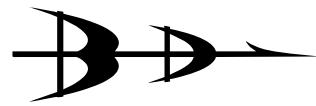


BHARAT DYNAMICS LIMITED
HYDERABAD



INTEGRATED MATERIALS
MANAGEMENT MANUAL
2023



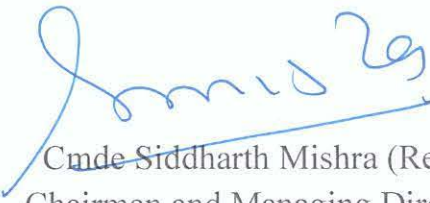
Foreword

I am pleased that BDL has brought out the revised Purchase Manual and this will provide the essential information and serve as step-by-step guide for procurement of goods and services. The IMM manual is in place since 1998 and revised during the years 2002 and 2013. In the year 2015, IMM Manual has been revised by incorporating e-procurement procedures, on line vendor registration and MoD guidelines issued for out sourcing. With the ever changing Market Scenario, Regulations/Guidelines being issued by MoD / MoF /CVC from time to time, to align the IMM manual to be in complement for procurement through GeM, a need was felt to update the existing IMM Manual to address these requirements vis-a-vis business environment. Some of the new chapters added in the IMM Manual like Procurement from Start-ups, Reverse Auction, Management Approval through File Life Cycle Management (FLM), Customer Support activities, SOP for GeM procurement etc. Some of the areas have been redefined and more clarity has been brought out viz, Terms of payment, Vendor Rating, MSME preference, Collaborative R&D, Vendor Development Policy, Changes in Proprietary Article Certificate, Single tender Certificate, Integrity Pact, Petty purchase.

The Manual is intended to serve as Guide to all concerned in the procurement of Goods and Services. It has come at the right time to meet the demands for improved transparency and written down system always makes it easier for implementation, efficiency and ease of doing business to procurement process. I hope the revised manual will facilitate the users in taking the right decisions and ensuring that the commercial and financial interests of the company are taken care.

I take this opportunity to express my gratitude to our CVO Dr. Upender Vennam, IPoS, who contributed, in bringing up the profound changes to the Manual by way of suggestions and improvements and also congratulate those who contributed in bringing up this IMM Manual – 2023.

Hyderabad
07 February 2023


Cmde Siddharth Mishra (Retd.)
Chairman and Managing Director

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CHAPTER - I
INTRODUCTION

1.1 PREAMBLE:

The purpose of this manual is to standardize the policy and procedures for planning, procurement of materials and services, storage and issue of materials.

The earlier systems and procedures manual for “Purchase and Tendering Procedure” was issued on 11th September 1974.

Subsequently an Integrated Material Management (IMM) Manual was prepared and issued on 22nd April 1998.

Further the manual has been revised taking into consideration the needs of the Organization primarily covering budgeting, vendor registration, assessment, rating, purchase policy and procedure during 2002, while procedures pertaining to other functions, such as Stores, Capital Inventory etc., remained unchanged.

In 2015 the manual was revised considering Computerization and transparency required in Public Procurement resulted in development of e-procurement, e-Reverse auctions, e-payments and centralized Vendor Management etc..

The developments after 2015 are:

New classification and certification have given to Micro, Small, and Medium Enterprises.

In order to promote local manufacturing, govt. of India has issued Public Procurement (Preference to Make in India) [PPP-MII] Order 2017.

GOI has introduced a digital e-commerce portal named GeM, with a motive to enhance transparency and efficiency in the public procurement of Goods & Services for Government Organizations and Departments

The manual was incorporated with amendments in line with above Govt orders.

Further BDL has implemented SAP ERP (enterprise resource planning) software in 2016.

BDL Units address and Bank details required to change by considering formation of Telangana state & New Corporate office. Procurement role of the corporate office is changed.

These aspects have a great bearing in improving productivity, transparency, etc... These aspects have led to a need to further revise of the Manual to bring it inline work in current requirements.

This manual supersedes all aspects of IMM Manual 2015 and all its amendments.



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1.2 PURPOSE:

The IMM Manual is intended to serve as a guide to all officers and staff deployed in discharging the materials management functions.

Any amendments required to be incorporated in laid down procedures of IMM Manual owing to statutory provisions, instructions and guidelines that may be issued by the Government or changes required by the Management will be issued from time to time through Corporate Commercial Department (CC).

The timely provisioning of items either Capital or Revenue, economically while adhering to cannons of finance propriety.

This Manual covers procurement activities including services and does not cover civil works, labour contracts and engagement of consultants.



CHAPTER - II

CLASSIFICATION OF ITEMS

It is necessary that the relevant classifications of materials are properly understood, so that suitable purchasing methods may be adopted. The following are the classifications.

2.1 CAPITAL ITEMS:

Capital Items consist of Plant and Machinery, test and measuring equipment, initial procurement of spares, office and industrial furniture, vehicles, reconditioning / refurbishing of machinery, (cost exceeding more than 30% of cost of machinery) high value and custom made software etc., Whereas Capital items specific to a project are Specific Project items. The requirements of capital items for the Divisions are sanctioned by the Board in the Capital budget. The IMM Department, in consultation with the User / Indenting Department, should draw up a detailed plan to meet the commitments.

Note : Low value semi perishable items are not considered as capital items.

2.2 REVENUE ITEMS:

Revenue Items include recurring, non-recurring and deferred revenue items.

2.2.1 RECURRING REVENUE ITEMS:

The recurring revenue items may be either direct production or non-production items. The production items are those, which form part of the end product. These are raw materials, components, consumables, ingredients, castings and forgings etc., Which go into the manufacture of end products. These may also include spares and accessories, which are required for manufacture of systems for delivery to customers.

The non-production items are such as stationery, consumables, standard tools, special tools, fixtures, gauges, accessories etc.. for which the stock levels / periodicity for procurement are fixed and maintained. Services are also considered as revenue items.

2.2.2 NON-RECURRING REVENUE ITEMS:

Non-recurring revenue Items are the materials, maintenance spares & services whose requirement is not of recurring nature and procurement action is need based. Demand for such items arises based on specific requests of user.

2.2.3 DEFERRED REVENUE EXPENDITURE (DRE) ITEMS:

Non-recurring revenue items which are required specifically for a project and having exclusive utility for that project are called DRE items.

2.3 CANTEEN :

Canteen items include provisions, vegetables, cutlery, cooking vessels, etc. HR Department will raise request for welfare items such as uniforms, personal utility items etc., the items like vegetables, provisions etc., required for running the canteen on daily basis are to be procured by Canteen Committee.



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2.4 WELFARE ITEMS :

Welfare items are items required for issuing to employees like safety shoes, uniforms, production gifts, safety clothings etc.

All other items / equipments required by canteen are to be procured by the concerned IMM.

2.5 MEDICINES & HOSPITAL REQUIREMENTS:

The Chief Medical Officer shall assess the requirements of Medicines and other hospital / MI Room requirements, based on consumption pattern, stock available and shelf life / expiry date.

2.6 MISCELLANEOUS:

In respect of items which are not covered above, requirement shall be raised by the user department as per authority granted by the General Manager/ Divisional Head.

2.7 Standard Operating Procedure (SoP) for Issue of Material on Returnable basis

Purpose : Issue of Returnable Material by authorized officers to vendors/Designers/Testing for the purpose of inspection, rework, loan basis, repair, refurbishment, etc.,

Scope : The scope is applicable to all functional areas where the necessity to handle the material, items, spares are envisaged. It can be executed only by the authorized officers.

Procedure :

1. The designated officers of IMM, CPED, QC, and the divisional head are mandatorily authorized for issuing of RMGPs (Stores officers are not authorized to issue RMGPs).
2. The department head will decide the number of officers to be authorized for issue of RMGPs and submit the requirement to the unit BDL security officer.
3. The BDL security officer will examine the antecedents of the officers under consideration and take the approvals from the unit head and inform the same to the security / CISF.
4. RMGPs to any other units & on receipt of items on other side will be considered as closed. And concerned BDL security officer will be informed & the same regularized for closure of gate pass.
5. All the authorized officers for issue of RMGPs should invariably maintain the records for 5 years from the date of closure of the document.
6. After 5 years, the closed records can be destroyed by the approval of unit head.
7. Outward / Inward movement of materials will be as per the procedure given under.
 - 7.1. The Issuing Authority will enter relevant fields in the system.
 - 7.2. Three copies of filled (with relevant data) of RMGPs are printed and signed.
 - 7.3. The security will stamp on the outward movement of RMGPs and hold one copy with them.



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- 7.4. The security will simultaneously clear RMGPs in the system.
- 7.5. Out of 2 copies, one will be held with issuing officer and the other will be with the recipient for the purpose issued.
- 7.6. On completion of RMGPs purpose, they are to be returned back to the issuing officer well before the validity date otherwise the officer has to inform the security regarding the extending the validity of RMGPs.
- 7.7. On return of the RMGPs, security will close the RMGPs by stamping and signing on the hard copy as well as closing in the system.
- 7.8. Partial returning of the RMGPs material issued is permitted and it is controlled on hardcopy and it will be closed on returning of all the materials in the system.
- 7.9. The RMGPs issued to other units will be treated as closed once the receiving unit security stamps as it is "IN" the same on presentation at issuing security it will be closed in the system.
- 7.10. The issuing officer is responsible for the returning of material issued under RMGPs. Therefore they are to be cautious while issuing and monitoring the RMGPs status.
- 7.11. The issuing officer is authorized to the RMGPs only to their functional area and not to any other functional area or division. (Officer cannot issue RMGPs of other projects)
8. The HR of the unit will track the movement of RMGPs and a monthly report will be submitted to the unit head (whose validity has been expired.)
9. The unit / divisional head will conduct a review meeting once in a month and review the status of RMGPs issued and appropriate action will be initiated for closure of the RMGPs.
10. In case of long pending RMGPs where the issuing authority is unable to close because of either lose or consumption (in case of Testing/ Validation) at the recipient the same will be put-up to unit head for consideration of write off.
11. On approval of the unit head, the concerned officer will submit the RMGPs to Concerned HR for the closure in the system.
12. HR will maintain such written off RMGPs records also for 5 years and on completion of the retention period they can be destroyed after obtaining unit head approvals.
13. Deputy Manager (Grade III) and above officers are only are eligible to issue of RMGPs and authority is to be conferred by management.



CHAPTER – III

PROCUREMENT POLICIES AND FUNCTIONS

3.1 FUNDAMENTAL PRINCIPLES OF PROCUREMENT:

Every authority delegated with the financial powers of procuring goods shall have the responsibility and accountability to bring in efficiency, economy and transparency in matters relating to procurement and to ensure fair and equitable treatment of suppliers and promotion of competition.

3.2 PROCEDURAL PROPRIETY:

The procedure to be followed in making procurement must conform to the following yardsticks:

- a) The specifications in terms of quality, type etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs.
- b) Offers should be invited following a fair and transparent procedure.
- c) The procuring authority should be satisfied that the selected offer adequately meets the requirement in all respects.
- d) The procuring authority should be satisfied that the price of the selected offer is reasonable and consistent with the quality required.
- e) Any deviation in the procedure shall be recorded.

3.3 POLICY GUIDELINES:

3.3.1 ECONOMY:

Purchases of items / goods must be made in the most economical manner. Periodical indents should be prepared covering the requirement for one year or more, except where for reasons of shelf life or for other recorded reasons. Care should also be taken not to purchase stores much in advance of actual requirements, except in exceptional cases which are to be recorded.

3.3.2 SPLITTING OF REQUIRMENT:

Requirement should not be split to avoid approval from CFA.

3.3.3 OPEN COMPETITIVE TENDERING:

When stores are purchased from vendors, the system of open competitive tender should normally be the preferred mode, except where otherwise permissible under the rules and the purchase should be made from the lowest tenderer.

3.3.4 File Life cycle Management (FLM) :

The note sheet files should be maintained item / group of items wise when they are recurring in nature. Normally files to be maintained in FLM except where the files are sensitive and secret.



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3.4 OBJECTIVES:

The main objectives of the IMM department are as under:

- a) To ensure timely flow of materials, equipment & services of goods with required quality to meet production plans and other requirements.
- b) To encourage open tenders to the extent possible for all items with general / standard specifications.
- c) To buy competitively with desired specifications from approved / reliable sources at reasonable prices within the time schedule.
- d) To ensure that fair and uniform purchase practices are followed.
- e) To develop healthy and long term relationship with suppliers.
- f) To serve as information center all other departments on materials, specifications, prices, sources of supply, etc..
- g) To maintain optimum inventory level.
- h) To adhere to the cannons of financial propriety and to safeguard economic and legal interests of BDL.
- i) To adhere to the procedures prescribed in IMM Manual and other guidelines issued from time to time.
- j) To locate for alternate / additional sources of supply, where necessary, to maintain competition, consistent supplies, quality and delivery.
- k) To monitor and improve performance of vendors.

3.5 ORGANISATION OF PROCUREMENT FUNCTIONS:

IMM functions are grouped, keeping in view, the structure of the company to cater to the needs of various Divisions / Units including Corporate. In order to effectively function, the responsibilities of IMM are defined and dealt in detail in subsequent paragraphs.

3.6 DUTIES AND RESPONSIBILITIES OF IMM:

- a) Timely provisioning of materials and raise demands considering production programme, Bill Of Materials (BOM), available stock, production allowances, contingency, shelf life, Re-Order Levels (ROL) and procurement lead time.
- b) Liaise with related departments like design / SEG / PMG / Indegenization Group / Central Design Office (CDO) / Methods / Project office and Planning for updated documents.
- c) Authorise issue of materials to assemblies / workshops / vendors.
- d) Liaise with Production / user departments for day-to-day production problems relating to materials.
- e) Inventory Control and analysis.
- f) Review of slow moving / non-moving stocks and taking corrective action including disposal.
- g) Procurement of items / services for user / Indenting Departments.
- h) Preparation and follow up of PRs for approval by CFA.
- i) Preparation of tendering document considering all aspects of procurement.
- j) Publishing tenders
- k) Receiving quotations, tender opening, evaluation of quotes and preparation of technical & Commercial Comparative Statement (CST).



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- l) Convening meeting with vendors (if required) and coordinating for Technical Evaluation Committee (TEC) meetings.
- m) Arrange for negotiations if any.
- n) Entering into Rate Contracts where necessary.
- o) Issuance of PO (after approval).
- p) PO follow-up for ensuring availability of material in time.
- q) Ensure timely payment to supplier.
- r) Follow up for replacement / rectification against any rejections and warranty claims.
- s) Vendor evaluations and improvement.
- t) Coordinate with regard to contract management and preparation of procurement Budget.
- u) Arranging Custom Duty Exemption Certificates (DEC), GST if any.
- v) Arranging Free Issue Materials (FIM) to vendors if any and follow up settlement of FIMs after supply.

3.7 DUTIES AND RESPONSIBILITIES OF STORES:

The duties and responsibilities of Stores are to receive and issue items / goods. Stores are responsible for proper storage and accounting of all materials dispatch of finished goods to customers.

3.8 RESPONSIBILITIES OF INDENTING OFFICERS:

- a) Necessary budgetary estimates used for preparation of PR and shall be enclosed (like engineering estimate / budgetary offer etc.
- b) PR shall include budget reference number for capital items, specification and Justification generated through SAP.
- c) Specification shall include all necessary drawings, sketches, and test procedures, training requirements, documentation required and method of clearance as applicable.
- d) PR shall include known sources of supply including previous suppliers, if any.
- e) Indenter shall ensure that PRs are raised in time.
- f) Technical recommendations and clarifications wherever required by IMM / Quality Control (QC) are extended in time for speedy procurement / clearance of item.
- g) Support required from the vendor over period of time, to enable BDL to extend support to maintain end product supplied to customer support, shall be specified in the PR.
- h) Enquiry special terms and conditions required for the item / service shall be specified if any.
- i) Sensitivity of the items in terms of technical or business needs should be clearly to be indicated to IMM. IMM to take up the proper mode of tendering accordingly.

3.9 RESPONSIBILITIES OF QC OFFICERS:

- a) Plan for necessary inspection as per PO terms and provide feedback to IMM.
- b) Ensure availability of necessary inspection fixtures, gauges and test equipments prior to actual inspection
- c) Goods Receipt (GR) are cleared in time.
- d) Associate with Plant Engineering Department (PED) / Indenter for speedy installation and commissioning of Capital items.
- e) Clearance details shall be entered in SAP.



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- f) Interact with Systems Engineering Group (SEG) / Group / PMG / IMM / Indigenisation to improve Vendor Performance.

3.10 FUNCTIONS of IMM:

3.10.1 FUNCTIONS OF INTEGRATED MATERIAL MANAGEMENT (IMM):

Functions of IMM cover all aspects of procurement, right from material requisition to positioning of materials including service, vendor relations management.

3.10.2 FUNCTIONS OF THE CORPORATE COMMERCIAL DEPARTMENT (CC):

- a) Lay down policies on all Material Management related issues, matters and registration of vendors.
- b) Creating and regularly updating a comprehensive directory of vendors, namely, the Vendor Master.
- c) Identification of potential new sources of supply.
- d) To finalise Rate Contracts.
- e) Issue of press tenders including placement of Tender details on BDL web site and Central Public Procurement Portal (CPPP).
- f) Tariff of GST.
- g) Import Export policy publications for providing them to divisional IMMs on need basis.
- h) Policy Issues on GST, Customs, Import Export matters, Government and Central Vigilance Commission (CVC) guidelines are to be circulated to divisional IMMs.
- i) Submission of consolidation of Management Information System (MIS) reports to Vigilance, Directors, Board and Ministry of Defence (MoD).
- j) Purchases for Functional Directors.
- k) Circulation of Delegation of Power (DoP) to all concerned.
- l) E- reverse auction of all Units of BDL will be carried out centrally.
- m) Coordinating with agencies like National Small Industries Corporation (NSIC) and organising vendor meets and participating in exhibitions.
- n) In cases where there is lack of clarity in rule position or interpretation CC shall sort out the issues, if required by solicity legal opinion.
- o) To procure items required to Business Development for the purpose of participation in Exhibitions (gifts, mementos and stall fabrication) etc.
- p) For Signing of agreements with certifying agency for obtaining Quality System Certification of various divisions.

3.10.3 FUNCTIONS OF DIVISIONAL IMMs:

Divisional IMMs are responsible for procurement, storage, issue of material, inventory management of all goods and services procured for the Division to achieve product Objectives / project schedules.

- a) Identification and selection of suitable sources of supply from Vendor Master for procurement and assisting in development of potential sources.
- b) Plan, Procure, Store and issue of production materials, including accounting of materials.
- c) Procurement of
 - i. Capital goods, tools, gauges, jigs and fixtures and other specific requirements of divisions.
 - ii. Spares for machinery and equipment.
 - iii. Industrial furniture, office equipment on specific sanction.



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- d) Entry into service contracts with respect to maintenance and AMCs shall be under taken by CPED / PED of the units.
- e) Analysis of inventory to maintain optimum inventory levels.
- f) Tool crib operation like issue of tools and gauges, sending the gauges for calibrations, stock verification and control returns and periodical condemnation of tools.
- g) To conduct analysis of non-moving and slow moving items and initiate salvaging action for non moving items.
- h) Dispatch of finished goods and exports through stores.
- i) Attending to GST matters, wherever applicable and liason with divisional finance in the matters.
- j) Arranging Techno-Commercial negotiations as per the directions of the Competent Authority.
- k) Release of POs, follow-up for supplies and periodical review of POs and alternate actions, as required.
- l) To ensure after sales service during warranty period for the equipments procured.
- m) To co-ordinate and arrange timely payments to suppliers and recoveries from suppliers.
- n) Submission of MIS reports to CC for consolidation and onward transmission to Functional Director (FD), MoD, Central Vigilance Officer (CVO), CVC etc.
- o) Submission of annual vendor rating, order cancellation details, "D" rated vendors, non moving items and risk analysis report to CC for review.

3.10.4 FUNCTIONS OF COMMON SERVICES [IMM (KBC) & IMM OF UNIT]:

- a) Procurement of
 - i. Office stationery, computer stationery and printing, .
 - ii. Shop consumables, Chemicals, Petrol, Oils, Lubricants (POL) and Industrial gases.
 - iii. Hardware, Cement, construction steel, pipes and fittings.
 - iv. Office furniture, office equipment, computers, accessories and electrical items.
 - v. Standard tools (excluding drawing items), grinding and abrasive products, not covered by RC.
 - vi. Tool raw materials.
 - vii. Medicines and medical equipment.
 - viii. Canteen items / equipment, transport department's requirements.
 - ix. Items, which are required commonly by more than one division of the concerned unit.
- b) Disposal of scrap including canteen items, surplus items disposal and condemned machinery and vehicles and any other specific approval from management.
- (c) IMM-CS (Common Service)-KBC - Opening of all limited tenders of Kanchanbagh Complex (KBC) and open/ global tenders, by Standing Tender Opening Committee, processed through manual mode.

Any of the above items which are specific to a particular project to be purchased by the divisional IMM only.



CHAPTER IV DEFINITIONS

4.1 PURCHASE REQUISITION (PR):

Purchase Requisition is a document raised by indenter requesting IMM to procure the item / goods / services with specifications, sources of information, expected cost and nature of item, Revenue (Recurring / Non-recurring / DRE) and Capital. The capital procurement is raised with budgetary provisions specified. In case of regular production items indenter is IMM. PR is document raised by IMM to obtain sanction and approval for procuring the goods / items defining the nature class and other inventory information based on the PR received from the Indenter / IMM. Type and mode of tendering are also defined for seeking approval at this stage. PR format is placed at Annexure - I.

4.2 SERVICE CONTRACT REQUEST (SCR) :

Service Contract request is similar to PR used for acquiring services like maintenance, machine shifting, environmental testing etc. Content of Service Contract Request is placed at Annexure - II.

4.3 SUPPLIER:

Those vendors who supply items like raw materials, items with common specifications, branded specifications, machinery and equipment, items to industrial & defence specification are referred as suppliers.

4.4 SUB-CONTRACTORS:

Manufacturers of production components and assemblies as per BDL specifications and fabricators of jigs & fixtures and tools as per drawings are classified as sub-contractors.

4.5 SERVICE PROVIDER (SP):

Maintenance contractors for machineries / equipment / computers, consultants, forwarding and clearing agencies, transport contractors etc. are classified as SP.

