNICAL SPECIFICATIONS**

AS PER TENDER	DEVIATION

**B. COMMERCIAL TERMS:**

AS PER TENDER	DEVIATION

Name & Signature of the Bidder  
With seal & Designation

**Tender No.STC/EOIL/TDR/PDS/CDSBO/02/2012-13 Dated 07.03.2013**

**ANNEXURE-III**

**BID BOND PROFORMA**

(On stamp paper of Rs. 10/- to be executed by any international Bank through its branch office in New Delhi)

The State Trading Corporation of India Ltd.,  
Jawahar Vyapar Bhavan,  
Tolstoy Marg,  
New Delhi – 110001.

Dear Sirs,

1. WHEREAS M/s \_\_\_\_\_ (Offeror) has offered to supply a quantity of \_\_\_\_\_ MT of \_\_\_\_\_ to STC and the offeror is required to submit a Bid Bond at the rate of 2% of the quantity offered along with the Offer as a guarantee for fulfillment of all the terms and conditions of subsequent sale, we (Bank with full address) hereby unconditionally and irrevocably guarantee and undertake to pay immediately on first demand by STC the amount of US Dollar \_\_\_\_\_ in case the offeror fails to perform any or all the obligations, undertaken by him as per STC's acceptance without any reservation, protest, demur and recourse to said offeror. Any such demand in writing made by STC shall be conclusive and binding on us irrespective of any dispute or difference raised by the offeror. On receiving demand from STC, the payment shall be made immediately failing which interest @ 15% p.a. on monthly rest basis shall be payable by the bank. This guarantee shall be irrevocable and shall remain valid till 30.04.2013

2. Notwithstanding anything mentioned hereinbefore, our liability under Guarantee is restricted to US\$ \_\_\_\_\_ (US Dollars \_\_\_\_\_ only) and it will remain in force up to 30.04.2013. Unless the claim under the guarantee is filed against us on or before 30.04.2013 all your rights under the said Guarantee shall be forfeited and we shall be relieved and discharged from all the liabilities there under. We \_\_\_\_\_ bank further agree that the guarantee hereunder contained shall not be affected by any change in terms of purchase originally offered by the Offerer and any change in the constitution of said Offeror / STC.

3. It is fully understood that this guarantee is effective for a period upto 30.04.2013 with a right to the buyer to lodge claim within 15 banking days from the date of expiry. We \_\_\_\_\_ Bank also undertake not to revoke this guarantee during its currency without the consent in writing of the Buyers.

DATED

PLACE

**Tender No.STC/EOIL/TDR/PDS/CDSBO/02/2012-13 Dated 07.03.2013**

**ANNEXURE-IV**

**PERFORMANCE GUARANTEE Format**

(to be executed by any prime bank in India on stamp paper of Rs.100/-)

The State Trading Corporation of India Ltd.,  
Jawahar Vyapar Bhavan,  
Tolstoy Marg,  
New Delhi – 110001.

1. Against Contract No./Tender No. \_\_\_\_\_ dated \_\_\_\_\_ (hereinafter called the LOI/Contract entered into between the STC (hereinafter called the Buyers) and M/s. \_\_\_\_\_ (hereinafter called the Sellers) this is to certify that at the request of the Sellers, we \_\_\_\_\_ Bank unconditionally and irrevocably guarantee to pay to the Buyers immediately on first demand, the amount of US \$ \_\_\_\_\_ (@ 4% of contract value) without any protest or demur or reference to the Sellers if the Sellers fail to perform all or any of their obligations under the said contract. The decision of the Buyers duly communicated in writing to the bank that the sellers have failed to perform all or any of the obligations under the contract shall not be questioned and be final and conclusive. The said amount of US \$ \_\_\_\_\_ will accordingly forthwith be paid without any conditions or requirement of our proof whatsoever failing which interest @ 15% p.a. on monthly rest basis shall be payable by the Bank to Buyer.
2. It is fully understood that this guarantee is effective for a period upto 30.04.2013 with a right to the buyer to lodge claim within 15 banking days from the date of expiry. We \_\_\_\_\_ Bank also undertake not to revoke this guarantee during its validity/currency without the consent in writing of the Buyers.
3. We \_\_\_\_\_ Bank, further agree that the buyer shall have the fullest liberty, without affecting in any manner or obligations hereunder to vary any of the terms and conditions of the said contract or/extend time of performance by the Sellers from time to time or to postpone for any time or from time to time any of the powers exercisable by the Buyers against the said sellers and/or forebear to enforce any of the terms & conditions relating to the said contract and we, \_\_\_\_\_ Bank shall not be released from our liabilities under this guarantee by reasons of any such variations or extension being granted to the said sellers or for any forbearance and/or commission on the part of the buyers, or any indulgence by the Buyers, to the said Sellers or by any other matter or thing whatsoever which under the law relating to the sureties would, but for this provision have the effect of so releasing us from our liability under this performance guarantee.
4. We \_\_\_\_\_ Bank further agree that the guarantee herein contained shall not be affected by any change in the constitution of the said Sellers/Buyers.

5. The Guarantee will be governed by Indian Laws and will be subject to the jurisdiction of competent courts in New Delhi, India alone.
6. No claim shall be admissible against the Buyer in respect of interest on Performance Guarantee regardless of the time of release.

FOR \_\_\_\_\_ BANK

ACCEPTED

**ANNEXURE-V**

**INTEGRITY PACT**

Between

**STC Limited** hereinafter, referred to as “**STC**”,

And

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

**Preamble**

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

WHEREAS, STC values full compliance with all relevant laws of the land, rules, regulations and the principles of economic use of resources and of fairness / transparency in its relation with its Buyer/Vendor/Bidder. IN PURSUANCE, thereto, the following clauses of the Integrity Pact will be applicable and this document shall deem to be an integral part of the Agreement/ Contract between us. In order to achieve the goals, STC may appoint an Independent External Monitor (IEM), who will monitor the tender/auction/e-auction/e-sale/sale/purchase process and the execution of the contract for compliance with the principles mentioned above.

**Section 1 – Commitments of STC**

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

a) No employee of STC, personally or through family members, will be in connection with the tender for, or the execution of a contract, demand, take a promise for or accept, for himself/herself or third person, any material or non-material benefit which he/she is not legally entitled to.

b) STC will, during the tender/auction/e-auction/e-sale/sale/purchase process, provide to all Buyer(s)/Vendor(s)/Bidder(s) the same information and will not provide to any Buyer/Vendor/Bidder any confidential/additional information through which the Buyer/ Vendor/Bidder could obtain an advantage in relation to the tender/ auction/e-auction/e-sale/sale/purchase process or the contract execution.

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

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

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

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

a) The Buyer(s)/Vendor(s)/Bidder(s) will not, directly or through any other person or firm, offer, promise or give to any of STC’s employees involved in the tender/auction/e-auction/e-sale/sale/purchase process or the execution of the contract or to any third person any material or non-



material benefit which he/she is not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.

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

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

regarding proposals, plans, business details including information contained or transmitted electronically.

d) The Buyer(s)/Vendor(s)/Bidder(s) of foreign origin shall disclose the name and address of the Agents/representatives in India, if any. Similarly the Buyer(s)/Vendor(s)/Bidder(s) of Indian Nationality shall furnish the name and address of the foreign principals, if any. Further, all the payments made to the Indian agents/representative have to be in Indian Rupees only.

e) The Buyer(s)/Vendor(s)/Bidder(s) will, when presenting his bid, disclose any and all payments he has made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the Contract.

2. The Buyer(s)/Vendor(s)/Bidder(s) will not instigate third persons to commit offences outlined above or be necessary to such offences.