4.6 CIVIL CONTRACTORS:

All those who execute civil or electrical works are referred as Civil contractors.

4.7 FOREIGN SUPPLIERS:

The foreign vendors is who supply goods including raw material from a country other than India.

4.8 APPROVED SOURCE:

Approved Source(s) are vendors who have developed items / goods specifically for BDL to meet the project / product requirement and whose names have been approved by management for supply of specific material.

4.9 TENDERS:

Tender enquiry or Notice Inviting Tender (NIT) is a document requesting the bidders to respond with offer / bid to supply the item or provide service required as per the specifications, quantities, terms & conditions and maintaining the time schedules detailed in the document.



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NIT is sent to limited vendors or published in newspapers soliciting the responses, thus forming different types of tenders detailed below. NIT format for e-procurement and tender enquiry for manual enquiry are placed at Annexure - III and Annexure - IV respectively.

4.9.1 OPEN TENDER:

Open Tendering system shall be the preferred mode for procurement of common use items of generic or commercial specifications which are readily available off-the-shelf in the market from a wide range of sources / vendors with in India. It must be adopted in all such cases in which the estimated value of the tender is more than Rs.50 Lakhs subject to the exceptions as provided in the manual.

4.9.2 GLOBAL TENDER:

The goods / services of the required quality, specifications, etc., may not be available in the country and it is necessary to also look for suitable competitive offers from abroad.

4.9.3 LIMITED TENDER:

This method may be adopted when estimated value of the goods to be procured is up to the limit prescribed in DoP with exceptions listed in the manual. The number of supplier to be contacted in Limited Tender Enquiry should be as detailed in further chapters.

4.9.4 SINGLE TENDER:

Single tender procurement is taken up in special conditions from a single source with the prior approval of the CFA as per DoP for reasons, to be recorded in writing. Single tender certificate format is enclosed at Annexure - V.

4.9.5 NOMINATION:

Nomination is similar to single tender but is referred to in case of civil works, maintenance contracts. The works is assigned to contractor or vendor who has experience in handling such work. This is normally adopted in case of emergencies and technical reason where in the contractor is most suitable for the work. Reasons for such nomination shall be recorded clearly.

4.9.6 PROPRIETARY ARTICLE CERTIFICATE (PAC) :

Certain items, particularly equipments, are the propriety product of a manufacturing firm. Such items are procured on proprietary basis. Proprietary tender certificate format is enclosed at Annexure - VI.

4.9.7 EXPRESSION OF INTEREST (EoI) :

An expression of interest (EoI) is a part of the qualification process to receive a tender document. The buyer (BDL) is requesting the supplier to express and interest in providing goods and services. Obtaining expression fo interest is useful when the number of capable vendors, latest specification of capital item, market size or the approach to solving a problem is largely unknown.



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4.10 CORRIGENDUM:

Corrigendum or amendment to tender enquiry or NIT is a document which communicates the changes in the enquiry. This is communicated to the vendors or / and published in newspapers or published in e- procurement portal.

4.11 OFFERS:

An offer which is also called as Bid or Quotation, is the response from a vendor to a Tender Enquiry / NIT. It refers to the submission of quotation by a firm offering to supply the item as per required specification and quantity or for a service to be rendered in response to an enquiry for a price and as per certain terms and conditions. The quotations submitted by bidders may be classified as valid, regret, unsolicited, delayed and late.

4.11.1 VALID OFFER:

Valid offer refers to an offer received within the time set in the tender enquiry and complying with the conditions specified in the tenders.

4.11.2 REGRET OFFER:

Regret offer refers to 'Nil' quotation from the bidder indicating that the bidder is unable to supply the items or services given in the tender enquiry.

4.11.3 UNSOLICITED OFFER:

Unsolicited offer refers to submission / receipt of quotation from a supplier to whom enquiry was not sent.

4.11.4 DELAYED OFFER:

Any offer received after due date and prescribed time is considered as delayed offer. The same will not be considered.

4.11.5 LATE OFFER:

An offer which is posted after the closing date is treated as late offer and the same will not be considered.

4.11.6 SINGLE OFFER:

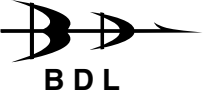
Single offer is the only one offer received against Limited, Open / Global tenders or resultant single offer after techno commercial or pre-qualification evaluation.

4.12 DELEGATION OF POWERS (DoP):

DoP is the list of the financial powers delegated by the Board of Directors to various functional authorities within the company.

4.13 COMPETENT FINANCIAL AUTHORITY (CFA):

CFA refers to the authority competent to sanction / approve purchase proposals / services / works under consideration as per monetary limits given in the DoP.

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4.14 e-PROCUREMENT:

E-Procurement is a methodology where the activities involved in the procurement of materials and services are carried out electronically through website using internet. The purchase procedures adopted in case of e-procurement are detailed in further chapters.

4.15 e-AUCTION / e-REVERSE AUCTION:

E-Reverse Auction is the process where bidders sitting at different locations participate in the auction simultaneously. The identity of the other participants is not known to the bidder. Before the bidding all bidders are brought to level playing field by adding necessary taxes & levies and loading charges if any for advance payments. The L1 / H1 bidder is decided at the end of bidding process.

4.16 DIGITAL SIGNATURE CERTIFICATE (DSC):

Digital signature Certificate is a digital signature valid for signing, encryption as per IT act 2008. These DSCs are issued by Certifying Authorities (CA) who are approved by Controller of Certifying Authorities (CCA) in India.

4.17 INTEGRITY PACT (IP):

Integrity Pact (IP) is an agreement to be entered into by the Bidder with BDL in which BDL promises that they will not accept bribes during the procurement process and Bidders promise that they will not offer bribes. All the Bidders are required to enter into IP agreement with BDL, wherein the enquiry value is above threshold limit.

4.18 TENDER FEE:

Tender fee is the fee collected towards the documents sale in regular tenders. However it can also be collected at the time of submission of tenders in case tenders are downloadable from the website.

4.19 EARNEST MONEY DEPOSIT (EMD):

The primary objective of EMD is to establish the earnestness of the bidder so that he does not withdraw, impair the offer within the validity of the bid. It also helps in restricting, if not eliminating 'speculative', 'frivolous' or 'wait and see' bidders.

4.20 BANK GUARANTEE (BG):

BG means that the bank issues a written certificate to the beneficiary at the vendor's request. As the guarantor, bank has the responsibilities to handle the debt or obligations instead of the vendor. The rights and obligations of both parties would be prescribed by the contract. The BG(s) received by IMM shall be submitted to finance department for verification from the issuing banks and safe custody. The BGs are obtained from nationalized banks or the banks authorised by BDL specified in the tender document.

BG shall be submitted by the vendor on different occasions like issue of Integrity Pact, advance payment and performance. When equipment is commissioned and BG is submitted against performance of the equipment it is referred as Performance Bank Guarantee (PBG). These aspects are covered in Tender terms and conditions and PO. Typical BG formats are placed at Annexure - VII.



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4.21 SECURITY DEPOSIT (SD):

Security deposit is the money deposited by the bidder on obtaining the order / contract as an assurance to execute the order successfully. This is also called performance guarantee.

4.22 DUE DATE FOR TENDER:

Last date for bid submission is referred as due date for tender.

Due date shall be a working day. However, if the due date falls on holiday due to any reason the next working day shall be considered as the due date.

4.23 TYPES OF BID:

4.23.1 SINGLE BID:

Single bid system is the tendering process wherein the bidders are required to submit price bids along with acceptance for techno commercial aspects in the same bid. This is adopted while tendering regular non- complex items.

4.23.2 TWO BID:

Two bid system is the tendering process wherein the bidders are required to submit Techno commercial bids and Price bids separately enabling processing of price bids of only those bidders whose techno commercial bids are accepted. Two bid enquiry shall also include pre-qualification and screening of acceptable vendors, wherever required.

4.23.3 THREE BID:

Three bid system is the tendering system where in the bidders are required to submit response to EoI / pre bid qualification requirement, apart from techno commercial bids and price bids enabling processing of price bids of only those bidders whose techno commercial bids are accepted.

4.24 BIDDING FORMS:

Bidding forms are the data entry form prepared in the e-procurement portal to facilitate entry of acceptance to terms and conditions and price details by the bidder as response to NIT.

4.24.1 TECHNO COMMERCIAL BID:

Techno-commercial bid includes the compliance statement about the specifications of the items being offered by the vendor with reference to the tendered items. It shall also contain compliance to other terms, commercial or others, with reference to the tender. The compliance statement shall be as per the format included in the tender enquiry. This also contains Tender Fee / EMD to be submitted wherever applicable. Techno commercial bid shall also include pre-qualification and screening of acceptable vendors, wherever required.

4.24.2 PRICE BID:

This is the second part of the offer under two bid system. This contains price information only.



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4.24.3 Eol:

This is the preliminary bid for scrutiny of vendors and formulation of comprehensive technical specifications and identification of prospective vendors.

4.25 AGENTS OF THE SUPPLIER:

Agent is authorised representative of supplier. One agent cannot represent two suppliers or quote on their behalf in a particular tender enquiry. Such quote should be rejected. Agents and their principals shall not quote for the same tender. Agents shall provide a necessary declaration to this effect along with their bid. Order shall be placed only on the supplier with a copy to the agent.

4.26 TRIVIAL ERRORS:

Trivial errors such as omission to:

- a) Enter the rates in words,
- b) Initial any alteration in rates or
- c) Sign both the tender and the schedules(s) and may be corrected, initialled and dated both by the officers opening the tenders and signed and dated subsequently by the bidder.

4.27 PURCHASE ORDER (PO):

A PO is a commercial document issued by a division to a vendor (after approval of CFA etc.), indicating types, quantities, agreed prices and schedule of delivery for products or services the vendor to provide to the buyer. Sending a PO to vendor constitutes a legal offer to buy products or services refer Annexure-VIII.

4.28 CONTRACT:

Contract is similar to a PO, a commercial document, where both purchaser & seller sign the contract, wherein job to be executed or service to be rendered with all terms and conditions detailed.

4.29 WORK ORDER (WO):

Work order is a commercial document, issued for getting a service rendered. A work order may also include supply of items required for rendering the service. Scope of Work order normally includes supply of material and service required to be rendered.

4.30 SERVICE CONTRACT ORDER (SCO):

Service contract order is a commercial document, issued for getting a service rendered with all the relevant documents, terms and conditions associated to it etc.

4.31 ANNUAL MAINTENANCE CONTRACT (AMC):

Annual Maintenance Contract is a commercial document, issued for maintenance of equipment / machinery. Comprehensive AMC includes supply of spares and service for up keeping of machines and equipment for minimising down time.

4.32 MAINTENANCE CONTRACTS:

The maintenance contracts will be regulated as per the procedure applicable to PO's / SCO's and are meant for maintenance of equipment and machinery.



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4.33 OPEN ORDERS:

Open Orders are those POs that are issued with indicative price. Mostly such orders are issued where the prices are to be confirmed by the controlling agencies or for first time development items undertaken by Government Agencies.

4.34 AUDIT CONCURRENCE:

After approval of CFA, the PO copy with complete details like technical specifications, drawings, terms and conditions, special conditions and any relevant information approved to be communicated to vendor for execution of the PO and is to be sent for concurrence which is audit department for verifying the procurement process and vet the PO.

4.35 VETTING OF POs:

The customer or customer's representative vetting is required in certain projects. In such cases, PO is released after vetting by customer or customer's representative which is done after audit concurrence of PO including drawings / quality standard technical document (QSTD) etc.

4.36 AMENDMENT TO PO / WO / CONTRACT:

Amendment is a commercial document which details the approved changes to a PO / WO / Contract.

4.37 DELIVERY DATE:

Delivery date is the date by which quantities of supply are required to be made. It will be multiple delivery dates when supplies are required in batches which is also called staggered delivery.

4.38 DELIVERY CHALLAN (DC):

A document bearing PO / WO, date of supply, description, condition & quantity of goods, for the purpose of delivering the specified goods in designated stores / location.

4.39 INVOICE:

An invoice or bill is a challan sent by a vendor for the payment toward supply of materials or service rendered. The invoice establishes an obligation to pay based on agreed terms and conditions.

4.40 INTER FACTORY DEMAND (IFD):

An inter factory demand is an order placed by one division of BDL to another division of BDL for supply of items / services.

4.41 LETTER OF CREDIT (LC):

A Letter of Credit is a written understanding given by the buyer's bank (the issuing bank) on behalf of and at the request of its customer (the applicant) routed through the agency of a bank in the seller's country (advising bank) to the seller that it (issuing bank) guarantees to pay the seller for the goods within a specified time provided that the conditions laid down in documentary credit are fully satisfied.



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4.42 FORMS OF LETTER OF CREDIT:

The basic types of LCs are under UPC 600, many terms of LC's are to be framed:

- a) Revocable letter of credit.
- b) Irrevocable letter of credit.
- c) Confirmed letter of credit.
- d) Revolving letter of credit
- e) Sight Draft

4.42.1 REVOCABLE LETTER OF CREDIT:

A revocable letter of credit is one which may be amended or cancelled by the issuing bank at any moment without prior notice to the beneficiary. Therefore, such a type of letter of credit does not give complete sense of security to the beneficiary. However, the notice of amendment or cancellation is effective only upon receipt of such notice by the advising bank. If the advising bank has undertaken liability (i.e. paid, negotiated or accepted) against documents, which appear on the face of it to be in conformity with the terms and conditions of the credit, before receiving notice of amendment / cancellation, the issuing Bank is bound to reimburse the advising bank. If the letter of credit is silent as to whether it is revocable or irrevocable, the credit is deemed to be irrevocable.

4.42.2 IRREVOCABLE LETTER OF CREDIT:

When the issuing Bank gives a definite, absolute and irrevocable undertaking to honour its obligations, provided the beneficiary complies with all the terms and conditions, such a credit is known as an irrevocable letter of credit. It means that the letter of credit cannot be amended, cancelled or revoked without the consent of the parties to the letter of credit. This gives the beneficiary a definite protection.

4.42.3 CONFIRMED LETTER OF CREDIT:

A confirmed letter of credit is one in respect of which another Bank in the beneficiary's country adds its confirmation at the request of the issuing Bank. This undertaking of the confirming Bank to pay / negotiate / accept is in addition to the undertaking of the issuing bank. This is an added protection to the beneficiary.

4.42.4 REVOLVING LETTER OF CREDIT:

In such Letters of Credits, the amount is restored, after it has been utilized, to the original amount. Such credits are used when the buyer is to receive partial shipment of goods at specific intervals over a long duration. It can be cumulative or non-cumulative in nature. It avoids opening letter of credit for each and every consignment

4.42.5 SIGHT DRAFT:

The instrument presented by bankers and is payable on presentation for collection necessary goods or consignment documents from the banker.



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4.43 LIQUIDATED DAMAGES (LD):

The time of delivery is the essence of contract. Supply should be completed within the stipulated delivery period. In the event the supplier fails to deliver the goods, within the stipulated delivery period an amount specified in the terms and conditions shall be deducted from the supplier as Liquidated damages.

4.44 SPECIFICATIONS:

Items bought, must be manufactured as per or conforming to the specifications. The specifications are the detailed qualitative requirements of the item being procured and should indicate the material composition, physical, dimensional and performance parameters, tolerances, if any, manufacturing process where applicable, test schedule, preservation and packing etc. Various types of specifications relevant to the defence items are as follows:

4.44.1 PROPRIETARY SPECIFICATIONS:

These are available only with the proprietary firms and are protected by the Intellectual Property Right (IPR). Hence, Proprietary specifications are normally not available with the purchaser and firm's certificate of quality is accepted. However, essential characteristics required for inspection should be available with the procuring and inspecting agencies.

4.44.2 BRANDED PRODUCT:

The specification for branded commercial product is not available with the purchaser or the inspecting agency and these are to be accepted on the firm's guarantee.

While procuring costly software, it is essential to ensure that the original software with documentation is procured instead of the pirated copies so as not to infringe on the IPR of the originator and to avoid any legal repercussions.

4.44.3 INDUSTRIAL SPECIFICATION:

There are standard industrial specifications i.e., IS, BS, DIN, ASTM, ISO, GOST, MIL, JIS, JSS etc.. available for sale in the market. Every procuring and inspecting agency should utilise such specifications acquired by CDO / Documentation Cell for reference to ensure quality standards of the product being procured.

4.44.4 DEFENCE SPECIFICATIONS:

There are defence specifications for specialised items for use. These are Joint Services Specification (JSS), MIL specifications, etc. copies of such specifications should be available with the procuring IMM department and other concerned departments. CDO / Documentation Cell shall acquire and disseminate these specification on demand.

a) INDIGENIZED ITEM:

Item developed in India as an import substitution.

b) AD-HOC SPECIFICATIONS:

There are items for which neither industrial nor defence specifications are available. In such cases, the indenter must indicate the general parameters, normally the dimensional and performance parameters to enable procurement and inspection. Such ad-hoc specifications



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must be broad enough to permit wider participation by the suppliers and should not be restrictive so that adequate competition is not obviated.

c) AS PER SAMPLE:

Where no drawings are available and where it is necessary the Divisional IMM can show / provide a sample duly marked to the vendor before the vendor furnishes his quotation.

d) COMMON USE ITEMS:

There are a large number of items in use, which are common-use items, freely available in the open market. As in the case of ad-hoc specifications, specifications of common use item should also be broad enough to permit wider participation by the suppliers and should not be restrictive so that it does not pre-empt adequate competition.

4.45 UNIT OF MEASUREMENT (UoM) :

Unit of measurement of an item is based on procurement, storage and issue.

4.46 PETTY PURCHASE:

Purchase of goods and services up to the value prescribed in DoP on each occasion may be made without inviting quotations up to value of Rs.15,000/- for individual items with prior approval of CFA which is referred as Petty purchase.

4.47 COMMITTEE PURCHASE:

Purchase of goods costing above petty purchase limit and upto the limit prescribed in DoP Chapter –VIII, Sl.No.6, SPOT TENDERING / COMMITTEE PURCHASE without calling for tenders made on the recommendations of a duly constituted Purchase Committee consisting of three members of an appropriate level as decided by the CFA. Approval for award of works/placement of purchase orders will be as per DOP provisions under limited tender.

4.48 RATE CONTRACT (RC):

RCs are entered by procuring agency with supplier for specific period of time covering goods at fixed prices. The requirement as and when arises the concerned IMM shall place an order based on the RC and procure the items.

4.49 GOVERNMENT e-MARKET (GeM) :

Government e-Market is one stop portal to facilitate online procurement of common use goods and services required by various government departments / organisations / PSU's. It provides the tools of e-Bidding, e-reverse auction and demand aggregation to facilitate the government users to achieve the best value for their money.

The purchases through GeM by government users have been authorised and made mandatory by Ministry of Finance by adding a new rule no. 149 in the GFR 2017.

4.50 MICRO AND SMALL ENTERPRISES (MSE):

Micro Small Scale industries are referred as MSEs and have been provided special incentives. These incentives include items reserved for procurement from them and different concessions. These guidelines shall be implemented.



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4.51 KHADI GOODS:

Hand spun and hand woven textiles (khadi goods) are reserved for exclusive purchase from Khadi Village Industries Commission (KVIC).

4.52 SPARE PARTS FOR SALEABLE GOODS:

Spare required as per customer order projections / warranty requirement and to be supplied to the customer.

4.53 END USER CERTIFICATE (EUC):

End user certificate is required by some suppliers for obtaining export license in their countries. In such cases on request of the supplier EUC shall be issued as per vendor necessity.

4.54 DUTY EXEMPTION CERTIFICATE (DEC):

Government of India (GoI) exempts certain inputs to the projects / product from payment of GST or customs duty. In such projects where DEC can be issued, the same shall be specified in the tender document. On request of the vendor the DEC shall be issued by BDL. DEC shall be signed by:

- GST DEC : To be signed by FD
- Custom Duty DEC with direct Import orders by BDL : To be signed by FD.
- Custom Duty DEC for Import orders placed by suppliers / Sub-contractors against BDL order on them : To be signed by JS, MoD.

4.55 HIGH SEA SALE:

High sea sales are transfer of ownership of the goods while the goods are in transit. In such cases the consignment is marked to vendor of BDL who in turn marks / endorses the consignment in the name of BDL.

4.56 FORCE MAJEURE:

Force Majeure means an event beyond the control of the supplier and not involving the supplier's fault or negligence and which is not foreseeable. Such events may include, but are not restricted to, acts of the purchaser either in its sovereign or contractual capacity, wars or revolutions, hostility, acts of public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strikes, lockouts, and freight embargoes. Provided the acts of The Government or any state parties of the Vendor which may affect the discharge of the Vendor's obligation under the PO/contract shall not be treated as Force Majeure. If a Force Majeure situation arises, the supplier shall promptly notify the IMM in writing of such conditions and the cause thereof within twenty-one days of occurrence of such event. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event. If the performance in whole or in part or any obligation under this contract is prevented or delayed by any reason of Force Majeure for a period exceeding sixty days, either party may at its option terminate the contract without any financial repercussion on either side. There may be a Force Majeure situation affecting BDL only. In such a situation BDL shall take up with the supplier on similar lines as above for further necessary action.



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4.57 ARBITRATION:

All disputes or differences arising during the tenancy of contract / PO / WO between BDL and Seller shall be resolved as per the provisions of Arbitration and Conciliation Act 1996 or any statutory modifications thereof for the time being in force. The detailed procedure to be adopted in case of arbitration with Indian / Foreign / Public Sector Units (PSU)s are detailed in Annexure - XXV..

4.58 INCOTERMS :

International Commercial Terms (Incoterms in short) are a series of pre-defined commercial terms published by the International Chamber of Commerce (ICC) widely used in international commercial transactions. A series of three-letter trade terms related to common sales practices, the Incoterms rules are intended primarily to clearly communicate the tasks, costs and risks associated with the transportation and delivery of goods. The Incoterms rules are accepted by governments, legal authorities and practitioners worldwide for the interpretation of most commonly used terms in international trade. They are intended to reduce or remove altogether uncertainties arising from different interpretation of the rules in different countries. "Incoterms" is a registered trademark of the ICC. Incoterms are to be checked with the latest religious for reference purpose. The terms are placed at Annexure - XXIV.



CHAPTER - V

BUDGET

5.1 PROCUREMENT BUDGET:

Procurement Budget comprises of Capital Budget and Revenue Budget. Annual Budgets at the divisional level shall be finalized by finance in close coordination with IMM departments based on the information given by the user or indenter departments. The budget shall normally be compiled on a three year time frame by September of each year, covering the revised estimate for the current year, budget estimate for the ensuing year, and forecast for the year after.

5.1.1 COMMITMENT:

Commitments represent the start of a spending process through the generation of a PO. A commitment sets aside an estimate amount from the budget.

Value of the Indents / PR pending at the beginning of the year, which would be converted into POs during the year or in the following year.

Value of the Indents / PR expected to be generated, which would be converted into POs, during the year and the following year, on the basis of forecast given by the Indenting department.

5.1.2 EXPENDITURE:

The expenditure portion of the budget shall be compiled taking into account the following factors:

- a) Supplies that are likely to materialise during the year, the following year and the year after, out of the commitments already made at the beginning of the year.
- b) Supplies that are expected against commitments to be made during the year, the following year and the year after.

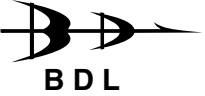
5.2 CAPITAL BUDGET:

This consists of three major heads viz: Plant & Machinery, Civil Works and other items. The items are further categorised as New projects, Modernisation and Replacements.

New Project items are those requirements generated out of projects taken up by BDL. This requirement is normally indicated in Detailed Project Report (DPR).

Modernisation items are those which are generated based on the new technology developed in manufacturing field including environmental testing which will enhance the capabilities of production and required to augment productivity.

Replacement items are replacement for the obsolete items to maintain the productivity. This procurement need not be one to one basis. The latest technology available shall be taken into consideration while procurement. The condemnation of old machine is not necessarily a pre-requisite for this procurement.

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5.3 REVENUE BUDGET:

Based on the production plans to meet the sales projections and the projections made by user departments for other revenue items, the revenue budget consisting production materials and others will be prepared by Finance department based on the information provided by IMM department.

5.4 BUDGET PREPARATION:

Based on the projections from Planning, User Departments / indenters and stock levels, the Divisional IMM shall work out budget requirements of Capital and Revenue items. Divisional IMM shall compile the budget estimates while projecting the expenditure, all items of costs to be incurred till such asset is put to use, should be considered (like Taxes and Duties, Freight, Erection, Installation, Commissioning expenses etc).

The Divisional Finance and IMM shall consolidate the budget estimates and the same shall be reviewed by the Divisional Head in association with HoD. The finalised Budget estimates duly approve by Divisional Head shall be sent to the Corporate Finance for consolidation and projected to the Management / Board for approval.

5.5 BUDGET APPROVAL:

Meeting shall be conducted by a committee chaired by the CMD with the following members, to assess the total annual Capital and Revenue items required Division wise and category wise, once in every financial year, sufficiently in advance.

- a) Director (Finance)
- b) Director (Technical)
- c) Director (Production)
- d) All Executive Directors
- e) All Divisional Heads.

Meeting shall also be convened by Director (Finance) for finalising and submission of the Budget estimates to the Board of Directors for approval. This meeting shall also review the progress of expenditure and take decisions for finalising the Budget Estimate proposals. The details of the approved Budget, Division-wise, shall be intimated to the Divisional Heads by Corporate Finance. This in turn shall form the basis for the procurement of items by IMM.

5.6 UTILISATION AND REVIEW OF BUDGET ESTIMATES:

The Divisional IMM Department shall communicate the approved Budget allocations to user / indenter departments, who shall send the PR in duplicate to the respective IMM Department.

The utilisation of the approved budget shall be reviewed on quarterly basis by the Divisional Heads.



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5.7 MONITORING OF CAPITAL BUDGETS:

Following mechanism shall be followed:

- a) Divisional Heads shall constitute Divisional Budget Committees under their chairmanship and with the heads of Divisional Finance, IMM, HR and user departments.
- b) The head of divisional IMM shall be the member secretary of the Budget Committee. The Budget committee shall ensure proper formulation of Annual budgets, setting up monthly targets, and conduct periodical reviews for proper utilisation of commitment and expenditure provisions of the budget.
- c) The divisional budget committees shall make monthly reports as per the prescribed format and forward to the respective Group General Managers and Functional Directors. A copy of this periodical report is to be given to corporate finance for consolidation.
- d) Heads of the Divisions shall review the progress on capital budgets periodically, preferably, twice in every quarter, and forward their report on Project / Category wise to corporate office.
- e) It is the responsibility of the divisional Heads to ensure commitments/expenditure set out in the capital budgets are adhered to. The progress reports are to be presented in Management Conference.

The progress reports are to be placed before the Board as and when directed.



CHAPTER – VI
VENDOR MANAGEMENT

6.1 VENDOR REGISTRATION:

Vendors are required to possess requisite facilities, skills, sound financial position, and fulfill statutory requirements as applicable and above all, commitment to quality. There should be consistent quality of supplies adhering to committed delivery schedule. To ensure conformance of the vendor to these requirements, following procedure will be adopted for including a firm into registered list of Vendors.

It is essential to have a comprehensive list of vendors both for production and non-production requirements, fabrication of components / assemblies and for service.

For registration, a vendor has to submit an application Online. CC scrutinize the application by verifying the documents submitted by the vendor along with registration fees. Vendors are classified as Supplier / Sub-Contractor / Service Provider / Civil Contractor / Foreign Supplier. Applications of all the different classifications are placed in Annexure - X to Annexure - XIV.

a) SUPPLIER:

Vendors who supply items like raw materials, items with common specifications, branded specifications, machinery and equipment, items to industrial & defence specification are classified as Suppliers.

b) SUB-CONTRACTORS:

Manufacturers of production components and assemblies as per BDL specifications and fabricators of jigs & fixtures and tools as per drawings are classified as Sub-Contractors.

c) SERVICE PROVIDERS:

Maintenance contractors for machineries / equipments / computers, consultants, forwarding and clearing agencies, transport contractors, inspection / calibration agencies etc. are classified as Service Providers.

d) CIVIL CONTRACTORS:

All those who execute civil / electrical works for the purpose of construction / modifications of buildings and factory premises are classified as civil contractors.

e) FOREIGN SUPPLIERS:

Foreign vendors who supply goods are classified as Foreign Supplier. However, application for registration may not be feasible in respect of foreign firms. CC shall register foreign vendors dealing in various types of items based on their satisfactory experience or published information or market survey.

Some organisations are required to be registered in the interest of BDL, Large organisations, who are reputed in India or Abroad and Govt. departments / Govt. Agencies / PSUs / may be registered with approval of Head CC, without any formal application.

6.2 MARKET SURVEY AND ENLISTMENT OF NEW SOURCES:

CC shall organise vendor meets / exhibitions to invite new vendors to register. CC shall advertise products for which vendors are required, in news paper and / or hosting details in website. CC shall



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maintain regular interaction with National Small Industries Corporation (NSIC) / Micro Small & Medium Enterprise (MSME) to develop new vendors.

Limited tender enquiries are sent only to registered vendors. Vendors available in vendor master are not sufficient the following sources are referred to include additional vendors.

- Written suggestions from Defence Research & Development Organisation (DRDO) and other labs scientists.
- Rate Contracts (RC).
- Industrial directories / trade journals.
- Advertisement through renowned media sources.
- Technical literature circulated by firms.
- Responses received against 'Open Tender Enquiries'.

Wherever an enquiry is to be sent to additional vendors identified, IMM shall submit a Vendor Enrollment form (available in BDL website) with basic details of the vendor along with justification duly approved by Divisional Head to CC. CC will enroll such vendors on Temporary basis to send enquiries. In case of sub-contract items, the enquiry should be sent in two bid system only. The assessment of the vendor shall be done before opening price bids. Their quotation shall be considered if the vendor is found suitable on assessment.

Successful bidders in Open / Global tenders are registered with necessary information for a particular item only, if they are un-registered & do not apply for registration.

6.2.1 DEEMED VENDOR REGISTRATION

Vendors Registered in other Defence PSUs will be considered as Deemed Registered. This Deemed Registration will enable the vendors to participate in all future tenders of DPSUs for similar category of goods/services subject to fulfillment of other eligibility criteria indicated in the RFQ. However, prior to placing of order, in case the vendor is selected after following the due process/procedure, all the formalities relating to completion of regularization of the Registration Process as per the extant procedure of this will have to be completed.

6.3 OUT SOURCING AND VENDOR DEVELOPMENT:

Out sourcing is defined as the act of sourcing goods and services that go into the production of various products.

BDL is shifting from vertical integration business model to system integration business model. Out sourcing will add to capacity enhancement, attain cost effectiveness and improve competitiveness in the market. It will enable in building technological and manufacturing capability inside the country.

In order to attain higher level of outsourcing, identify categories of goods and services, which can be considered for outsourcing. SEG / Methods / indigenization team / project team in each division / project categorizes the items in Bill of Material (BOM) into mechanical subassemblies, electrical & electronic subassemblies etc. The grouping will help to identify suitable vendors for manufacture these items. Each vendor will be identified with specific category / group of items. Similar exercise would be conducted for services required for the product manufacturing, supply, installation & maintenance.

The assemblies and components are categorized based on the technology required and investment needed. Outsourcing strategy changes based on these factors and technology available across the country.

In all the cases the assemblies / sub-assemblies / components which are strategic and are technically



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sensitive will be identified as in-house manufacturing category by SEG/Methods/Indigenization team/ Project team department. However, the components in these in-house assemblies may be outsourced. While outsourcing, the committee as constituted shall list out criteria or process put in place to safeguard, the strategic or technically sensitive / confidential procurements (outsourcing) which if outsourced may prompt the manufactures / vendors / suppliers to slowly became a competitor to BDL and start bidding posing a threat to long term viability of BDL. In all such cases, the committee shall follow the important points mentioned at para 6.3.1.

6.3.1 Strategic / Technically Sensitive / Confidential procurements:

Over and above the category A/B/C/D, the committee shall add the line “Strategic / Technically sensitive / Confidential to the technology / assembly / Sub-assembly being outsourced to a vendor.

Ex: Cat A / Strategic (or) Cat B / Strategic / Technically sensitive / Confidential procurements.

The SEG / Methods / Indigenization team / Project team departments to identify the Technology / Systems / Assembly / Sub-assemblies / Components as Strategic / Technically sensitive or confidential procurements based on the following definitions,

Strategic Information: The strategic information / goals refers to what an Organization wants to achieve in the short-term or long-term. The following is the broad guideline to formulate strategic information:

External input:

Macro-economic environment, change in Government policies, what competitors are doing, etc.

Internal input: Company vision and mission, top management input, audit and feedback, past -learning, short term / long term plans future challenges, etc.

Technically Sensitive or Confidential information: If disclosure of any information, whether technical or scientific, in the form of samples, models or otherwise, documents, drawings, designs, process, trade secret, proprietary technology, IPRs or any other information, causes damage to the Organization, then that information should be classified as the “Confidential information.”

In specific cases (including nomination cases), where strategic issues are involved on the basis of confidentiality should also be classified as the “Confidential information.”

PROCUREMENT PROCEDURE

Indent / Purchase requisition:

- For the assemblies / sub-assemblies / components which are identified as “Strategic I Technically Sensitive or Confidential” by SEG Methods/ Indigenization team / Project team should verify and furnish the adequate justification, for procuring the required materials under “Strategic / Technically Sensitive or Confidential” nature on the Indent that fit into the definitions given.
- Since the Tender information is to be kept secret, ‘Source selection’ and ‘making the PR/SR estimation’ should be very transparent and accountable.



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- Committee should clearly assess the credentials, competencies, capacities etc., while selecting the vendor for these procurements.
- These sensitive items list should be monitored periodically.
- Considering the secrecy of the information involved, no Open Tender / Advertisement Tender need to be adopted for these PR / SRs. Enquiries be raised as per the laid down procedure. Drawings, Acceptance Procedure etc. may be shared in hard copy only with bidder/vendor. However, efforts need to be made to enlist more number of vendors to gain from the competition.

Publishing the Tender / Methods for Calling Tender:

- Procuring these Goods & Services and hosting them on web (or) advertising may jeopardise the legitimate commercial interest of BDL.
- Once the committee justifies that the required materials are to be procured under Strategic / Confidential nature and the same is approved by the Competent Authority i.e., Purchase Department shall float the tender to the approved sources. Considering strategic nature, manual mode is the preferred mode of tendering.

Signing of Non-Disclosure Agreement (NDA):

BDL standard "Non-Disclosure Agreement" will be signed by the vendor / manufacturer selected as outsourcing partner (to be downloaded from Samachar).

Signing of Non-Competition Agreement:

A Non-Competition Agreement will also be signed by the vendor /manufacturer selected as outsourcing partner. Standard document is attached as Annexure - XXVIII.

CFA:

The value arrived at will be computed keeping the cumulative market potential of the product outsourced spread into five years following the contract. CFA for outsourcing will be one level higher.

Category A: They are high technology and high investment items. These items require specific vendor development and even vertical integration.

These items require specific / focused vendor development. Technology providers also need to be identified in these cases. Collaboration with foreign OEM, Design agencies in India, focused in house R & D effort or join development partnering with foreign OEM, design agencies in India could be ways to acquire technology.

If the technology has off shoot of larger orders in other products and markets other than the specific product in consideration Joint venture may be formed. Such JV will be formed based on SoP / Guidelines issued by MoD / Gol. from time to time.

Vendors suitable for absorbing such technology shall be identified based on the market survey while considering the existing registered vendors of BDL. Such selection would consider all aspects of the vendor Technical strength, Experience in relevant area of technology, financial soundness, experience and qualifications of the key persons, existing customer base, risks involved etc. In case of JV a consultant capable to prepare a business proposal may be engaged. In other cases where vendor partnering may require large financial investment, BDL shall support vendor in establishing



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the manufacturing facility and / or inspection facility and / or support engineering efforts and / or financial support. In all these cases, hand holding by BDL will be ensured to achieve the objectives of Organisation.

This process being techno commercial a committee nominated by FD shall be constituted with D &E, CC, Divisional representative, finance member and any other member(s) required on case to case basis. D & E or the concerned division shall initiate necessary proposal.

Category B: They are high technology and does not require large financial investment. These items require specific vendor development.

The process of selecting technologically suitable vendor is, by a committee constituted at divisional level or at corporate may evaluate vendors against various parameters and select the vendors. Wherever required D &E representative shall be involved.

Developments of these items require support of development agency like DMSRDE, HEMRL etc. In such cases vendor manufactures items under the guidance of development agency. Vendors are selected jointly by development agency and BDL in such cases.

Category C: They are medium technology and does not require large financial investment. No specific vendor development is required but vendors are registered based on their capabilities and categorised based on technology and processes.

Vendors are selected based on the requirement by committee / SEG / METHODS / Project Team of the division. However BDL shall provide necessary technical assistance to ensure that product is realised.

Category D: These are generic items which are manufactured by the vendors as made to stock items and there is no specific vendor development is needed. However to ensure sustained quality needs of the product, suppliers are also approved for these items and procurement would be made from them.

6.4 DEVELOPMENT OF SOURCES FOR STANDARD ITEMS:

- a) Vendors approved by LCSO will be included in the vendor master for the specific product on approval by Head CC, as per requirements.
- b) Vendors are identified based on present and anticipated requirement of BDL in standard items other than electronic items. The requirement is consolidated by CC. Development of Sources for Standard Items shall be done as per the following procedure:
 - i. Reputed vendors are identified by CC.
 - ii. D&E shall be informed by CC to evaluate them.
 - iii. D&E will collect samples randomly to cover the range of products manufactured by the vendors.
 - iv. Samples will be tested by D&E.
 - v. On approval of samples, a pilot batch will be obtained, tested and validated based on the criticality.
 - vi. On approval of pilot batch the vendor will be approved for specific products / range of products as recommended by D&E and Vendor master will be updated accordingly by CC.



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6.5 DEVELOPMENT OF ITEMS:

- a) The items are ordered with an initial development quantity of 25 Nos. or quantity required for development will be decided by SEG / Methods / Project Team (Not to be linked with the quality required for the production).
- b) For category B, C & D the number of vendors required for each item is predetermined by the concerned division and division shall ensure sufficient competition exists.
- c) Category A items may fall under single vendor situation hence long term business agreement shall be entered into, to ensure vendor has sufficient assurance in terms of orders.
- d) In case the requirement of quantity does not allow development of second vendor due to commercial or technical reasons, such exceptions require the approval of FD. This would be applicable for all categories of items namely A, B, C & D.
- e) Under the Innovations for Defence Excellence (iDEX) scheme, on successful development of the prototype, BDL collaborated iDEX vendor (s) will be considered for sourcing the developed item for bulk quantity, based on meeting the required schedules, capacity, volume etc.

For development of the items, SEG/Methods/ Indigenization team/Project team/ has to identify and categorize them into ABC and D category. The SEG/Methods/ Indigenization team/Project team of divisions have to identify the items which can be developed under Make II procedure and the same is to be adopted. For other items / development of alternate sources, the normal development procedure is to be adopted.

6.6 LONG TERM BUSINESS AGREEMENT (LTBA):

The object of entering into long term contract is to ensure vendor is provided reasonable assurance and sustained supply is maintained while encouraging competition among vendors.

- a) LTBA will be entered with vendors for a period of 3 to 4 years or more as case may be. The LTBA includes quantity proposed to be ordered, price, escalation if any, Quality requirements and other terms and conditions as normally included in a purchase Order.
- b) Each year Purchase Order is placed for one year requirement only, based on LTBA. However PO is placed early based on lead time required for the vendor to procure items and supply the product.
- c) The LTBA includes condition, that yearly order is based on previous performance. The vendor who did not supply full quantity in the previous year will be ordered with lesser quantity. Quantity for other vendor(s) would be enhanced.
- d) Security Deposit if any is applicable will be for one year order only but not for quantity indicated in LTBA.
- e) LTBA will be entered with vendors who need to supply items to another vendor of BDL who supply sub-assembly/ assemblies. These vendors are either developed by BDL or development / design agency. The details of LTBA, the vendor from whom item is to be sourced, price, quality and



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other important terms and conditions are indicated in the tender while ordering sub-assembly/ assembly.

- f) The Indigenization Committee will be responsible for identifying the imported items for indigenization which can benefit from Long Term Order of up to 10 years.
- g) The prerequisite for identifying items/materials for long term orders is visibility of long term demand of the said item/material. Visibility of long term demand does not necessarily mean availability of firm order from the user but an expectation that the order for the subject project or its upgraded version for which they said item is required, is going to be in use for coming 5 to 10 years and therefore indigenization of said item or its upgraded version would also be required in coming years.
- h) Mere visibility of long term demand is not sufficient to identify an item for placing long term order. The Indigenization Committee(IC) must also consider and justify the need to place long term order based on one or more of the following three parameters:
 - i. High Technology Intensity.
 - ii. Quantities required per year or per cycle of procurement are small.
 - iii. Economic Viability for development/indigenization does not exist for small quantities.
- i) In case of items like fasteners, O-rings, etc. which require high quality & reliability and long process certification for airborne applications, the vendors may find economic viability if these items are given under Long Term Order considering aspects like staggered delivery, shelf & storage life (as applicable).
- j) Long term order enables aggregating the demand for multiple years thereby providing greater incentive for vendor to invest in development/indigenization. However, Long Term Orders should be for a period as stated above.
- k) The period for a Long Term Order should be for the shortest period which gives adequate economic viability to the project.
- l) 80% estimated quantity is to be considered for Long Term Orders: Based on estimated demand of the item for a period, say 10 years. Only 80% of the said demand should be considered for inclusion in Long Term Order. This is to safeguard against any downward trend in demands, while the item is offered under Long Term Orders.
- m) As stated above appropriate Price Variation. Clause should be incorporated to take care of price variations over a period of time. In addition, relevant Exchange Rate Variation Clause may also be incorporated. As per General Financial Rules 2017 in chapter 8, Rule 225, para viii (a), Price Variation Clause can be provided only in long-term contracts, where the delivery period extends beyond 18 months. In short-term contracts firm and fixed prices should be provided for. Where a price variation clause is provided, the price agreed upon should specify the base level viz., the month and year to which the price is linked, to enable variations being calculated with reference to the price levels prevailing in that month and year.
- n) Approval of Competent Authority for Long Term Orders: The Indigenization / SEG / Project / methods shall obtain approval of the proposal from the Competent Financial Authority for the following:



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Items/material identified for long term orders

Estimated quantities for long term orders

Time frame for long term orders

- o) Procedural Guidelines for Entering into Long Term Orders with Vendors to the extant procurement procedure is to be followed for Long Term Orders also.
 - a) Models for Long Term Order
 - i. Make II
 - ii. Existing Indigenization procedure.
 - b) Stock/Inventory: The IMM should consider keeping stock /inventory of the material/item; as required by project considering shelf life/storage life and financial implications and which is placed on a Long Term Order on a vendor. This is to safeguard against a delinquent long term vendor. In case the vendor fails to supply the product as per schedule, the IMM has time to develop new vendors by using the stock/inventory available to it.

Foreclosure Clause: The IMM may include in the PO/contract, a clause wherein they reserve the right to foreclose the Long Term Order on risk and cost of the vendor in case the vendor fails to comply with the terms of the PO/contract or where the development/indigenization does not proceed according to the accepted milestones and /or if there are undue time and cost overruns, or failure of the prototype(s) during evaluation or on account of any other reasons. The proposal for foreclosure will be approved by the Competent Financial Authority, based on recommendation of the indigenization committee.

Cost Criteria: The IMM should note that like any Indigenization, the long term order is expected to result in savings in cost apart from strategic self-reliance as laid down in Indigenization Policy (Clause 6.17, Chapter-VI).

6.7 ASSESSMENT :

Vendor assessment for Suppliers / Service Providers / Foreign Supplier / Civil Contractors is done primarily on the basis of documents submitted by the vendors to assessment committee. In cases of sub-contractors the assessment includes physical verification of the facilities of the vendor by the assessment committee.

The assessment committee includes representatives of CC, Corp Finance along with member with relevant technical experience, nominated by FD.

Assessment is done using necessary formats to select suitable vendors capable of meeting the product quality required. Vendors are registered on approval by assessment committee duly endorsed by Head CC. Any exception has to be approved by Head CC.