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

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

a) If the Buyer(s)/Vendor(s)/Bidder(s) has committed a serious transgression through a violation of Section 2 above or in any other form such as to put his reliability or credibility as buyer/vendor/bidder into question, STC is entitled to also exclude the Buyer(s)/Vendor(s)/Bidder(s) from the future contract award processes. The imposition and duration of the exclusion will be determined by the severity of the transgression. The severity will be determined by the circumstances of the case, in particular the number of transgression, the position of the transgressors within the company, hierarchy of the buyer and the amount of the damage. The exclusion will be imposed for a minimum of 6 months and maximum of 3 years.

b) If the Buyer(s)/Vendor(s)/Bidder(s) can prove that he has restored/recouped the damage caused by him and has installed a suitable corruption prevention system, STC may at its sole discretion revoke the exclusion prematurely.

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

### **Section 4 – Compensation for Damages**

1. If STC has disqualified the Buyer(s) from the tender/auction/e-auction/e-sale/sale/purchase process prior to the award according to Section 3, STC is entitled to demand and recover the damages equivalent to Earnest Money Deposit/Bid Security.

2. If STC has terminated the contract according to Section 3, or if STC is entitled to terminate the contract according to Section 3, STC shall be entitled to demand and recover from the Vendor liquidated damages equivalent to 5% of the Contract value or the amount equivalent to Performance Bank Guarantee whichever is higher.

3. If the Buyer(s)/Vendor(s)/Bidder(s) can prove that the exclusion of the Buyer(s)/Vendor(s)/Bidder(s) from the tender/auction/e-auction/e-sale/sale/purchase process or the termination of the contract after the contract award has caused no damage or less damage than the amount of liquidated damages, the Buyer(s)/Vendor(s)/Bidder(s) may compensate only the damage in the amount proved. If STC can prove that the amount of the damage caused by the disqualification of the Buyer(s)/Vendor(s) /Bidder(s) before Contract Award or the termination of the Contract after the Contract Award is higher than the amount of the liquidated damages, it is entitled to claim compensation for the higher amount of the damages.

#### **Section 5 – Previous transgression**

1. The Buyer(s)/Vendor(s)/Bidder(s) to declare that no previous transgressions occurred in the last 3 years with any other Company in any country conforming to the anti corruption approach or with any other Public Sector Enterprise in India that could justify his exclusion from the tender process.

2. If the Bidder makes incorrect statement on this subject, he can be disqualified from the tender process or the contract, if already awarded and can be terminated for such reason.

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

1. STC will enter into agreements with identical conditions as this one with all Buyer(s) /Vendor(s)/Bidder(s) without any exception.

2. STC will disqualify from the tender process all Buyer(s)/Vendor(s) /Bidder(s) who do not sign this Pact or violate its provisions.

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

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

#### **Section 8 – Independent External Monitor(s)**

1. STC appoints competent and credible Independent External Monitor (IEM) for this Pact. The task of the IEM is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.

2. The IEM is not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. He reports to the CMD, STC.

3. The IEM has the right to access without restriction to all trade/project related documentation of STC. The Buyer(s)/Vendor(s)/Bidder(s) will also grant the IEM, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his trade/project documentation. The IEM is under contractual obligation to treat the information and documents of the Buyer(s)/Vendor(s)/Bidder(s) with confidentiality.

4. STC will provide the IEM sufficient information about all meetings among the parties related to the project/contract provided as meetings could have an impact on the contractual relations between STC and the vendor. The parties offer to the IEM the option to participate in such meetings.

5. As soon as the IEM notices, or believes to notice, a violation of this agreement, he will so inform the Management of STC and request the Management to discontinue or take corrective action, or to take other relevant action. The IEM can in this regard submit NON-BINDING RECOMMENDATIONS. Beyond this, the IEM has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.

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

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

8. The word "IEM" would include both singular and plural.

**Section 9 – Pact Duration**

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

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

**Section 10 – Other provisions**

1. This agreement is subject to Indian Law, Place of performance and jurisdiction is the Registered Office of STC, i.e. New Delhi.

2. Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.

3. If the Vendor is a partnership or a consortium, this agreement must be signed by all partners or consortium members.

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

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**(For & on behalf of STC)**  
**(Office Seal)**

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

Place : .....

Date : .....

Witness 1 : .....

Name :

Address :

Witness 2 : .....

Name :

Address :