The vendors recommended by Designers, Licensors, Technology Collaborators etc, are registered for specific component / assembly only. They will be considered for supply of those items only, if they do not register themselves in BDL.



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The vendors shall be categorised as per product group to select the relevant source.

Vendors having R&D facilities are clearly identified in the vendor master for selecting them for development of new items / D&E initiatives.

6.8 RENEWAL OF VENDORS:

Vendors are requested to submit their balance sheets, changes in contact details, tax particulars, addition of machinery and quality certifications added in the last year to update data in the vendor master. If the vendors fail to supply this data even after two years they will be short listed for review by CC.

If the vendor seeks the change of ownership, status etc, the firm shall furnish required documentary evidence. If the change is only in the address, the vendor shall furnish a copy of the declaration filed with the Tax authorities.

Whenever a registered vendor seeks amendment to the name of his firm, the vendor shall furnish a copy of the Certificate of Incorporation / Certificate of Registration with SSI etc. to the effect that the same are also amended. Vendor shall also give a Certificate that the change of name does not in any way affect the composition, constitution, and capacities. Based on this, CC shall obtain approval from Head of CC and allot new vendor code in the Vendor Master. Whenever there is change in the status of the company (ex: - Partnership to Private Limited) the CC will amend the name against the vendor code.

The vendor master shall identify Micro / Small / Medium Scale Industries to enable selection of vendors. The monitory limit for each vendor is also defined which is equivalent to average turnover of previous three years of the vendor.

6.9 TIER TWO AND TIER THREE VENDORS:

In case of Sub-contractors the efforts will be directed to improve the performance of the vendors and their sub-contractors. A specific clause may be mentioned in terms and conditions where the product items are being tendered, with value above Rs. 50 Lakhs, that the vendor shall provide the list of their sub-contractors and activities outsourced to them and BDL reserves the right to audit the vendor premises and the premises of their sub-contractors. Separate record of Tier two / Tier three vendors shall be maintained at CC.

Tier two vendors are those who supply the items / extend services to BDL (sub-contractors). Tier three vendors are those who supply items / extend services to tier two vendors.

6.10 VENDOR RATING:

Vendor Rating is the system of rating the vendors based on their performance parameters. Quality, quantity, time and service provided are the performance parameters.

Rating shall be updated online through SAP for purpose of monitoring the performance of the existing registered vendors.

Corporate vendor rating shall be aggregate of all the ratings of the divisions for a given vendor. The existing registered vendors shall be given a rating based on the actual performance, against every order annually.



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Three different types of orders like supply orders, development orders and service contracts, exist for which vendor rating needs to be different due to the expected performance parameters being different.

6.10.1 VENDOR RATING FOR PROCUREMENT OF ITEMS THROUGH SUPPLIERS / SUB-CONTRACTORS:

- a) Quality Rating (RQ) 50
- b) Quantity Rating (RQTY) 15
- c) Delivery Rating (RD) 25
- d) Service Rating (RS) 10

The details are placed below for changes suggested for each parameter of vendor rating through SAP.

A) Quality Rating: Quality rating is assessed for a lot or consignment by considering the total quantity supplied out of which quantity accepted, quantity accepted with deviation, quantity accepted with rectification and quantity rejected, by assigning suitable de-merit factors for each of the above categories of supplies.

In case of 100 percent inspection of the material in the lot, quality rating will be computed as follows: $RQ = (Q1 + 0.8Q2 + 0.5Q3) * 50 / Q$

Where

Condition	Factor
Q1 = Quantity accepted	1.00
Q2 = Quantity accepted with deviation	0.80
Q3 = Quantity accepted with rectification	0.50
Q4 = Quantity rejected	0.00

Q = Total quantity supplied (Q1 + Q2 + Q3+Q4),

b) Quantity rating (RQTY):

RQTY= Same as quality rating proc

c) Delivery rating (RD):

Delivery rating = If the vendor completes supplies within the scheduled delivery dates he gets full rating of 25 or NIL.

Supply condition	Rating
Supply with 100% vendor material: Delivery within scheduled date as given in PO for the given qty	25
Supply with BDL material: Delivery within scheduled period (Delivery date FIM issue date) as given in PO for the given qty.	25



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d) SERVICE RATING (RS):

Service Rating (RS) is to be assigned by the IMM department as in Table 1 for each consignment.

Table 1 Service Factors and Scores

Parameter	Maximum Score
Co-operative and readiness to help in emergencies	S₁ = 2
Readiness to replace rejected material	S₂ = 2
Providing support documents in time	S₃ = 2
Promptness in reply	S₄ = 2
Co-operation in delivering and implementing measures or avoiding recurrence of defects / complaints	S₅ = 2
Total	10

In SAP, Serviceability as per IMM manual will be entered by IMM on monthly basis for POs, when items received in the previous month. This can be entered using a excel sheet also. They have provision to get a report of vendors/POs for which serviceability is not captured.

Service Rating in legacy system has been termed as Serviceability in SAP

In IMM manual, it was envisaged to calculate vendor rating for 3 categories of suppliers. i.e.

1. **PROCUREMENT OF ITEMS THROUGH SUPPLIERS / SUB-CONTRACTORS:**
 - Included in SAP
2. **PROCUREMENT OF ITEMS THROUGH DEVELOPMENT IN D&E MODE.**
 - No Special consideration. To be calculated same as in category 1 in SAP
3. **CONTRACTS / ORDERS WHERE SERVICE ARE ACQUIRED**
 - Included in SAP



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Table showing VENDOR RATING FOR PROCUREMENT OF ITEMS THROUGH SUPPLIERS / SUB-CONTRACTORS.

SI.No.	Type of rating	Score	Remarks
a)	Quality Rating (RQ)/ GR inspection	40	Based on the Quality Management System the vendor would be assigned 10 points The vendors QMS details are captured in vendor master. This would be automatically selected for rating. Quality Audit rating is defined as below.
a1)	---/Audit	10	- a. AS9100 D - 100% - b. ISO 9100: 2015 - 75% - c. CMM level 5 - 100% - d. CMM level 3 - 70% - e. IAFT 16949: 2016 with ISO 9100: 2015 - 90% - f. BDL Audit - 50%
b1)	Quantity Rating (RQTY)/Quantity Reliability	15	
b2)	Delivery Rating (RD)/ On- time delivery	25	
c)	Service Rating (RS)/ Servicability	10	By IMM

Note : In SAP, for the Vendor who supplies both Goods & Services as an international standard, one more parameter "Service" weighting 10 marks is included by default to rate the vendor for his (i) Quality of Service and (ii) Service Timelines. To accommodate this parameter, the weightage for other 3 parameters, are adjusted proportionately to arrive at a final vendor rating of 100 marks.

FOR CONTRACTS / SERVICE ORDERS:

SI.No.	Type of rating	Rating
a	Quality Rating (RQ)	40
b	Service Rating (RS)	60

Based on the vendor rating score obtained by each vendor, the rating will be arrived at.



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VENDOR SCORE RATING

- i. Above 80 Very Good (A)
- ii. 65 to 80 Good (B)
- iii. 50 to 65 Satisfactory (C)
- iv. Less than 50 Un-satisfactory (D)

In legacy system A, B, C & D grades are mentioned in the reports against each vendor for ready reference. Similarly it can be done in SAP.

The vendor rating is done for each GR at the time of forwarding the bill to Finance section by Divisional IMMs. The delivery date based on the conditions specified in PO like issue of FIMs etc., are taken into consideration by IMM and actual deliver date by which the supplies should have been realised are entered in SAP system at this stage. The rating is done annually in the month of April for supplies made in the previous financial year.

In case of sub-contractor, vendor rating is communicated by divisional IMM annually.

Annual vendor rating also is communicated to CC by Divisional IMMs. This information is consolidated and company wise vendor rating is done vendor wise and is communicated to the vendors appropriately.

CC organises trainings to the vendors and their sub-contractors who are doing the jobs for BDL as part of vendor development, incase their rating is C / D.

“D” rated vendors list is submitted to a committee headed by Head CC for review and further action.

6.11 EVALUATION OF VENDOR:

The vendor’s performance and responses are monitored and considered for suspension in case of following:

- a) Failure to execute orders placed on them.
- b) The firm no longer has the required technical manpower / equipment / machines which is identified through visits by BDL officers and verified by CC.
- c) The firm is declared bankrupt or insolvent.
- d) The firm fails to furnish the income tax clearance certificate or any other document when called for.
- e) The registration of a firm is cancelled under a Government notification (from list of vendors) by another Government department organisation.

The vendors shall be reviewed by CC when considered for necessary action. Outcome of above reviews would be:

- i. Organise meeting with vendor and inform them to take necessary corrective actions and monitor implementation and give a feedback on results of the corrective actions taken.



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- ii. Training the vendor in Quality.
- iii. Restrict the vendor product categorisation (refer Annexure XV).
- iv. Not sending further enquiries for the vendor.
- v. Restricting the vendor for supply of specific items only.
- vi. Recovery of amounts from pending bills / Encashment of BG submitted etc...
- vii. Debarment of the vendor.
- viii. Listing the vendor as debarred in vendor master.

Any or some of the above points may be implemented in each individual case.

Normally punitive actions referred above are for a specific period of time which is one year unless otherwise specified.

6.12 DEBARMENT OF FIRMS:

Vendors from Master List shall be debarred on the following grounds:

- a) A Government Order to that effect.
- b) If the firm is found guilty of malpractices such as bribery, corruption, fraud, substitutions etc.,

c) GUIDELINES ON DEBARMENT OF FIRMS FROM BIDDING

Debarment

Rule 151 of GFR, 2017 deals with debarment which is as under:

- i) A bidder shall be debarred if he has been convicted of an offence
 - a) under the Prevention of Corruption Act, 1988; or
 - b) the Indian Penal Code or any other law for the time being in force, for causing any loss of life or property or causing a threat to public health as part of execution of a public procurement contract.
- ii) A bidder debarred under sub-section (i) or any successor of the bidder shall not be eligible to participate in a procurement process of any procuring entity for a period not exceeding three years commencing from the date of debarment. Department of Commerce (DGS&D) will maintain such list which will also be displayed on the website of DGS&D as well as Central Public Procurement Portal.
- iii) A procuring entity may debar a bidder or any of its successors, from participating in any procurement process undertaken by it, for a period not exceeding two years, if it determines that the bidder has breached the code of integrity. The Ministry/ Department will maintain such list which will also be displayed on their website.
- iv) The bidder shall not be debarred unless such bidder has been given a reasonable opportunity to represent against such debarment.



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Guidelines on Debarment of firms from Bidding

1. The guidelines are classified under following two types:-
 - i. In cases where debarment is proposed to be limited to a single Ministry, the appropriate Orders can be issued by that Ministry itself, thereby banning all its business dealing with the debarred firm.
 - ii. Where it is proposed to extend the debarment beyond the jurisdiction of the particular Ministry i.e. covering to all central Ministries/ Departments, the requisite Orders shall be issued by Department of Expenditure (DoE), Ministry of Finance (MoF).

1. Definitions

- i. Firm: The term 'firm' or 'bidder" has the same meaning for the purpose of these Guidelines, which includes an individual or person, a company, a cooperative society, a Hindu undivided family and an association or body of persons, whether incorporated or not, engaged in trade or business.
- ii. Allied firm: All concerns which come within the sphere of effective influence of the debarred firms shall be treated as allied firms. In determining this, the following factors may be taken into consideration:
 - a) Whether the management is common;
 - b) Majority interest in the management is held by the partners or directors of banned/ suspended firm;
 - c) Substantial or majority shares are owned by the banned/ suspended firm and by virtue of this it has a controlling voice.
 - d) Directly or indirectly controls, or is controlled by or is under common control with another bidder.
 - e) All successor firms will also be considered as allied firms.

The terms "banning of firm," 'suspension,' 'Black-Listing' etc. convey the same meaning as of "Debarment".

2. Debarment by a Single Ministry/ Department

Orders for Debarment of a firm(s) shall be passed by a Ministry/ Department/organizations, keeping in view of the following:

- i. A bidder or any of its successors may be debarred from participating in any procurement process for a period not exceeding two years



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- ii. Firms will be debarred if it is determined that the bidder has breached the code of integrity as per Rule 175 of GFRs 2017. (Refer to para 7.2 of this Manual for further reading on Code of Integrity).
 - iii. A bidder can also be debarred for any actions or omissions by the bidder other than violation of code of integrity, which in the opinion of the Ministry/Department, warrants debarment, for the reasons like supply of sub-standard material, non-supply of material, abandonment of works, sub-standard quality of works, failure to abide "Bid Securing Declaration" etc.
 - iv. It shall not be circulated to other Ministries/ Departments. It will only be applicable to all the attached/ subordinate offices, Autonomous bodies, Central Public Sector Undertakings (CPSUs) etc. of the Ministry/ Department issuing the debarment Order.
 - v. The concerned Ministry/ Department before issuing the debarment order against a firm must ensure that reasonable opportunity has been given to the concerned firm to represent against such debarment (including personal hearing, if requested by firm).
 - vi. Secretary of Ministry/Department may nominate an officer at the rank of Joint Secretary/ Additional Secretary as competent authority to debar the firms.
 - vii. Ministry/ Department that issued the order of debarment can also issue an Order for revocation of debarment before the period of debarment is over, if there is adequate justification for the same. Ordinarily, the revocation of the Order before expiry of debarred period should be done with the approval of Secretary concerned of Ministry/Department.
 - viii. The Ministry/Department will maintain list of debarred firms, which will also be displayed on its website.
 - ix. Debarment is an executive function and should not be allocated to Vigilance Department.
- 3.** It is possible that the firm may be debarred concurrently by more than one Ministry/ Department. Ministries/ Departments at their option may also delegate powers to debar bidders to their CPSUs, Attached Offices/ Autonomous Bodies etc. In such cases, broad principles for debarment in para 2 as above are to be kept in mind. Debarment by such bodies like CPSUs etc. shall be applicable only for the procurements made by such bodies. Similarly, Government e-Marketplace (GeM) can also debar bidders up to two years on its portal. In case of debarments done by CPSUs, revocation of the debarment orders before expiry of debarred period should be done only with the approval of Chief Executive Officer of concerned CPSUs etc.
- 4.** Debarment across All Ministries/ Departments
- i. Where a Ministry/ Department is of the view that business dealings with a particular firm should be banned across all the Ministries/ Departments by debarring the firm from taking part in any bidding procedure floated by the Central Government Ministries/ Departments, the Ministry/ Department concerned, should after obtaining the approval of the Secretary concerned, forward to DoE a self-contained note setting out all the facts of the case and the justification for the proposed debarment, along with all the relevant papers and documents.



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DoE will issue the necessary orders after satisfying itself that proposed debarment across all the Ministries/ Departments is in accordance with Rule 151 of GFRs, 2017. This scrutiny is intended to ensure uniformity of treatment in all cases.

- ii. The firm will remain in suspension mode (i.e. debarred) during the interim period till the final decision taken by DoE, only in the Ministry/ Department forwarding such proposal.
- iii. Ministry/ Department before forwarding the proposal to DoE must ensure that reasonable opportunity has been given to the concerned firm to represent against such debarment (including personal hearing, if requested by firm). If DoE realizes that sufficient opportunity has not be given to the firm to represent against the debarment, such debarment requests received from Ministries/ Departments shall be rejected.
- iv. DoE can also give additional opportunity, at their option, to firm to represent against proposed debarment. DoE can also take suo-moto action to debar the firms in certain circumstances.
- v. No contract of any kind whatsoever shall be placed on the debarred firm, including its allied firms by any Ministries/ Departments/ Attached/Subordinate offices of the Government of India including autonomous body, CPSUs etc. after the issue of a debarment order.
- vi. DoE will maintain list of such debarred firms, which will be displayed on Central Public Procurement Portal.

5. Revocation of Orders

- i. An order for debarment passed shall be deemed to have been automatically revoked on the expiry of that specified period and it will not be necessary to issue a specific formal order of revocation.
- ii. A debarment order may be revoked before the expiry of the Order, by the competent authority, if it is of the opinion that the disability already suffered is adequate in the circumstances of the case or for any other reason.

6. Other Provisions (common to both types of debarment)

- i. No contract of any kind whatsoever shall be placed to debarred firm including its allied firms after the issue of a debarment order by the Ministry/ Department. Bids from only such firms shall be considered for placement of contract, which are neither debarred on the date of opening of tender (first bid, normally called as technical bid, in case of two packet/two stage bidding) nor debarred on the date of contract. Even in the cases of risk purchase, no contract should be placed on such debarred firms.
- ii. If case, any debar firms has submitted the bid, the same will be ignored. In case such firm is lowest (L-1), next lowest firm shall be considered as L-1. Bid security submitted by such debarred firms shall be returned to them



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- iii. Contracts concluded before the issue of the debarment order shall, not be affected by the debarment Orders.
- iv. The Debarment shall be automatically extended to all its allied firms. In case of joint venture/ consortium is debarred all partners will also stand debarred for the period specified in Debarment Order. The names of partners should be clearly specified in the “Debarment Order”.
- v. Debarment in any manner does not impact any other contractual or other legal rights of the procuring entities.
- vi. The period of debarment shall start from the date of issue of debarment order.
- vii. The Order of debarment will indicate the reason(s) in brief that lead to debarment of the firm.
- viii. Ordinarily, the period of debarment should not be less than six months.
- ix. In case of shortage of suppliers in a particular group, such debarments may also hurt the interest of procuring entities. In such cases, endeavor should be to pragmatically analyze the circumstances, try to reform the supplier and may get a written commitment from the supplier that its performance will improve.
- x. All Ministries/ Departments must align their existing Debarment Guidelines in conformity with these Guidelines. Further, bidding documents must also be suitably amended, if required.

7. Levy of Financial Penalties:

Financial Penalties may be levied as provided in the pre contract Integrity pact or based on the contractual terms.

- a) Cases involving non-performance or under performance of contract or PO terms the performance bank guarantee / security deposit shall be revoked. Apart from other actions including cancellation of contract/PO.
- b) Cases involving violations of pre-contract integrity pact, apart from cancellation of concerned or all contracts/PO on the party, the following actions can be taken towards levying the financial penalties.
 - i. Forfeiture of performance bank guarantees either fully or partially.
 - ii. Recovery of all amount paid with interest there on at 2% higher than the prevailing base rate of SBI, in case of foreign vendor 2% higher than the London interbank offered rate. If any outstanding payment is due from BDL in connection with any other Contract/PO it can be utilized for the aforesaid amount and interest for recovery.
 - iii. If BDL is in the position of Performance cum Warranty Bond furnished by the party, it can be encashed or invoked to cover the payments already made along with interest.
 - iv. BDL can recover such an amount if party any agent or broker with a view to secure the Contract/PO in violation of Contract/PO Terms.



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- c) If the party violates Contract / PO Standard Terms related to Agents / Agency Commission, apart from putting hold or cancellation of Contract / PO entirely or in part, one or all of the following actions can be taken for levying financial penalty in case of foreign vendors.
 - i. To deduct such amount paid as Gift, Reward, Fees, Commission or consideration at the rate of 2% per annum above London Interbank offered rate.
 - ii. Recovery of all the payments made in terms of the Contract / PO along with interest @ 2% per annum above London Interbank offered rate.
 - iii. Recovery of any such amount referred in (i) and (ii) above from other Contracts/PO of the firm with BDL.
- d) The Levy of Financial Penalty shall be laid under the specific clauses of Contract / PO by way of issuing show-cause notice (if required)- Order Letters for revoking Bank Guarantees etc. to the firm by the concerned IMM Head.
- e) The levy of Financial Penalty shall be initiated by the concerned IMM Head. The Order of levying Financial Penalty will be made only after issuing the show-cause notice explaining the grounds for the proposed action by providing an opportunity to the party for explaining its case.
- f) The show-cause notice should contain reasons for the proposed action and the grounds relied upon. The party is to be given 15 days to submit their response in writing after receipt of the notice.
- g) The Financial Penalty will be levied on the approval of CFA. The CFA is Functional Director/ CMD.

Data of debarred vendors shall be maintained by Corporate Commercial and is placed in BDL website for the benefit of vendors. BDL Vendors are advised not to outsource any job to the debarred vendors.

On receipt of the orders from Government of India, CC shall put up the case to concerned Functional Director and with necessary approval, debar the firm and communicate the same to the vendor if it happens to be a registered vendor of BDL.

The details of all debarred vendors are hosted in the BDL website and accordingly marked in vendor master in case of a BDL registered vendor and no further enquiries are floated on them.

6.13 GRIEVANCES:

Vendor grievances are resolved promptly by the division and grievance and action taken are reported to CC by the division. CC would analyse the grievance and take action to avoid recurrence. There would be unit level grievance addressing cell appointed by unit head in case of units with multiple divisions and in other units head of the unit shall head grievance redressal committee.



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6.14 INTELLECTUAL PROPERTY:

The items which are specifically developed / manufactured as per requirement of BDL, where Tooling charges / Engineering Charges / Development Charges are paid by BDL, intellectual property lies with BDL. The vendor can supply these items to other, only after obtaining consent of BDL.

6.15 VENDOR CODIFICATION:

- 0001 – 3999 series - Supplier / Sub-Contractor
- 5000 – 5999 series - Foreign Vendors
- 7000 – 7999 series - Service Providers
- 8000 – 8999 series - Civil Contractors
- 9000 – 9999 series - One Time Vendors

6.16: INDIGENISATION OF COMPONENTS AND SPARES OF BDL PRODUCTS

Introduction :

The objective is to create industry eco system which is able to indigenise the imported components (including alloys & special materials) and sub assemblies of BDL Products. It will leverage BDL capability for export market. BDL shall give preference to indigenise items over imported items without compromise on quality and certification requirements.

Strategy of Indigenisation :

The cost of indigenisation should result in significant savings and should be invariably cheaper and meet all technical and functional specifications of the imported items. Initial development cost by indigenous manufacturers is to be borne in mind while comparing cost of newly indigenised item with imported cost. The goal of indigenisation shall be of locally designed and manufactured items. For some items which cannot be indigenised totally, some value addition domestically on Import Content is to be considered, it should be based on domestic industry capability and also taking into account technological constraints. The domestic value addition may be increased in a phased manner.

The terms of agreements entered into foreign OEMs shall be adhered while taking up indigenisation. Wherever there is legal restriction for indigenising, effects would be made bilateral negotiations to get such restrictions removed. BDL while making ToT agreements should safe guard its rights to indigenise components / sub assemblies of systems. BDL will safeguard the IP rights on components and sub-assemblies indigenised by way of ToT agreement with Indian vendors where ever applicable.

BDL will post all its indigenisation proposals on DDP Indigenisation portal



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- A) BDL has to post the list of items to be indigenised. The list is to be updated based on fresh requirements of indigenisation.
- B) The items proposed to be indigenised are to be provided with minimum details without infringing the sensitivity confidentiality of the information.
- C) The items published are to contain estimated cost of item & manufacturing capabilities required.
- D) Adequate information regarding the indigenised items and details of domestic firm who has indigenised.
- E) The identified Nodal Officers will be responsible for providing details of items category wise and assist vendors expressing interest for indigenising an item. Further the Nodal Officers should provide relevant data about the items and also access to samples for examination by the prospective vendors.
- F) BDL will list the test facilities that can be used by the vendors.

BDL has to adopt high priority for indigenisation. BDL to identify 10 to 20 items which constitutes highest value of import and take up campaign for indigenisation of the same. The same exercise should be repeated for more and more items for indigenisation, essential spares that are vital for the life sustenance of the product are to be accorded more priority.

Government schemes to support development of the technological capabilities are to be utilised and indigenisation is to be completed with definite time schedules for completion of test procedures by concerned QA/Testing Agency. Testing or Evaluation of non critical items indigenised can be outsourced to third party inspection agencies.

BDL can guide for establishment of testing infrastructure by industry with the support of MoD.

Long Term Orders, wherever BDL has visibility of long term demand of an item, long term tenders for development of indigenise replacements of imported components can be issued.

BDL will take up with the assistance of DGQA, Innovations for Defence Excellence (iDEX) challenges for prototype development of items which are not normally amenable to design and production by vendors.

Items required in small quantity and not in economically viable scale of manufacturing facilities. BDL can form Defence Innovation Hub with participation from vendors and support from iDEX. BDL can guide vendors for utilisation of common facility centres required for manufacturing the items based on designs of prototype developed. BDL can utilise the common facilities of Defence Innovation Hubs to produce the items on cost plus basis.

BDL to procure the items / sub assemblies produced domestically in terms of Public Procurement Order. Regular audits are to be conducted by the concerned projects to ensure that the procurement of notified components under public procurement order have been sourced from domestic manufacturers / vendors.



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BDL can adopt Make – II process suitably for procurement being done, it should be especially relevant for indigenization.

BDL to encourage indigenisation, any item developed by a vendor in lieu of imported item will extend testing irrespective of whether it is required at present or not for the project. The testing will be carried out at no cost no commitment basis in other words the vendor shall bear the cost involved in testing such items. BDL is not obliged to procure such items from the vendor.

BDL will setup an indigenisation fund for providing support for future indigenisation. This fund would be created out of cost savings from indigenisation of component / assemblies. 50% of the cost savings will be channelled to the fund. Otherwise 2% of PAT will be set-a-side for indigenisation fund.

BDL has to give highest priority to testing and certification of the items involved in indigenisation, testing will be done in a definite time frame, in-case multiple certifying agencies are involved BDL prioritise same in consultation with QA agencies.

BDL to encourage export of items/ sub assemblies to the foreign countries which are using the same projects. Vendors who have indigenized the components/ sub assemblies would be facilitated for exporting them to such countries.

BDL should include clauses for guarantee of indigenized items appropriately and similarly, clauses for accountability of manufacturer for the indigenized items also will be included appropriately.

BDL should have a nodal officer for implementing a policy all the Units indigenisation department will function under the Nodal Officers guidelines and channel information through the Nodal Officer. Nodal Officer is responsible for the indigenisation for the items / assemblies of BDL products.

6.17: PROCEDURE FOR DEVELOPMENT OF INDIGENOUSLY DESIGN AND MANUFACTURING OF BDL PRODUCTS UNDER MAKE-II PROCEDURE

Introduction:

1. The procedure for indigenous design, development and manufacture of BDL products/ weapon systems, has been formulated with an objective of wider participation of Indian industry, impetus for MSME/start-ups sector. No BDL funding is envisaged for prototype development purpose but has assurance of orders on successful development and trials of the prototype. Number of industry friendly provisions such as relaxation of eligibility criterion, minimal documentation, provision for considering proposals suggested suo-moto by industry etc., have been introduced. This procedure is exclusively for make-II programs.
2. With the emerging dynamism of private sector and with the aim of achieving substantive self-reliance in defence production/ manufacturing, it is imperative that BDL harness the potential of private sector by implementing the procedure for indigenously developing products.



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3. Indian vendors satisfying the eligibility criteria as detailed in **ANNEXURE-1** to this procedure, are eligible for participation for prototype development process.
4. Successful development under this procedure would result in procurement, from successful Development Agency/Agencies (DA/DAs), through the Procurement procedure/ manual of BDL, by inviting commercial bids, which is to be submitted prior to commencement of Trials. Thereafter, the procedure as detailed in IMM manual of BDL will be followed except for the procedure outlined in subsequent paras. The requirement of indigenous content for prototype development and subsequent procurement phase shall be in sync with the requirement stipulated in Public Procurement Policy, Make in India 2017.
5. Under this procedure, prototype development of equipment/system/ platform or their upgrades or their sub-systems/sub-assembly/assemblies/components/material, primarily for import substitution/ innovative solutions, for which no funding will be provided by BDL.
6. Items with estimated cost of prototype development phase not exceeding Rs 100 lakh will be earmarked for MSMEs/Startups. However, if no MSME /Startup express interest for such proposal, the same may be opened up for all.

Development Process steps:

7. The development & procurement process under this procedure would involve the following functions:-
 - i. Formulation of Proposal by Indigenization Committee (IC) - PR raising.
 - ii. Approval of proposal by Competent Authority (PR Approval).
 - iii. Issue of Expression of Interest (EoI) – one time.
 - iv. Evaluation of EoI responses.
 - v. Award of Project Sanction Order
 - vi. Design and Development of Prototype.
 - vii. Solicitation of Commercial Offer.
 - viii. Trials & evaluation of prototype.
 - ix. Commercial negotiations by Contract Negotiation Committee (CNC).
 - x. Award of Procurement Contract.

Formulation of Proposal:

8. BDL, identify the potential items based on the requirement for indigenization. An Indigenization Committee shall be constituted at each Production Unit with concerned stakeholders as members



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(Production, Quality Assurance, SEG/Methods/ Project group, Finance, Procurement, etc, as required)for this purpose. List of items shall be hosted in BDL, Central Public Procurement (CPP) portal, DPSU/Make in India Website, along with items brief, inviting the willingness of vendors to participate in the aforesaid potential items.

Approval of proposal:

9. Indigenization Committee (IC) will formulate the proposal indicating the quantities required, estimated item cost (cost of development of prototype and cost of subsequent procurement) and technical specifications/preliminary specifications. In case technical specifications are not known, Indigenization Committee will formulate the same. The quantities for the subsequent procurement will be structured around following considerations:
 - i. Visibility of orders.
 - ii. Economic viability of the project.
10. Approval for the proposal shall be obtained from Competent Authority for quantities required, estimated item cost (cost of development of prototype and cost of subsequent procurement)&Technical/Preliminary specifications. Following would be highlighted while seeking approval: -
 - i. Estimated development cost& procurement cost.
 - ii. Quantities required post the successful development of prototype.
 - iii. Acceptability of Multiple Technological Solutions, if any
 - iv. Single vendor situation for cases where an innovative solution has been offered by an individual or a firm.
11. Approval for proposals will be valid for six months (PR). For cases where EoI is not issued within six months from accord of approval, Head of the Production unit will revalidate the approval after due justification by Indigenization Committee.
12. Indigenization Committee shall, inter-alia, carry out the following important functions: -
 - i. Preparing and issue of EoI.
 - ii. Receipt & evaluation of EoI responses.
 - iii. Issue of item sanction order (prototype development).
 - iv. Monitoring and reporting of aspects relating to prototype development including generation of Intellectual Property.
 - v. Any other responsibilities as entrusted by the head of production unit.



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Issue of Eol:

13. IC shall get the Eol hosted in BDL Website CPP portal, inviting Company (ies) to participate in development process. The Eol will contain the following:
 - i. Technical specifications/ Preliminary specifications
 - ii. Scope of the project including number of Prototypes required.
 - iii. Time frames and critical activities.
 - iv. List of trials/items/facilities/consumables that will be provided free of cost may be specified if approved by CFA.
 - v. Quantities in procurement phase. BDL has right to alter the quantities without prior notice depending on BDL requirement with respect to delay /extension of timelines.
 - vi. Acceptability of multiple technological solutions, if any and splitting of procurement quantities between L1 & L2.
 - vii. Details of evaluation criteria for assessment of EOI response.

Evaluation of Eol responses:

14. Responses to Eol shall be evaluated as per criteria given in Eol and shall be approved by the Competent Authority. All the shortlisted vendors will be called Development Vendors (DVs).
15. Items shall be progressed ahead, even if only one Eol respondent is found meeting the evaluation criteria.
16. Item sanction order with 'Nil' financial implications shall be issued after obtaining approval of the competent authority.

Time Overrun:

17. The approval of extension of timelines for any is to be accorded by Competent Authority, on recommendations of IC. In case, only one vendor has offered the prototype within timelines stipulated in the item sanction order, the other DVs will not be accorded more than two time-extensions, and thereafter, the case will be progressed as resultant Single Vendor Case (SVC). The quantity requirement may get reduced with respect to delay/ extensions of timelines to meet BDL requirements.

Design and Development of Prototype:

18. Indigenisation Committee (IC) will act as the primary interface for DA(s) during the design and development stage and will facilitate the following: -



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- i. Provision of requisite professional inputs /documentation/samples to industry.
- ii. Providing clarifications related to functional or operational aspects of the equipment.
- iii. Coordinate trials including provisioning of trial range/platforms/ test facilities/consumables, etc., as mentioned in the EoI.

Solicitation of Commercial offers:

19. BDL will issue RFQ for the items will be issued for 'procurement phase' to all DVs for submission of their commercial offer prior to commencement of trials.
20. The quantities in Procurement phase cannot be reduced from the quantities indicated in EoI issued for the prototype development phase.

Trials & evaluation:

21. Trials would be carried out by the BDL to validate the performance of the prototype offered by DV/ DVs.
22. Items, where prototype of only a single firm/individual clears the trials, shall be progressed as resultant single vendor.

Commercial Negotiations by Contract Negotiation Committee (CNC):

23. The Estimated Project cost at the time of approval will be calculated based on last purchase price of the imported item being substituted or estimated cost considered in our quote to the customer whichever is less. The CNC will carry out all processes from opening of commercial bids till conclusion of contract. Negotiations in case of multivendor items having procurement cost less than Rs 100 lakhs shall be carried out only in special circumstances with reasons to be recorded. However, CNC will carry out negotiations for all single vendor cases, other than resultant single vendor, irrespective of value of the item. The items which are being developed as an import substitute and their prices are known, no benchmarking & no negotiation will be carried out, even in single vendor cases. If the offered price is lower than estimated cost by 20% or more, in such cases, the Competent Financial Authority (CFA) will satisfy himself/herself that the price of the selected offer is reasonable with respect to the approved cost and consistent with the quality required.
24. After CNC, IMM procedure will be followed and the procurement order will be issued. The Pre-Contract Integrity Pact (PCIP) shall also be signed with DV.

Multiple technological solutions:

25. In cases involving large quantities and where multiple technological solutions are acceptable, an option may be provided in the EoI and subsequently in the Commercial RFQ for the 'procurement'



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phase for procurement of specified quantities (in the ratio of 60:40) from L2 vendor who have successfully developed the prototype/product, on the condition that this second vendor accepts the price and terms & conditions quoted by the L1 vendor.

26. In case, multiple technological solutions are not acceptable, the successful other vendors will be issued a certificate indicating that the item has been successfully trial evaluated, to facilitate such vendors to explore other markets and remain in the production of the item.

Intellectual Property Rights (IPRs):

27. DV and BDL shall be co-owner of Intellectual Property generated during the development of items and each of the co-owners will have independent rights to exploit the IP rights, to his own benefit, with the consent of co-owner.

Review and Monitoring:

28. The progress of the item would be monitored by Indigenization Committee (IC) on regular basis. BDL may engage services of independent consultants/experts for assessing the physical and/or financial progress of the item.
29. Review of the items shall be carried out on Quarterly basis at corporate office /Head Quarter level and Quarterly Report shall be sent to CMD.

Foreclosure:

30. No Foreclosure of the Project will be done after issue of Item Sanction Order, other than for reasons of default/ non-adherence to Item Sanction Order by Vendors. However, if rates quoted by the DA in procurement phase are found to be abnormally high, BDL will reserve the right forecloses the procurement process.
31. All deviations on matters concerned not covered under this procedure, shall require prior approval by CMD.
32. Any grievance during the process shall be redressed through extant mechanism existing.



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ANNEXURE-1

Indicative Eligibility Criteria for responding to EoI

1. All the entities (except start-ups/ MSMEs) satisfying all of the following criteria shall be considered as an eligible 'Indian Vendor' for evaluation of EoI by PFT:-
 - i. Public limited company, private limited company, partnership firms, limited liability partnership, one Person Company, sole proprietorship registered as per applicable Indian laws. In addition, such entity shall also possess or be in the process of acquiring a license/development of products if the product under project requires license as per DIPP's licensing policy.
 - ii. The entity has to be owned and controlled by resident Indian citizens; entity with excess of 49% foreign investment will not be eligible to take part in Make-II.
2. **Criteria for Startups:**
 - i. Startups recognized by Department of Industrial Policy & Promotion (DIPP) under the eligible Domain/Category as per **ANNEXURE-2**, shall be eligible to participate.
 - ii. For projects with estimated cost of prototype development phase not exceeding Rs. 100 Lakhs and Procurement Cost not exceeding Rs. 500 Lakhs, no separate technical/ financial criteria be defined for both 'startups' and 'MSMEs, to encourage their participation.



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ANNEXURE-2

Categories & Domains of startups eligible for participation in Make-II

Sl.No	Category
(i)	Engineering
(ii)	Manufacturing
(iii)	Research
(iv)	Government
Sl. No	Industry Domain
(i)	Aeronautics/Aerospace & Defence
(ii)	Analytics
(iii)	Augmented/Virtual Reality
(iv)	Automotive
(v)	Computer Vision
(vi)	IT Services
(vii)	Telecommunications and Networking
(viii)	Green Technology
(ix)	Internet of Things
(x)	Nanotechnology
(xi)	Renewable Energy
(xii)	Robotics
(xiii)	Security Solutions
(xiv)	Technology Hardware



CHAPTER - VII

MATERIAL RESOURCE PLANNING

7.1 PRODUCTION ITEMS:

For specific / need based / make to buy requirements the indenting / user Department shall forward the requirement to IMM in the form of PR. The Requirement shall contain the following details of description of the item to be procured along with full specifications, indicating relevant standards, supply condition, surface protection, packing, quantity, part number, drawing number etc, wherever applicable. The reasons for procurement must be clearly spelt out with justification including reasons for converting from make to buy and the estimated cost. The basis of estimated cost is in the form of a budgetary quote or detailed computation sheet should be furnished. The indenter can suggest the potential supplier's names from the Vendor Master.

During indigenisation the sources to be contacted for development of items shall be provided by SEG / Committee.

In case of procurement from Approved Source (when only one source is available), no separate proprietary

/ single tender certificate is necessary.

Where the production plan is fixed and Bill of Materials is available, the IMM will raise PR considering the delivery lead times and stocks. This will be supported by a work sheet in support of the quantity projected for each item.

If the item is manufactured specifically based on BDL requirement / specifications, the procurement process is referred as sub-contracting. The sub-contracting may include FIMs from BDL.

It is to be ensured while preparing PR that the description of the item or tender does not reflect the project name.

7.2 NON-PRODUCTION ITEMS:

7.2.1 STANDARD STOCK ITEMS:

Stock items are items which are approved for procurement, storage and issue with stock available on hand. For these items buffer stock, ROL are analysed based on the annual consumption pattern. They are ordered to optimise total procurement cost. BDL RC are entered into these items wherever possible. In case of specially developed items from Ordnance Factories / DRDO labs Open orders can be placed. Procurement of these items can also be done with an order specifying staggered deliveries, which normally do not exceed annual consumption requirement. PR will be raised on quarterly basis combining each category of material.

Example: standard tools (non-RC), stationery, printing, shop consumables, chemicals, tool raw materials etc.

When there is more than one user for these items, IMM Department will forward the quotations and comparative statement to the user of the maximum quantity of items for recommendations and clarifications.



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7.2.2 NON-STOCK ITEMS:

For other revenue items which are called as non-stock items, the procurement is made on need basis on receipt of PR. PR from various department are consolidated to the extent possible. For these items IMM will prepare PR after analysing the requirement with reference to past consumption, stock available and pending orders. PR is raised for suitable quantity if required with staggered deliveries. For other non- stock materials like X-ray films, gases, different types of standard mechanical measuring items, i.e. where the suppliers are likely to be common, IMM shall advise the user departments to consolidate their requirements and project to IMM well in advance. IMM in turn shall ensure consolidated procurement. The effectiveness of such consolidation shall be reviewed by Head IMM periodically.

7.2.3 CAPITAL ITEMS:

Capital items required for the departments which are capital in nature are projected for approval during budget preparation. On approval of capital budget the items are procured based on PRs raised by the users.

Following procedure shall be followed for procurement of Capital items:

- a) A Divisional Technical Committee (TC) is to be formed which will be responsible for approving the Technical Specifications of the Equipment. The committee is to be headed by the Divisional Head and supported by the Head of Plant Maintenance Department of the Division, Head of Quality Control of the Division / Head of Methods / SEG or project cell and the intender / user who will be the member secretary of the committee for the items whose budgeted amount is more than Rs.20 lakhs and For items whose budgeted amount is less than Rs.20 Lakhs the indenter, departmental head will be responsible for finalization of Technical Specifications. Technical Experts may be co-opted wherever necessary from any Division.
- b) The Divisional TC should prepare a general brief on the scope of requirements. Initially, this should be sent by the TC to the various leading manufacturers of the equipments asking for detailed technical specifications / features of their products to meet the requirements as a Request for Information (RFI). This data along with information available in the division / other divisions will form the basis for preparing the detailed equipment specification.

Base price for preparation of PR is arrived at based on budgetary quote or price of earlier supplies to BDL / other PSUs. Wherever required, the team can visit the organizations where such equipments are used. Care needs to be taken to consider all accessories required while arriving at estimated price.

7.3 PURCHASE REQUEST(PR):

PR shall be raised by IMM based on BDLs confirmed order, development order and other requirements if any and is approved by CFA after financial concurrence.

In order to cut down procurement lead-time, tendering action can be initiated on approval of PR by Divisional IMM Head pending approval of CFA. However, the tenders shall be opened only after the approval of PR.



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While raising the PR IMM has to consider / ensure the following:

- a) Correctness / completeness of specifications indicating relevant standards, supply condition, surface protection, packing etc, Drawing No. / Modification No, Part No. etc. The specification shall also include raw material to be used, FIMs from BDL if any.
- b) Certificates required if any, with the supply, shall clearly be spelt out.
- c) Stock position, Minimum / Maximum, ROL, Re-order Quantity (ROQ) to be printed on PRs in the units stored and issued.
- d) Supplies outstanding, if any.
- e) Past consumption pattern.
- f) Production / delivery lead-time.
- g) The approved production programme of the product where applicable.
- h) The proof consumptions and rejection allowances for the Sub-assemblies and assemblies where applicable.
- i) The budget head and allocation of funds.
- j) Delivery schedule required.
- k) PR for Capital item shall also make reference to the Capital Budget reference number.
- l) The Mode of tendering suggested (Limited / Single / Proprietary, Open, Global, Two bid / Single Bid).
- m) Splitting of orders on multiple sources.
- n) The estimated procurement cost, landed cost should be realistic. The procurement cost should include basic cost and duties and taxes, freight on estimate basis. Wherever certain duties and taxes are expected to be exempted or allowed for input credits they need not be included in the estimated procurement cost.
- o) The list of prospective vendors to whom enquiries are proposed to be sent shall be kept while selecting the vendors, their capabilities shall be considered and picked up from Vendor Master. In case Vendor Master contains many suitable vendors they will be picked up on rotation basis.
- p) Method of procurement – Manual / e-procurement (Note: If the value is above threshold limit for e- procurement and manual mode of tendering is intended approval of FD is to be obtained. The threshold values are decided by the management from time to time. Present threshold values are placed at Annexure - XXI).
- q) Tooling / Development charges, advances etc.,
- r) Where drawings cannot be circulated in soft copy due to security reasons, hard copy shall be issued along with tender (even in case of e-tendering) and such requirements shall be specified clearly. Sensitivity of the item in terms of product / project or business needs to be identified.
- s) Support required from the vendor over a period of time to enable BDL to extend support to maintain end product supplied to customer shall be specified.
- t) Enquiry terms and conditions required for the item / service shall be specified.
- u) Clauses regarding Tender fee, EMD, SD & IP wherever applicable.
- v) Method of clearance, inspection agencies.



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- w) Installation, Commissioning & Training support if any.
- x) User manuals / design documents / source codes, if required.
- y) In case the items are to be procured as a group due to technical reasons, same may be indicated.

In case the PR is not approved for any reason the Indenter / User should be kept informed and PR is cancelled in SAP and budget is adjusted accordingly.

Further, in case of limited tendering action, all the suggested suppliers, to whom the enquiries are proposed to be sent, shall be indicated in the PR. On approval of the PR, the enquiries shall be sent to those suppliers only.

If IMM intends to go for limited tender, in cases where the value necessitates open / global tendering, necessary approval for waiver of open / global tendering procedure shall be obtained with PR indicating the reasons, thereof.

PRs for express / emergent purchases shall have the approval of the CFA. The item(s) may be procured without calling for tenders as per DoP and as detailed in committee purchases in this manual.

PRs for proprietary / single tender items will specify the source of supply duly supported by a certificate issued by executive not less than Grade VII. In case of Approved Sources and Designer Approved Sources the basis on which such selection of vendor is done is specified in PR.

NOTE: It is to be ensured while preparing PR the description of the item or tender does not reflect the project name.

7.4 SPLITTING OF ORDERS:

While procuring production items of critical or vital nature, to mitigate procurement risk, IMM can plan procurement from more than one source simultaneously. In such cases, the intention of splitting along with ratio of splitting shall be recorded on the PR and in the tender enquiry. The splitting of orders proposed shall be specified clearly in the PR (as per the norms of Clause No. 9.13).

7.5 ESTIMATED VALUE:

7.5.1 PRODUCTION / RECURRING ITEMS:

The estimated value in the PR shall be indicated based on the last procurement price or latest engineering estimate or budgetary quotation. In case of first time procurement / indigenisation a scientific / technical methodology should be adopted to work out the estimated value taking into account the material, labor, overheads and any other relevant costs etc. and a working sheet shall be attached to PR. Where it is not possible to estimate the value, the matter shall be referred to Divisional Head who may constitute a committee of experts from relevant fields to work out the estimated value.

7.5.2 NON-PRODUCTION / NON-RECURRING / CAPITAL ITEMS:

In order to realistically estimate, the indenter may obtain budgetary quotes from the prospective vendors. The indenter may also collect information about the specifications, price etc. from other organizations who have procured similar items. The divisional TC has to finalise the specifications and the base price of the Capital Items.



CHAPTER - VIII

TENDERING PROCEDURE

8.1 PURCHASES THROUGH TENDERING :

Different types of tendering procedures for procurement of items & services are:

- a) Global / Open Tender,
- b) Limited Tender,
- c) Proprietary / Single Tender,

IMM shall ensure that all the columns of the tender enquiry are fully and correctly filled, in appropriate pro- forma for indigenous and foreign enquiries. The relevant general terms and conditions for the enquiry, IP and other formats are to be enclosed, format are placed at Annexure - XVI to Annexure - XVII. The due date for submission of quotation shall be specified clearly. All communications with regard to the tender should be in writing only.

8.1.1 OPEN TENDERING:

The Open Tendering system should be the preferred mode for procurement of common use items of generic or commercial specifications which are readily available off-the-shelf in the market from a wide range of sources / vendors with in India. It is to be adopted where the estimated value of the tender is more than Rs. 50 Lakhs, subject to the exceptions as provided for in this Manual.

8.1.2 GLOBAL TENDERING:

Global tendering shall be adopted where, the goods / services of the required quality, specifications, etc., may not be available in the country and it is necessary to also look for suitable competitive offers from abroad. The paper advertisement and other processes of tendering applicable to open tenders shall be followed for Global tenders also. Global tendering to be adopted after obtaining GTE clearance from MoD or as per directives issued on the matter by GoI / MoD.

8.1.3 LIMITED TENDERING:

Limited Tendering is required to be adopted where:

- i. The value of items / services is less than the stipulated limits for Open tender or limit notified from time to time.
- ii. The tenders need to be sent only for approved vendors in case of production Items where vendors are developed and established.
- iii. Items are to be manufactured specifically to the specifications detailed in the tender and where vendor's capability is critical for supply of item.
- iv. There are sufficient reasons, to be recorded in writing, indicating that it will not be in public interest to procure the goods through open / .global tenders.
- v. There is a need to process the items on urgency and open / global tenders will delay the process of procurement.



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A list of registered sources of supply will be compiled, maintained category wise by the division with details of their products, turnover. The divisional IMMs while floating Limited tenders from the list of registered vendors who are capable supplying the goods / services.

Limited tender enquiries are sent to only registered vendors. The number of vendors to be contacted in case of non production items shall be minimum 5. However efforts shall be made to include more number of vendors to get competitive bidding.

In case of production items potential vendors are selected from the vendor master by SEG / committee to whom enquiries are to be sent where approved sources are not developed or to develop alternate / additional sources. However IMM shall ensure that number of vendors being contacted are minimum 5 and that sufficient competition exists.

Where sufficient number of sources is not available in vendor master the following processes is to be followed:

- a) Vendors are sourced through trade journals, Industrial product finders, Internet, NSIC etc.. and the divisional IMM request CC to register these vendors on temporary basis in a prescribed format. CC registers them on temporary basis and send mail / letter to the vendor requesting them to register in BDL. In case of production items, tenders are sent in two bid systems. The assessment of these vendors is done prior to opening the price bid. If the vendor is found not suitable during assessment their tender is rejected at that stage.
- b) In spite of such effort if there are limited number of vendors open tendering may be resorted to with relevant qualification criteria or EOI may be floated.

8.1.4 LIMITED TENDERS ON APPROVED SOURCE(S) :

In case of items which are developed, specifically for use in the product, by sub-contractors / manufactures of ingredients, enquiries are sent to approved vendors only to ensure the quality of the product.

These items thus developed are subjected for qualification and acceptance test which may include elaborate test as part of the product. On successful supply of two batches, the vendor is considered as approved source on recommendation of SEG / Methods / Project group and quality control which is duly approved by divisional head. The list of approved vendors for each item is maintained by divisional IMM and in SAP system, with details of basis for approval.

8.1.5 LIMITED TENDERS ON DESIGNER APPROVED SOURCE(S):

The design agencies like DRDO, HEMRL, D&E etc may identify few vendors based on the technologies and capabilities required for the vendors for certain components and systems. List of such vendors against each item / Technical Co-ordination Authority (TCA) or equivalent agency approved list is maintained by each division and in SAP system.

In such cases enquires may be restricted to only these vendors. The PR / Note sheet shall clearly indicate the authority by which the selection of vendors is done.



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However on recommendation of IMM / SEG / Project incharge, the vendors registered in BDL are referred to design agency for inclusion in the list, if they are capable of supplying such items.

Items ordered on approved vendors are reviewed quarterly by divisional IMM to avoid the possibility of single vendor situation and to increase competition.

8.1.6 SINGLE TENDERING:

Single tendering is required to be adopted where:

- a) It is in the knowledge of the user department that only a particular firm is the manufacturer of the required goods.
- b) In a case of emergency, the required goods are necessarily to be purchased from a particular source and the reason for such decision is to be recorded and approval of competent authority obtained.
- c) On account of any other operational or technical requirement, which should, however, be clearly recorded.
- d) For the purpose of standardisation.

In all these cases PR is to be accompanied with single tender certificate. A committee headed by Head CC, academic member and Industrial member will review quarterly single tender situations to identify alternate sources / products.

8.1.7 PROPRIETARY TENDERING:

Spare parts, items which are proprietary in nature can be purchased on proprietary basis. Proprietary tendering is required to be adopted where the item(s) / services called for procurement is proprietary in nature. In all such cases proprietary certificate in prescribed format shall be enclosed to the PR. A proprietary certificate is valid for a period of two years to facilitate procurement of recurring items. To the extent possible the tender is limited to the Original Equipment Manufacturer (OEM) and their authorized dealers / distributor / stockiest only. The bidder shall be requested to submit valid dealership certificate along with the bid. In case of machine spares, the enquiry can be sent to other vendors only after including OEM, and authorized dealers / distributors / stockiest. The restriction of number of vendors to be contacted as per limited tenders is not applicable in this case.

8.1.8 EXCEPTIONAL TENDERING PROCEDURE TO AVOID BREAK DOWN OF MACHINERY, PRODUCTION HOLD UP ETC., ON ACCOUNT OF SANCTIONS:

In view of the sanctions imposed by some countries, problems may at times be faced in importing spares, components etc from OEMs. In such cases the IMM by virtue of their experience after conducting market survey may contact other potential sources-import / Indian irrespective of the proprietary nature of the item. If the situation warrants, they may exclude OEMs from the enquiry. The objective of the relaxation is to avert breakdown of machinery / equipment for long periods and to avoid production hold ups. The approval of CFA has to be obtained recording the reasons in all such cases, before issue of enquiry.



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8.2 PURCHASE WITHOUT TENDERING:

8.2.1 REPEAT ORDERS:

Repeat Order refers to purchase order placed on the previous supplier (without obtaining fresh quotations) for the same items which were ordered on him as a result of global / open / limited tender / approved source (s). Repeat Order can be placed (single order or multiple orders totalling to 100% value of the original order) by other Divisions including the Division which has originally placed the purchase order. Provided that the cumulative sum of all the Repeat Orders should not be more than 100% of the original order.

Repeat Order can be placed up to 100% of the value of the original order even at the time of tenure of its execution but within 12 months from the date of completion of the original order unless in the meantime, further market research has disclosed a cheaper source of supply.

The repeat order is applicable wherever limited/ open/ global tender procedure is adopted and also for the purchase orders placed on OEM/ Developed Vendors. The repeat order is applicable only once in each case. In case the requirement is recurring RC may be considered.

Alternatively, to address the issue of requirement of the same item by other Divisions, the demand should be aggregated by a lead Division. This will not only have economies of scale but also better price discovery.

The taxes and transportation charge as applicable on the date of placement of repeat order are to be considered.

8.2.2 OPTION CLAUSE:

BDL retains the right to place orders for additional quantity up to 100 % of original ordered quantity at the same terms and conditions (at the same rate). The clause is to be intimated to the vendors at the time of enquiry and also to be incorporated in PO/ Contract.

- a) To exercise the Option Clause CFA approval is to be obtained.
- b) Once the provision of Option clause is opted Repeat Order cannot be placed and fresh tendering is to be done for further requirement exists.
- c) The Option Clause can be operated if there is no down word trend in price.

8.2.3 PURCHASE FROM COLLABORATORS / THEIR LICENCEE:

Purchase from companies' collaborator and their license covered by collaboration / Price Agreement do not come under tender system.

8.2.4 PETTY PURCHASE:

Purchase of goods and services up to the value prescribed at DoP S.No. 11 (1) Chapter V of DoP may be made without inviting quotations up to Rs. 15,000/- in each case with approval of CFA in the format (Petty Purchase Request). Receipt of such material will be certified by the user Department



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or accounting purpose. In case of production items GR to be raised irrespective of item value subject to ceiling of Rs. 15,000/- and in case of non-production items, no GR to be raised. The value shall be charged-off as expenses under appropriate Head. The cumulative total spent by each CFA up to be maintained as per DoP. The limit prescribed under DoP limits each CFA up to Rs. 15,000/- in each case.

The Officer procuring the items should certify in the following format:

"I, _____, am personally satisfied that these goods / services purchased are of the requisite quality and specification and have been purchased from a reliable Supplier / Service Provider at a reasonable price.

It shall be ensured that the purchase price does not exceed MRP.

GR shall be prepared for all production items irrespective of the value and for all non-production items, **GR is not mandatory.**

8.2.5 COMMITTEE PURCHASE:

Committee Purchase is to be resorted to:

- 1) Meet emergency requirements.
- 2) Procurements of Goods for maintenance / emergency repairs.
- 3) Sales held up due to Goods rejected / failed in assembly or IG inspection.
- 4) Goods required for customer support for maintenance of strategically important equipment (s) at customer site or BDL.
- 5) Procurement of Goods required for office consumption and shop consumables.
- 6) To procure limited quantities readily available commercial off shelf Goods that are not specifically produced to a particular description.
- 7) To procure welfare / sports Goods.
- 8) One time purchase or any other purchase approved by CFA for exigency.

Purchase may be made on the recommendations of a duly constituted Purchase Committee consisting of three members at an appropriate level with one financial representative as decided by the CFA. The committee will be required to survey the market to ascertain the reasonableness of price, quality and specifications and identify the appropriate supplier and obtain at least 3 quotations in sealed condition. The committee shall open the quotations and sign on all quotations, prepare CST if required. Before recommending placement of the PO, the members of the committee should jointly record a certificate as under:

"Certified that we, _____, members of the purchase committee are jointly and individually satisfied that the goods / services recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question."



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IMM will place order on the lowest bidder based on the quotations obtained by the committee. For procurement of welfare items if deemed fit, the committee may obtain single quotation and will initiate necessary action for procurement (within the ceiling of amount prescribed in DoP i.e., Rs. 2.5 lakhs in each case).

To procure standard items with clear specifications, the committee can consider the reputed e-commerce websites for the items and procurement will be done using online payment options like Debit / Credit Card, UPI, Net Banking etc. In case of bulk procurement of general items or of Ceremonial Occasions, the items can be procured from Super Markets (Like M/s Metro Super market, M/s D Mart etc) where items are normally available at lower price. If Committee decides in case of especially electronic items (if OEM/Authorized Dealer is marketing on line and not available in the market for immediate usage) can also be procured by e-commerce method. To procure the items through e- Commerce websites prior approval from the CFA is to be obtained. The amount spent by the committee will be reimbursed to the member spent. In case of online procurement, the value of items should not exceed Rs. 25,000 (in each case).

The cumulative total spent by each CFA to be maintained as per DoP. The limit prescribed under DoP limits each CFA up to Rs. 2.5 lakhs in each case.

8.3 MAINTENANCE CONTRACT :

The maintenance contracts will be regulated as per the procedure applicable to POs. To derive maximum benefit and to ensure sustained serviceability of equipment, such contracts should be assigned to original manufacturers / representatives, who have successfully performed during warranty / guarantee period or to reputed third parties. Effort should be made to club the maintenance contracts of similar equipment held by different divisions in a unit.

The maintenance contracts shall be placed for 3 years with an option for placement of contract for one year initially and to be extended for further two years upon satisfactory support.

In cases where the tender is floated for more than one year requirement the CFA is decided based on total contract value basis but not on annual contract value basis. In cases where contract is extended for additional year CFA is decided based on contract value of previous year / years and present proposal.

8.4 PROCUREMENT THROUGH RATE CONTRACT:

8.4.1 RATE CONTRACT BY BDL:

RC is entered with suppliers by CC based on expected annual consumption for recurring items. Normal limited / open tender process is adopted to enter into rate contract. Concerned IMMs shall refer to the RC and procure the items by placing orders. A RC is valid for a specific period of time and clearly indicating price and payment and other terms.



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In cases where the tender is floated for more than one year requirement the CFA is decided based on total contract value basis but not on annual contract value basis. In cases where contract is extended for additional year CFA is decided based on contract value of previous year/years and present proposal.

The types of items which may be considered for RC are:

- a) Items required by several users on recurring basis and having clear specifications.
- b) Fast moving items with short shelf life or storage constraints.
- c) Items that take long gestation period to manufacture and for which there is only one source for manufacturing.

8.4.2 GeM :

All general items are to be procured from GeM following the SOP.

8.5 FALL CLAUSE:

In cases where contracts have to be concluded with the firms, whose RC with DGS & D / BDL has expired and renewal of RC is awaited, a 'fall clause' should be incorporated in the Supply Order / Contract to the effect that during the currency of the Supply Order / Contract, in case rates are found to be lower on conclusion of RC, the lower rates shall be applicable.

8.6 PRICE AGREEMENT (PA):

While procuring goods and services, it may be convenient to enter into a PA / Fixed Price Quotation (FPQ) with the OEM / Licensors. The PA / FPQ may be finalized after due negotiation.

Purchase from our collaborator and their licensee covered by collaboration / price agreement do not come under tender system but the sanction on PR for procurement and approval on PO of the CFA as per DOP have to be obtained as in the case of indigenous procurement.

8.7 OPEN ORDERS:

Open Orders are those POs that are issued with indicative price. Mostly such orders are issued where the prices are to be confirmed by the controlling agencies or for first time development items undertaken by

Government Agencies like Ordnance Factories. These orders are placed on approval of CMD for a specific procurement / development. CFA for such orders is CMD for the first time. However once the initial supplies are made wherein the price is confirmed the CFA is fixed based on the annual requirement and cost thereof based on DoP. Further procurement is carried out on approval of CFA.

8.8 PRODUCT RESERVATION, PURCHASE / PRICE PREFERENCE AND OTHER FACILITIES:

Government may issue directions from time to time laying down policies for price preference to be given to purchase from Public Sector Undertakings, Small Scale Industries. The CC will circulate the methodology of price preference to be adopted while carrying out price comparisons.



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8.8.1 KHADI VILLAGE INDUSTRIES COMMISSION (KVIC), ETC.:

Government of India, through administrative instructions, has reserved all items of hand spun and hand woven textiles (khadi goods) for exclusive purchase from KVIC. It has also reserved all items of handloom textiles required for exclusive purchase from KVIC and or the notified handloom units of Association of Corporations and Apex Societies of Handlooms. BDL would endeavour to procure such reserved goods and items from these units. List of items reserved for KVIC is placed at Annexure - XX.

8.8.2 MICRO AND SMALL ENTERPRISES (MSEs):

Under Public Procurement Policy for Micro and Small Enterprises (MSEs) Order 2012 and subsequent amendments to the policy, BDL shall procure minimum of 25% of their annual value of goods or services from MSEs. Annual goal of procurement also include sub-contracts to MSEs by large enterprises or large consortia of MSEs formed by National Small Industries Corporation (NSIC). Out of 25% of annual procurement from MSEs 4% shall be earmarked for procurement from MSEs owned by Scheduled Castes or the Scheduled Tribes entrepreneurs. Further another 3% shall be earmarked for women owned MSEs.

Government of India has also reserved some items for purchase from registered MSEs by PSUs. However BDL has certain exemptions as it is a weapons manufacturing unit. However, BDL would endeavour to procure general items from MSEs only. A list of 358 such items is provided in Annexure - XX.

As per Government of India guidelines issued from time to time BDL extends various facilities / concessions to vendors registered with District Industries Centre (DIC) or Khadi & Village Industries Commission (KVIC) or Khadi & Industries Board (KVIB) or Coir Board or National Small Industries Commission (NSIC) or Directorate of Handicrafts and Handlooms or Udyog Aadhar Memorandum or any other body specified by Ministry of MSME.

- a) *Issue of Tender documents free of cost.*
- b) *Exemption from payment of EMD.*
- c) Price Preference of 15% over the quotation of vendors who is other than MSEs. In case the MSE happens to be within 15% range above the L1 vendor price (who is not an MSE), MSE unit shall be provided with a counter price to reduce to L1 price. If agreed for L1 price, up to 25% of tendered value shall be ordered on MSE. In case of more than one such MSEs quotes in the stipulated range the order shall be proportionately divided.

8.8.3 Relaxation of Norms for Start-ups and MSMEs

The condition of Prior turnover and Prior Experience will be relaxed for Start-ups (whether MSMEs or otherwise), which as per guidelines of Govt. of India are recognised as Start-ups, subject to meeting of quality and technical specifications as per clarification given by Ministry of Finance, Department of Expenditure (DoE). However, there may be circumstances (like procurement of items related to public safety, health, critical security operations and equipments etc.) where procuring entities may prefer the vendors to have prior experience rather than giving orders to new entity.



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8.9 CONTRACT FOR SERVICES:

There may be occasions to enter into a contract for services, which is revenue in nature like AMC for Computer and printers, Xerox machines, Fax machines, Window A/C etc. or any other services by department indicated as under or as decided by the management from time to time.

a. HR

S.No.	Nature of Contracts	User/ Indentor	Ordering Agency	Certifying Agency for releasing the payment
i.	All Labour Contracts	Department / Division	HR	User / Indentor authorized by HR
ii.	Repairs of Cars & Vans	User / Indentor	HR	HR
iii.	Labour Contracts for material handling	Stores, IMM, Divisions	HR	HR
iv.	Repairs of Telephones	Departments / Divisions	HR	Unit HR
v.	Contracts for vehicle hiring	Department / Division	HR	HR
vi.	Security Services	HR / estate officer	HR	Security officer / estate in charge
vii.	Hiring of Manpower (for Fire Service, Drivers, Plumbers)	User / Indentor	HR	Concerned Department In charge
viii.	Repair of Furniture	User / Indentor	HR	HR
ix.	Contracts for Training Programme	User / Indentor	HR	HR
x.	Lunch arrangements Contracts	HR	HR	HR
xi.	Consultation Contracts	User / Division	HR	HR
xii.	Medical Purchases	Medical Officer	RC by CC, Procurement by Unit IMMs	Medical Officer
xiii.	Medical Checkup Contracts	Medical Officer	HR	Medical Officer
xiv.	Contracts with Hospitals	Medical Officer	HR	HR
xv.	Contracts with Teaching Institutes	HR	HR	HR
xvi.	Contracts with Hospitality	HR	HR	HR



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xvii	Legal and HR related consultancy	HR	HR	HR
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b. TECHNICAL SERVICE DIVISION (TSD) / UNIT PED

S.No.	Nature of Contracts	User/ Indentor	Ordering Agency	Certifying Agency for releasing the payment
i.	AMC for Substations	PED	IMM TSD / Unit PED	PED
ii.	AMC for common items like water coolers, Air Cool-ers, Deep Freez-ers, AC Plants etc.	PED	IMM TSD / Unit PED	PED
iii.	Term Contract for Electrical Works	PED	IMM TSD / Unit PED	PED
iv.	Repairs for Electrical installations	PED	IMM TSD / Unit PED	PED
v.	AMC for equipment in the Division other than common items	PED / User	IMM TSD / Unit PED	PED
vi.	Contracts for Calibration	PED / User	IMM TSD / Unit PED	PED
vii.	Contracts for repair of equipment (Mechanical Electrical, Electronics)	PED / User	IMM TSD / Unit PED	PED

c. CC :

S.No.	Nature of Contracts	User/ Indentor	Ordering Agency	Certifying Agency for releasing the payment
i.	Corporate Office Requirements	User / Indentor	CC	User / Indentor
ii.	Corporate photo copier machine AMC's, rate contracts of medicines, uniforms, production gifts, air consolidation, etc.)	ITD / HR / CC	CC	ITD / HR / CC



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d. DIVISIONAL IMM: :

S.No.	Nature of Contracts	User/ Indentor	Ordering Agency	Certifying Agency for releasing the payment
i.	Calibration of Test and Measuring	User / Indentor	Div. IMM	Div. QC
ii.	Repairs of Test Equipment	User / Indentor	Div. IMM	Div. QC
iii.	GOCO	User / Indentor	Div. IMM	Div. QC
iv.	Service Contracts	User / Indentor	Common Service	IT & ERP Dept.
v.	AMC of IT related Items of the Unit, AMC of Photocopiers of unit	User / Indentor	Common Service	IT & ERP Dept.

e. FINANCE:

Nature of Contracts	User/ Indentor	Ordering Agency	Certifying Agency for releasing the payment
i. Insurance Contract	Divisions	Corporate Finance	User

Note: The classification of services shown above may be modified to suit special requirements on approval of CFA and the concerned IMM PED, HR, TSD to procure the service. All services pertaining to works to follow Works Manual.

8.10 HIRING OF EQUIPMENTS:

Hiring equipment like material handling equipment, vehicles, storage / accommodation, office equipment (e.g. furniture, computers etc photocopyers), production & test equipment, water, coolers, air coolers / conditioners etc, when needed for a specific period covering maintenance during the lease / hiring period, the prescribed tender procedure covered under services shall be followed. The decision to lease / hire or procurement shall essentially be governed by the cost benefit analysis carried out for the proposed period by the indenter. Such justification essentially forms part of proposal for hiring.

8.11 TYPE OF ENQUIRY:

8.11.1 SINGLE BID:

For standard revenue items such as standard tools, standard gauges, raw materials, fasteners, consumables, bought out components or made to order items from approved sources etc., procured as per drawings or as per laid down standards like BIS, BS, DIN etc or, branded products, enquiries are floated on single bid basis are floated. The main idea in this tender is that there can be no variance in the technical specifications between the parties. The bid consists of techno commercial and price details.



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8.11.2 PRE-BID MEETING:

To obviate the possibility of the tender fetching no response, resulting in a single vendor situation or resulting in generation of limited competition, technical specifications should be firmed up in a pre-bid meeting in two- bid tender, particularly where the goods / services to be procured are not available commercially off-the- shelf or are of highly complex technical nature. No fresh commercial bids should be invited after opening of technical bids, in such cases.

8.11.3 TWO BIDS:

This system is to be adopted when the parties are asked to quote specifically for a given item / equipment, where technical specification / composition / drawing / QA plan, of complexity is involved in the item(s) being procured. In such cases the Bidders should be invited to furnish techno commercial bids and price bid simultaneously in separate sealed covers, super scribing the sealed covers as techno commercial bid and price bid. The techno commercial bid shall contain all details of the complete offer excepting the price. The main idea in obtaining the techno commercial bids is to bring all the bidders to the same acceptable level (both technically and commercially) so that one of them whose price is lowest is selected for placement of order.

Broadly the techno commercial bid shall contain the following details as applicable, except price details.

- a) Full and complete technical specifications.
- b) Conformance and deviation statement with remarks in comparison with tendered specification.
- c) Delivery period.
- d) Payment terms.
- e) Any other commercial terms which have bearing on procurement cost like duties, taxes, advances etc.,.
- f) Time for development and supply of prototype / samples.
- g) Q A plan / test certificates.
- h) Minimum Order Quantity (MOQ) / batch size.
- i) Warranty / after sales service.
- j) Erection and commissioning
- k) Training requirements.
- l) Mode of delivery like FOB, Ex-works.
- m) Tooling / Development cost and advances

8.12 EXTENSION OF DUE DATE:

In case of Open / Limited Tenders, due date shall not be extended normally. However, if it is required due to any reason, concern divisional IMM may obtain prior approval of Divisional Head. In such cases the extension shall be intimated well in advance to all bidders and / or published in the website and not in news papers.

Wherever any bidder submits a revised bid, the revised bid only is considered.



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8.13 e-TENDERING:

The e-tendering is the tendering done using the computers and internet. The process of sending the NITs, receiving the tenders, Technical evaluation, bid sharing with bidders are all done through e-tendering portal. The details of e-procurement are elaborated in subsequent chapters.

8.14 e-REVERSE AUCTION:

e-Reverse Auction will be conducted if sufficient competition by way of, Three or more, techno commercially qualified bidders are available. The price bids of the techno commercially qualified bidders are opened, the CST is made as per procedure and landed price (L1) is arrived. The basic price of L1/PR basic value is rounded off to 03 digits downward and whichever is low is considered as reserve price (Start Price). e-Reverse auction will be conducted through e-auction portal. With 0.5% to 2% as a decremental value as discount. All the qualified bidders are allowed to participate simultaneously without each other knowing who offered a particular price, they can only see their ranking and prices quoted. The reverse auctions are organized as per guidelines issued by CC. e-Reverse auction is mandatory for total PR value of Rs. 50 lakhs and above.

Further the divisions are to follow the below given directives.

- 1) The tender document shall have a provision for conducting reverse auction.
- 2) In all the tenders it should be clearly specified in the tender document that BDL reserves right to go for Reverse Auction process or may finalize the tender without Reverse Auction, if required.
- 3) However, after techno commercial evaluation, if number of technically & commercially acceptable bids are less than 03 (Three) then no reverse auction will be conducted, the tender is finalized based on price bids submitted online and L1 arrived as per procedure.
- 4) All vendors shall have an equal and continuous opportunity to present their bids.
- 5) The vendor direction of the event will be downward. Vendors cannot raise their bid once the event has started and they have submitted a bid.
- 6) Vendors must bid for the complete quantity of each item as quoted in e-procurement bid. The prices should be quoted as per instruction provided by CC, which in turn provided by the division (a landed price to BDL, including taxes, duties and any other charges or otherwise.)
- 7) This process shall initially be held for a period of 1 hour. In the event of a bid received in the last second the period of auction shall get extended automatically by 10 minutes. All vendors, regardless of their previous position, can submit their bid during the extension period also. This process shall continue until no change in L-1 price until last second. Then the auction will close. The process of reverse auction shall automatically close thereafter.
- 8) Vendors at their own interest should ensure uninterrupted internet connectivity at their end during the Reverse Auction with necessary backup options to take care of any connectivity problem. BDL is not responsible for the problem of vendor connectivity and bid will close as per the schedule.



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- 9) In case no conclusion can be drawn from reverse auction from best bid history or where Reverse Auction is inconclusive on account of system malfunctioning or break in internet connectivity at BDL end, reverse auction shall be re-conducted. BDL can suspend or pause the reverse auction, if required. In such eventuality the duration of the auction shall be extended by BDL for the period for which auction was under pause/suspension.
- 10) Under purchase preference eligible vendor whose quoted price is not lowest, get an opportunity to match L-1 price if their quoted price falls within the stated percentage difference from the lowest quote. If the vendor matches the prices, he gets the order otherwise; the original L-1 bidder gets the order. After conclusion of Reverse Auction, if any of the eligible vendor for purchase preference falls within the specified limits for purchase preference, such vendor will get opportunity to match with L-1 price as per the Purchase Procedure.

In case of no response from any vendor in reverse auction, the original evaluated L-1 price will be considered for further action.

8.15 GLOBAL / OPEN TENDERS:

METHODOLOGY WHERE PAPER ADVERTISEMENT TENDER NOTICE IS INVOLVED:

- a) It may be noted that the purpose of issuing advertisement for open / global tender is to accord wide publicity.
- b) Copies of tender advertisement / details may be forwarded to the registered / past / potential suppliers / contractors by divisional IMM / Civil / CPED etc.
- c) In case of imported items / global tender, countries from where such stores (items) can be imported may be forwarded to corporate commercial department so that the embassies can be informed.
- d) The invitation to tenders for procurement under Open / Global tenders / EOI shall be published in the Indian Trade Journal (ITJ), published by the Director General of Commercial Intelligence and Statistics, Kolkata and at least in one national daily with wide circulation.
- e) The tender notice to be published in the papers shall be as per the prescribed format indicating tender ID and reference to the e-Procurement portal / necessary details.
- f) The tender shall be published on the BDL website, procurement portal, and provide a link with CPPP web site.
- g) The complete bidding document shall be made available in BDL web / procurement portal, to permit prospective bidders to make use of the document downloaded from the website. Wherever required access to the document shall be given after login which shall be permitted on purchase of tender document. pplicable in the case of Global / Open Tender and the tender fee is payable along with techno-commercial bid, normally.

8.16 TENDER FEE:

This is applicable in the case of Global / Open Tender and the tender fee is payable along with techno- commercial bid, normally.



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However the bids if sold, in such case the tender fees has to be paid to obtain necessary tender documents.

The details of Tender fee to be collected for different tender values are provided in table below, which can be paid through online payment, account payee demand drafts, banker cheques or through Online transfer to BDL account as detailed in terms and conditions. SWIFT transfer charges, if any, shall be to BDL's account.

S.No	Estimated Value of Item (Rs. in Lakhs)	Tender Fee	
		Indian Vendors (in Rs.)	Foreign Vendors (in US \$)
1	50 to 100	4000	80
2	100 and above	5000	100

8.17 EARNEST MONEY DEPOSIT (EMD):

In the case of the Open / Global tenders where the PR value is above the value prescribed in IMM Manual, EMD shall be collected. The EMD shall be paid by the bidder in the form of Insurance Surety Bonds, Online Payment / Account Payee Demand Drafts / Banker Cheques from Commercial Bank or other Banks meeting the Capital Adequacy Norms and not placed under Prompt Corrective Action (PCA) framework by Reserve Bank of India (RBI), specified in the form tender documents. SWIFT transfer charges, if any, shall be to BDL's account. The Nationalized Commercial Banks are exempted from meeting the criteria of Capital Adequacy and PCA norms imposed by RBI.

S.No	Estimated Value of Item (Rs. in Lakhs)	EMD	
		Indian Vendors (in Rs. Lakh)	Foreign Vendors (in US \$)
1	50 to 100	0.75	1500
2	101 to 250	1.75	3500
3	250 and above	3.00	6000

The following guidelines may be observed while calling for EMD:

- The foreign bidders shall be asked to submit the EMD amount in US \$ or Euro.
- The EMD shall be valid / held with BDL till the tenders are finalised.
- Bidders whose techno commercial bids are rejected the EMD shall be returned within 30 days of declaration of technical evaluation result. EMD can be returned to the bidder with approval of head of procurement authority.
- If the tenders are not finalised within 180 days from the closing date of tenders the EMD shall be returned to the bidders with the approval of CFA.
- EMD shall be returned by IMM as per the above guidelines without any formal request from the bidder.



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8.18 SECURITY DEPOSIT (SD):

The successful bidder will have to deposit immediately on, placement of order, towards SD by way of **Insurance Surety Bonds**, Online Payment / Demand Draft / Bankers Cheque / Bank Guarantee from a Commercial Bank meeting the Capital Adequacy Norms and not placed under Prompt Corrective Action (PCA) framework by Reserve Bank of India (RBI), for 3% of the order value. However, Nationalized Commercial Banks are exempted from meeting the criteria of Capital Adequacy and PCA norms imposed by RBI. SD shall be included in all tenders where EMD is sought or other tenders wherever required. This condition shall be specifically mentioned in terms and conditions wherever applicable. The SD shall be included while procuring Capital items and other items where BDL wants to enforce performance of the bidder, which is also called as performance guarantee.

8.19 RISK AND EXPENSE PURCHASE:

8.19.1 RISK & EXPENSE PURCHASE:

Risk and expense purchase clause may be included in the NIT and the contract, if considered necessary. Risk and Expense purchase is undertaken by the purchaser in the event of the supplier failing to honor the contracted obligations within the stipulated period and where extension of delivery period is not approved. While initiating risk purchase at the cost and expense of the supplier, the purchaser must satisfy himself that the supplier has failed to deliver and has been given adequate and proper notice to discharge his obligations.

Whenever risk purchase is resorted to, the supplier is liable to pay the additional amount spent by BDL, if any, in procuring the said contracted goods / services through a fresh contract, i.e. the defaulting supplier has to bear the excess cost incurred as compared with the amount contracted with him. Factors like method of recovering such amount should also be considered while taking a decision to invoke the provision for risk purchase.

8.19.2 ALTERNATIVE REMEDIES TO RISK & EXPENSE PURCHASE CLAUSE:

In case of foreign contracts, risk and expense clause is generally not applicable.

The other remedies available to the purchaser in the absence of the Risk and Expense Clause are as follows:

- a) Deduct the quantitative cost of discrepancy from any of the outstanding payments of the supplier.
- b) Avoid issue of further NITs to the firm till resolution of the discrepancy.
- c) Bring up the issue of discrepancy in all meetings with the representative of supplier.
- d) Obtain adequate Bank Guarantee to cover such risks.
- e) Bank Guarantee in the form of SD by way of **Insurance Surety Bonds** / Online Payment / Demand Draft / Bankers Cheque for the contract value of Rs. 5 lakhs and above. If user / indenter envisages the necessity, it can be obtained for amount less than Rs.5 lakhs.
- f) In case of foreign contracts, finally approach the Government of the Supplier's country through the Ministry of Defence, if needed.



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8.20 TIME SCHEDULE:

8.20.1 GLOBAL / OPEN TENDERS:

A period of 50 days from the date of issue of NIT is to be allowed for submission of quotations. The tenders should be kept open for sale just till one day prior to the last date of tender submission. The quotations shall have a minimum validity period of 90 days from the due date for submission.

8.20.2 TENDERS OTHER THAN GLOBAL / OPEN TENDER:

For manual and e-tendering

Duration of submission of bid from the date of publishing of tender to last date of submission of bids shall be allowed as detailed below:

Global tenders 35 days.

Open tenders 28 days.

Limited tenders 10 days, if all the bidders are registered in e-procurement portal and are mapped by IMM executive while publishing the tender else 15 days.

Single tenders: Sufficient for the bidder to respond.

Where, because of urgency, the Head of the IMM Department proposed to contact only one source, or to give a notice of less than the duration that of regular due date duration the IMM department shall obtain approval from the Divisional Head. The reasons for the urgency and for selecting a particular source and reduction in due date is to be recorded.

If required, the duration may be increased accordingly. The tenders should be kept open for downloading the documents just a day prior to the tender due date.

8.20.3 BID MODIFICATION:

Bidders are allowed to submit multiple bids before due date and last submitted bid shall be considered as final in manual mode. In case of e-procurement bidder is allowed to withdraw the bid and resubmit again before due date.

8.21 RE-TENDERING:

Re-tendering is not to be resorted to in the normal course. However, re-tendering shall be considered in the following exceptional cases:

- a) When the prices quoted are considered very high / very low.
- b) When it is suspected that cartel exists.
- c) Changes in the basic specification have been introduced after receipt of tenders.
- d) None of the offers meets the required specifications.
- e) Firms withdraw the offers or do not agree for extension of validity after opening the price bids when it becomes necessary.
- f) When the L1 Bidder backs out. In such cases, the L1 bidder is not considered while re-tendering. In case of Global / Open tenders, their tender shall be disqualified at the initial stage itself.
- g) If the bidder, whose bid has been found to be the lowest evaluated bid withdraws



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or

whose bid has been accepted, fails to sign the procurement Contract as may be required, or fails to provide the security as may be required for the performance of the contract or otherwise withdraws from the procurement Process, the Procuring Entity shall re-tender the case.

Approval of the CFA has to be obtained with proper & adequate justification to discharge the tenders without awarding to any bidder. Specific approval of the CFA is once again to be obtained for re-tendering.

8.22 SINGLE OFFER:

ACTION TO BE TAKEN IN RESULTANT SINGLE OFFER SITUATIONS:

There can be cases when only a single quote or a single acceptable quote is received against Limited / Open tenders. This situation may arise in single bid tendering as well as in two-bid tendering before or after technical evaluation.

Such cases are referred to a review committee constituted for this purpose, if recommended by CFA. The committee recommends for further course of action.

In these cases the approval shall be accorded by a level above CFA. However if CFA is CMD, approval in such cases shall be accorded by CMD.

8.23 INTEGRITY PACT (IP):

All the bidders, wherever the estimated procurement cost exceeds the threshold value, are required to enter into an IP agreement with BDL, which shall be specified in the tender document. The threshold values are decided by the management from time to time. The present threshold values are placed at Annexure - XXI.

8.24 PROCUREMENT THROUGH IMPORT:

Occasions may arise for importing production items and plant and machinery contacting foreign sources through a tender. The following requirements are to be complied with for placement of PO.

- a) Normal tendering procedure to be followed wherever possible.
- b) If the required items fall under "Restricted" or "Negative" list import licence to be obtained from Director General of Foreign Trade.
- c) PR with the sanction of competent authority as per DoP.
- d) As far as possible quotation should be directly obtained from foreign sources. In the absence of response from foreign sources quotation from Indian representatives on be-half of their foreign principals can be entertained. However PO should be directly placed on the foreign source and no agency commission should be paid to the Indian representative. This procedure is subject to the guidelines from the Ministry from time to time.
- e) Order is placed and after concurrence is forwarded by fax / mail along with a ink signed copy by courier.



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- f) Order acknowledgement is received from the vendor.
- g) On request from the vendor along with copies of PO, order acceptance is forwarded to bank through finance for opening of LC. In case of sight draft the information from cargo agent is shall also to be sent to the bank for release of documents.
- h) Ensure the terms of payment and price: accordingly select freight agent, mode of transportation, freight charges, insurance, payment terms and bank charges.

8.25 NON-DISCLOSURE OF CONTRACTUAL DOCUMENTS-INFORMATION:

Non-disclosure agreement shall be entered into wherever required. Such requirement is included in tender document upfront. The agreement shall be obtained along with bids or at the time of placement of order. NDA format placed at Annexure-XIX.

8.25.1 NON-DISCLOSURE OF SPECIFICATIONS ETC.:

Except with the written consent of BDL, the Seller shall not disclose the contract or any provision, specification, plan, drawing, pattern, sample or information thereof, to any person, other than a person employed by the seller for executing the contract.

8.25.2 DISCLOSURE IN CONFIDENCE:

Any disclosure to any person permitted under the above clause shall be made in confidence and shall extend only so far as may be necessary for the purposes of contract.

8.25.3 NON-DISCLOSURE OF INFORMATION GIVEN BY BDL:

Except with the written consent of the BDL, the Seller shall not make use of any information supplied by the BDL for purposes of the seller. Any specifications or other details mentioned in above clause are for the purpose of manufacturing the articles and the Seller shall not use any such information to make any similar article or part thereof for any other purpose.

8.26 DEVIATION IN TENDERING PROCESS:

The tendering process shall be followed strictly as per the manual and guidelines issued from time to time. Any deviation to the process the CFA shall be one grade above the level specified in the manual or DoP. However if CMD is CFA the deviation shall also be granted by CMD on recommendations of D(F).

8.27 TERMS AND CONDITIONS IN THE TENDER:

General terms and conditions issued by CC shall be included in the tender. Special requirements to suite the item being procured / service being acquired shall be included in the tender. Any other terms felt necessary shall be indicated upfront in the tender document.

8.28 Duration for accepting the grievance should be kept as 10 days. Any query beyond 10days after publishing technical bid results will not be considered. The technical evaluation committee will give reply to the aggrieved bidders within 20 days from the date of receipt of query / complaint.

8.29 The name and designation of the person to be contacted for technical clarification is to be provided in NIT & clarification sought shall be provided in writing through letter/email by the concerned.



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8.30 SoP on Government e-Market (GeM)

1 Introduction

GeM stands for Government e-Market place. GeM is independent of normal procurement procedures laid down in IMM Manual-2023. GeM is an end to end on-line procurement portal and not a tender publishing portal.

The use of GeM Portal for Sale / Purchase of Goods / Services and the resulting Contracts shall be governed by the following General Terms and Conditions (GTC) (unless otherwise superseded by Product / Service specific Special Terms and Conditions (STC), Product / Track / Domain Specific STC of Particular Service including its SLA (Service Level Agreement) and BID/Reverse Auction Specific Additional Terms and Conditions (ATC) as applicable). Before commencing the GeM tender process, Indentor & Buyer need to study the GTC, STC and SLA for necessary alteration required in the bid. The required alterations may be add in ATC text message for superseding GTC/STC, approval shall be taken accordingly.

GeM terms and conditions and amendments are applicable and not that of normal procurement process as formulated in IMM Manual. Corporate Commercial will issue the necessary amendments to Tender Enquiry in line with GeM procedures as and when required. Any issues/problems encountered in the procurement process, GeM Helpdesk may be contacted by raising a ticket and the correspondence done may be brought into the file.

1.1 Replacement of DGS & D by GeM

GeM replaces the name of erstwhile DGSD (Directorate General of Supplies Disposals) mentioned in the IMM Manual. The IMM's have to adopt normal IMM procurement procedure for the items not available in GeM by giving a proof of search in the GeM website.

1.2 Mandatory Compliance by IMM, Civil, CPED etc.

Procurement of goods and services which are general in nature shall be procured through GeM only. If any deviation in the above, the concerned Divisional Head has to certify the same with proper reasons / justification in the attached format at Annexure-I. The approval of such items, whose estimated value is more than Rs.5.00 Lakhs is to be obtained from Functional director.

1.3 GeM Portal

Government e-Market Place (GeM) website: www.gem.gov.in

2 Purchasing Groups in BDL to purchase through GeM

All IMM's, Civil departments, CPED & other authorized buyers are identified to make procurements of goods and services through GeM.

3 Registration Process in GeM

PRIMARY USER



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The primary user for registration in e-Government Market place is Addl. General Manager (Head-CC).

The role of primary user in GeM is to create secondary users for the organization i.e., IMM/Buyer, Consignee, Paying Authority, Indentor, Technical Evaluator.

- a) IMM / Buyer: Divisional IMM Representative / Procuring officer
- b) Consignee: Divisional IMM Rep. / Stores Representative
- c) Paying Authority: Div. Finance Representatives/ DGM (Fin) CPRD
- d) Indentor: User of the department
- e) Technical Evaluator: Any Officer / Officers nominated for technical evaluation.

The primary user cannot perform buying function on the portal.

The User ID and password of the secondary user will be sent to the respective individual's mail and mobile number once added by the primary user.

The primary user can authorize the secondary user to perform the procurement activities of the organization.

SECONDARY USER

- i. Aadhaar number is must for secondary users to e-sign all the documents online.
- ii. The user can monitor various purchase activities in GeM portal.
- iii. Different types of roles are performed by secondary users in GeM portal:

IMM/Buyer: IMM/Buyer will select the item for purchase and will place the order on behalf of the organization. Buyer will coordinate with divisional Finance / CPRD for transfer of funds to GPA. Buyer shall create draft bill after acceptance of the product / service. The same information (GeM Contract no., SAP PO/SO no, service entry no. / GL number) shall be informed to Paying Authority through mail for payment / uploading UTR details in GeM in offline method of payments.

Consignee: Consignee will receive the item and will generate the Provisional Receipt Certificate [PRC] and Consignee Receipt and Acceptance Certificate [CRAC].

Paying Authority: Paying Authority will make the payment to supplier/vendor.

Payment to all GeM procurements is through GPA (GeM Pool Account) with ICICI Bank (Service Provider Bank integrated with GeM) from 01.07.2020. However, purchases made before 01.07.2020 are facilitated to use payment method opted before placing the Purchase order. If GeM module allows the off-line GPA payments, buyers may opt the same up to Rs 10Lakh.

Indentor: The Indentor will be able to search for products/services in the marketplace and add the product/service to the cart. It is not possible for an Indentor to proceed to check out or



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create an order further. After carting, the Indentor will transfer the ownership of the demand to a Buyer. Additional information like warranty period, delivery period, Scope of Work, Inspection requirements, eligibility criteria, certificates requirement, Quality and Cost

Technical Evaluator: Officer of the division, who will be solely responsible to evaluate the bid technically. If technical evaluator is not nominated, Indentor is Technical Evaluator (online or off-line).

4 GeM Pool Account

BDL will hold a bank account opened, operated and controlled for payments through GeM Pool Account (GPA) with a registered Bank integrated with GeM Process. BDL entered an MOU with ICICI Bank in accordance with GeM T&C. to act as Service provider for payments through GPA. The payments to the suppliers would be made from the GeM pool account post successful supply and acceptance of goods and services on GeM Portal.

5 Types of Purchase in GeM

The IMM Department based on estimated price, will adopt the appropriate procedure among the following.

- a. Direct Purchase: For Purchase price with PR Value upto Rs.25,000/- through any available L1 supplier (who are willing to supply to the consignee location / state) on the GeM, meeting the requisite quality, specification and delivery period. . Process of comparison of price is not required (refer GFR rule 149). Procuring authorities have to certify the reasonability of rate.
- b. L1 Purchase: For Purchase Price with PR Value between Rs. 25,001 to Rs.5,00,000 through the GeM Seller having L1 amongst all available sources by comparing with at least three different OEMs on GeM , meeting the requisite quality specification and delivery period.
- c. Bid / Reverse Auction (RA) (Optional): For Purchase Price with PR Value from Rs 5,00,001 to Rs 30 Lakhs.
- d. Reverse Auction (RA) (Mandatory): For Purchase Price with PR Value above Rs 30Lakh, Bid/ Reverse auction is mandatory. Tender advertisement in newspapers is not required.

6 Procedure to make purchase on GeM:

- a. Items proposed to be purchased through GeM shall be readily market available /standard items. If the item is to be procured based on custom specifications, Project items, normal procurement process is to be followed.
- b. The Indentor has to access to GeM portal with the help of IMM/Buyer. The IMM/Buyer shall judiciously search for the desired products and services after selecting 'Category', 'Consignee Location' 'Quantity' applying the available filters under 'BID / RA' or 'PAC' (Proprietary Article Certificate) options and entering 'Product Specifications' available, selects the most suitable among them, compares their prices and uses the L1 price +10% for taking approval depending upon the type of purchase . The comparison sheet becomes a document proof for future use, hence it is stored and saved on the GeM System and hard copy of the same should be placed in routing file. Except in Direct Purchase Method, Vendor details will be known to the IMM/



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Buyer after the outcome of BID/RA activity which enables to create a Temporary Vendor code for creation of DPO in SAP.

- c. GPA fund block to be done before adding item to the cart. After item is identified by IMM/Buyer along with the Indentor, GPA fund transfer to be done as per purchase methods.

In case of Direct Purchase method, exact amount as per the item selected in Direct Purchase to be transferred and the same will be initiated by IMM/Buyer while taking PR approval.

In case of other purchases, GPA fund transfer to be done after L1 is identified and prior to DPO approvals. However, the fund transferred for the subject PO will be blocked while creating PO in GeM.

- d. In Direct purchase method, for procurement of goods and services upto Rs. 25000, IMM/Buyer will select the product on GeM without selecting 'Bid/RA' option, add the item to the cart under 'Direct Purchase' option and take a print of it, CST of minimum 3 OEMs and raise the demand in GeM portal. CFA approval shall be sought for raised demand along with PR. Subsequently after CFA approval, contract is raised in GeM portal by uploading CFA note approval under Direct Purchase option. Later BDL PO is made for regularization in SAP and sent for Finance Concurrence along with GeM contract copy. After the item is delivered, payment may be done as per procedure laid down.

In case of Direct Purchase, during carting period, rates for carted quantity, for that IMM/Buyer, are frozen for carting period as notified from time to time on GeM against any upward revision by seller. However, advantage of any downward revision in the offer price of carted item shall be automatically provided to the IMM/Buyer.

- e. In L1 Purchase method, for procurement of goods and services above Rs.25,000 and upto Rs. 5,00,000, the IMM/Buyer shall judiciously search for the desired products and services after selecting 'Category ' 'Consignee Location' 'Quantity' applying the available filters under 'BID/RA' or 'PAC' (Proprietary Article Certificate) options and entering 'Product Specifications' available, selects the most suitable among them. IMM/Buyer should take the L1 product suggested by GeM and compare the product with at least 3 other OEMs meeting the requisite quality specification and delivery period. DPO may be prepared with temporary vendor codes created by Corporate Commercial for GeM purpose, CFA approval may be taken by attaching the comparison sheet for the reasonability of the L1 price whether to use online tools such as e-bidding, reverse auction or to create a Purchase requisition. If L1 price approved by CFA, IMM/Buyer can place the purchase order on L1 priced product on Direct Purchase method.

Else CFA can direct IMM/Buyer to use online tools such as e-bidding, reverse auction or to create a Purchase requisition using the lowest priced product and request further reduction of prices offered by the sellers. This may enable the IMM/Buyer to ensure that the procurement is done at a further reduced price thereby resulting further savings. The method of Purchase requisition published by IMM/Buyer will be valid for two calendar days to create an opportunity for the interested vendors to participate and win the order. After the end of two days, if there is an offer less than L1 priced product, IMM/Buyer can place the order else can continue with placing the order on L1 product. IMM/Buyer can also use the normal Bid/RA facility available on GeM.

- f. For procurement of goods and services above Rs. 5,00,000, PR is to be raised by IMM/Buyer after judiciously searching for the desired products and services by selecting 'Category



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‘Consignee Location’ ‘Quantity’, applying the available filters under ‘BID/RA’ or ‘PAC’ options and entering warranty ,technical parameters available, thus selects the most suitable among them and adds to the cart. After PR approval, the e-Bidding / RA document will be finalized by the IMM/Buyer(s) by stipulating requirements such as Quantity, Consignee Details, Terms of Delivery, Delivery Period, EMD, Performance Bank Guarantee, Time and Date for Start and End of Bid Submission and for Opening of Bids and required Bid Validity period etc. GeM system shall decide Start /Reference Price and Step Value of Decrement in case of RA based on product selection and/or outcome of bidding process. If required IMM/Buyer may ask CFA to constitute a committee while taking PR approval, to study technical bids.

- g. Bid Security (EMD) should range between one percent to five percent of the estimated value of goods to be procured. There shall be no Bid Security for Bids / RA having estimated value less than INR 5 lakh. For bids / RA having estimated value more than INR 5Lakh, while finalizing e-Bid / RA, Buyer shall indicate the exact amount of Bid Security required to be submitted by bidders. Scanned copy of the same shall be uploaded by Seller in the online bid and hard copy of the same will have to be submitted directly to the Buyer within 5 days of bid opening, failing which the bid may be treated as incomplete & may lead to rejection of the bid by buyer without making any reference to the seller.

Following categories of Sellers shall however, be exempted from furnishing Bid Security:

- i. Micro and Small Enterprises who are manufacturer of the Primary Product Category or Service Provider of the Primary Service Category and give specific confirmation to this effect at the time of bid submission and whose credentials are validated online through Udyam Registration and through uploaded supporting documents.
- ii. Start-ups as recognized by Department of Industrial Policy and Promotion (DIPP).

Bid Security submitted by the bidder shall be forfeited, if the bidder:

- a) Withdraws or modify or impairs or derogates from the bid in any respect within the period of validity of its bid; or
 - b) If it comes to notice that the information / documents furnished in its bid is false, misleading or forged; or
 - c) Fails to furnish requisite performance security within stipulated time required as per e-bid / RA conditions.
- h. Performance Security should be for an amount of five to ten percent (3% preferable for the period as mentioned by Ministry) of the value of the contract as specified in the bid documents (GFR Rule 171). There shall be no Performance security for estimated bid value up to INR 5Lakh. In case of contracts placed following e-Bidding / RA, Performance Security valid for 2 months beyond the date of completion of all contractual obligations including warrantee obligations, will be obtained from the successful Bidder, for ensuring due performance of the contract.
- i. If the bid in GeM ends with less than 3 bids, buyer shall upload CFA approval copy.
 - j. If the bid in GeM ends with no participation from vendors, IMM /Buyer may put up to CFA for further process.
 - k. Repeat Order is not possible on GeM portal. However, option clause for 25% / 50% may be added in ATC.



7 Guidelines for preparing bid

- a. Tools have been deployed on GeM portal to show the price of compared products on other e-commerce sites (wherever available) and also the rates at which orders have been placed on GeM for such items in recent past. While taking decision on reasonableness of price, the IMM/Buyers may also take into account the discount over MRP; Last Purchase Price on GeM, Department's own Last Purchase Price; rates on other e-commerce websites etc. The prices on e-commerce site give a broad idea and its terms and conditions may be different. If it is found that the price available on GeM marketplace is not reasonable or is substantially higher than ecommerce sites or LPP, the GeM Portal provides tools for online bidding or reverse auction which can be used by the IMM/Buyers to get better competitive rates and then satisfy themselves about reasonableness of the price. Bidding should be considered as the preferred mode of procurement above Rs. 25,000/-.
- b. Buyers can select bid duration between 10 to 21 days. Defence Buyer has an option to select bid duration for 2 days as per their special requirement. In this case EMD can't be requested. Note: GeM does not permit collection of Tender fee / Auction fee in case of Bids / Forward Auction as the case may be.
- c. The Seller's price on the Portal is just their offer prices and the proper discovery of price generally happens through bidding/RA.
- d. Bid Life Cycle: Bid Life Cycle is the period within which a IMM/Buyer has to complete the entire life cycle i.e, technical evaluation, financial evaluation and order creation of Bid process. By default, it is 90 days from the date of Bid publication.
- e. The e-Bidding / RA invitation / Notice shall be published on GEM, stipulating the last date for bid submission / opening of bids giving at least clear 10 days time after the publication. Any change in last date for bid submission will be intimated to eligible bidders through e-mail/ GeM.
- f. The bid submitted under e-Bidding / RA shall remain valid for 15 days (or as stipulated by the IMM/Buyer in the bid document) from the Bid Opening Date (till 24.00 Hrs IST). Bid Validity can be further extended with mutual consent between IMM/Buyer and Seller subject to the condition that total Bid Life Cycle cannot go beyond the stipulated time limit.
- g. In bid documents, IMM/Buyers can incorporate suitable eligibility criteria and additional terms and conditions only using various filters and ATC module available in e-bidding / RA modules of GeM.

The General Terms and Conditions, Special Terms and Conditions and Additional Terms and Conditions provided by the platform shall address the general requirements for floating e-bids/ RA on GeM. The GeM platform shall provide buyers with the option to customize the bid as per their requirement by way of objective selections. The buyers can raise requirement for further customization of the bid terms and conditions in line with the standardized GeM catalog.

However, for inclusion of some clause which is considered absolutely necessary for that particular bid for reasons to be explained in detail, a provision for inclusion of additional conditions in the bid through corrigendum is available in Request Management System. Each such request has to be made only after due approval of the Competent Authority in IMM/Buyer Organization confirming that the request has been made with the approval of the Competent Authority.



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- h. IMM/Buyer may opt for Bid Splitting while creating the bid on GeM, clearly indicating the Bid Splitting ratio in which order will be split among L-1, L-2, L-3 etc as per ratio of splitting pre disclosed in the bid. After technical and financial evaluation, before splitting the quantity, it should be ensured by the IMM/Buyer that the L1 price is reasonable.
- i. Offer Prices on GeM shall be on all inclusive basis i.e. including all taxes, duties, local levies / transportation / loading or unloading charges etc. In the case of Bid / RA, complete break-up of the quoted price in the required price bid format shall be furnished by the Bidder, before award of contract.
- j. At the time of bid creation IMM/Buyer can now choose delivery period upto 180 days. IMM/ Buyers can now validate seller's credentials if they are eligible for exemption of EMD in technical evaluation.
- k. GeM marketplace allows using of local search for
5 PIN codes / states / districts in one go
Local Seller / Service Providers for Product / Services
- l. Goods Transport services can be hired in GeM. By giving the following details like Type of service, consignment /commodity, Vehicle category, Vehicle type, Trip type, Delivery period per trip, best prices can be acquired. Highest price among the quotes to be considered for draft approval.
- m. The Request Management can be used by the buyer to raise new requests to GeM SPV. The following requests can be raised through Request Management:
 - Request for Additional Terms & Conditions.
 - Request for changes to the existing item (Product/Services).
 - Request for creation of new Category.The GeM SPV would evaluate and process the request based on the following timelines
 - Addition of new Terms and conditions – 5 Working days.
 - Changes to the existing item (product/Service) – 15 Working days.
 - Creation of new Category – 30 working days
- n. Bunching / Bundling: Bunching is a process of buying multiple goods in a single order i.e. through a single seller whereas bundling is a similar process of buying goods along with related services. A significant portion of buying constitutes purchasing multiple goods / services together. The GeM platform shall allow bunching / bundling of multiple goods / services as per predefined categories where sellers selling these multiple goods / services are available. This shall help users reduce the need for multiple orders and shall result in prices that are more competitive.
- o. Proof of Non-availability of Sufficient Competition or Unsupported Good/Service: The GeM platform shall be a dynamic online marketplace with new categories of goods/services continuously being added. In situations where the product/service is not supported on the platform or there is insufficient competition, basic specifications input by the buyer including service shall be deemed not available for procurement on the GeM platform and the buyer shall be allowed to procure via the offline mode. In such situations, the buyer shall be allowed



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to download a report GeM Availability Report for the purpose of audit and shall allow the buyer to show verifiable proof for procuring outside the GeM platform.

8 Various Roles/Responsibilities explained through the procedure

IMM / Buyer (IMM Representative) role:

a. CFA approvals to be taken by the Buyer/IMM in the following situations:

- PR approval
- Opening of Price bids after technical evaluation of the bids giving the outcome of the Tech Report, if any deviation.
- Any deviation in the specification of the offered product.
- DPO approval for placement of 'Contract Order' (PO) in GeM.
- Payment method may be mentioned as GPA in DPO.
- At least 3 sellers have participated and offered products from at least 2 different OEMs to improve fair participation in Bid / RA.
- For additional Terms and Conditions w.r.t Bid

Any deviation from procedure as stated in GeM portal.

- b. The routing files should clearly be marked as "GeM Procurement:" GeM terms and conditions shall include in the Tender Enquiry / Draft PO. Approval to be taken for (i) item with the price (GeM price + 10 %) (ii) Type of purchase, while PR approval.
- c. The amount equal to the value of the item is to be transferred to GPA prior to placing of order. The IMM/Buyer has to coordinate with the Divisional Finance Representative for this requirement. The GPA fund for that particular PO requirement will get blocked once order is placed.
- d. On getting the approval, the IMM/Buyer will place an order on GeM (direct purchase or BID/ RA) by uploading the purchase note approval.
- e. On acceptance of the order by seller, the GeM will send the order details to IMM/Buyer. The seller is required to deliver the Goods/perform Services to consignee within stipulated delivery date. Deliveries of the seller (GeM Vendor) will be received by Consignee/Stores. In case of direct purchase, the items will be delivered as per delivery notified by the supplier on GeM for particular item. In case of Bid/RA, Delivery period will be as per stipulations made by the IMM/Buyer in the bid document.
- f. If the Seller fails to deliver any or all of the Goods/Services within the original/re-fixed Delivery/Time period(s) specified in the Contract, BDL reserves the right to deduct/recover from the seller, the Liquidated Damages for the delay, unless covered under Force Majeure conditions afore-said, @ 0.5% per week or part of the week of delayed period as pre-estimated damages not exceeding 10% of the contract value without any controversy/dispute of any sort whatsoever.
- g. After dispatch of the ordered Goods/performing ordered Services, the seller generates online signed Invoice on GeM portal.



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8.1 Consignee (Stores Representative) role:

- h. Once the Goods /Services are received, the IMM officer /Stores Representative identified as 'Consignee', to issue online e-signed Provisional Receipt Certificate (PRC) on GeM portal, indicating actual date of receipt of supplies. PRC to be generated immediately after delivery of goods. Con-signee/stores officer forward the goods to User/ Indentor and same will inform immediately (within 24 hrs) to User/ Indentor and IMM/Buyer. Information will be through intra-mail / IDN, SMS and phone call.

User/Indentor inspects the goods and provide the 3 copies of report to Stores / IMM/Buyer / Finance dept. GR in SAP will be prepared by Consignee.

- i. Subsequent to GR creation, Consignee exercises his right for inspection and Acceptance / Rejection and generates Consignee's Receipt Acceptance Certificate (CRAC) within 10 days of receipt of Goods or PRC creation, else supplied Goods are deemed as accepted for which GeM portal itself generates CRAC.
- j. No payment shall be made for rejected goods / services, if any, and the Seller would be liable to remove/lift back such rejected Goods within 10 days without any extra charge/cost to the IMM/Buyer / Consignee failing which suitable ground rent/warehousing charges would be payable by the IMM/Buyer/IMM has to study the GeM Terms and Conditions during the process for finalizing the Bid for Proprietary, e-bidding, Reverse Auction, EMD, Tender fee, Performance Bank Guarantee, Splitting of bids, terms of delivery, Delivery period, Liquidated damages etc.
- k. Seller to the IMM/Buyer/Consignee, under this Return Policy" of the GeM.

8.2 IMM/Buyer (IMM Representative) role:

- l. Consignee will issue 'Consignee's Receipt Acceptance Certificate', which will form the basis for payments to the Seller. Total 10 days' time after generation of CRAC has been prescribed for release of payment for accepted supplies against GeM contract.
- m. For accepted supplies, IMM/Buyer (IMM Representative) generates Bill Advice on GeM Portal. Bill processing by IMM/Buyer (within 2 days of generation of CRAC by consignee)
- n. IMM/Buyer will forward the bill to paying authority.
- o. Buyers can now impose additional deductions such as TDS, TDS under GST and any other applicable taxes at the time of bill creation. This activity to be performed by IMM/Buyer in consultation and directions from Divisional Finance. The deducted amounts shall be unblocked after completing the transactions of business with vendor.

8.3 Paying Authority (Finance Representative) role:

- p. Payment authority will login to process payment and can access
 - i. Financial Approval
 - ii. Sanction Order
 - iii. Contract
 - iv. Seller Invoice
 - v. PRC



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- vi. CRAC
- vii. IMM / Buyer Bill process
- viii. Order placement on GeM through GPA

Challan Process: The Challan process refers to the funding cycle from BDL account to GeM Pool Account. This process is an offline process of funding into GeM Pool Account. Once the estimated cost of procurement value is transferred through Challan from the BDL bank account to Gem Pool Account, GeM will verify online, the availability of funds from the bank. Once confirmed GeM would allow the IMM/Buyer to create an order. In case the balance in GPA is less than the amount mentioned in challan at order creation stage, GeM will not allow the IMM/Buyer to create an order. The consignment delivery would be initiated by the supplier as per the schedule of contract (The SLA for the contract starts from the date of contract successfully generated e-signed by the IMM/ Buyer).

Non-Challan Process: A Floating amount based on Procurement forecast is maintained in Pool account and multiple orders can be placed through GPA. No challan is generated as pool account is already funded.

BDL shall follow Challan Mode of payment through GPA for payments.

Paying authority will approve IMM/Buyer Bill Process and payment is made using GPA / Others (DD/CHEQUE/NEFT/RTGS) depending upon the prior approvals of the purchase.

On-line payments shall be made in INR as per following terms by the paying authority as stipulated in the Contract against the online bills submitted by the Seller.

Refer Annexure-A 'Procedures for payments for Goods/Services to Sellers/Service Providers in Government e- Marketplace (GeM)-by BDL as a non- PFMS Agencies/Entity (NPAE)

- q. The payment so released shall be credited to the Supplier's account within 24 hrs (excluding public holidays), by the Bank, SMS alerts shall be sent to the seller and IMM/Buyer after the payment is authorized by Paying authority and also after confirmation of the payment by the Bank.
- r. Closure of Transaction:
After satisfactory completion of all the obligations under the Contract, and after release of payments for the goods / services and posted in GeM, the transaction shall be treated as completed.
- s. All terms and conditions governed by GeM will supersede the general PO terms mentioned in IMM manual. GeM contract is final document for any issues.
- t. Integrity Pact: All tenders value around / above Rs 2Cr requires IP from all bidders as well as buyer.
- u. Termination for Default: If the Seller does not perform its obligations within the Delivery Period/ Date mentioned in the Contract, the same would constitute the breach of the Contract and the Buyer shall have the right to Cancel or withdraw the Contract for the unsupplied portion after the expiry of the original or re-fixed delivery date or period stipulated in the Contract. Such cancellation of contract on account of non - performance by the Seller would entitle the Buyer to forfeit the performance security besides other actions such as downgrading the Seller's rating or debarment from the GeM for specified period as decided by GeM on merits.



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9 Timelines at a glance for GeM Procurement Process (For reference)

Process	Action by	Deadline	Simultaneous SAP Activity
GPA Fund Block	(i)IMM/Buyer (IMM Officer) (ii) Paying Authority (Divisional Finance officer)	Before adding the item to the cart in GeM and placement of PO.	Vendor code, draft PO
Placing order	IMM/Buyer (IMM Officer)	-	On approval of Draft P.O. (SAP)
Supply	Seller	As per Contract (default is 15 days)	
Online e- signed Invoice	Seller	Seller generates immediately after de-livery of goods	
Provisional Receipt Certificate(PRC)	Consignee (Stores Officer) Incident may be raised by MM officer for any shortage of qty, documents, data sheets etc.	Immediately upon receipt of goods Within 48 hours of delivery at consignee end	GR/SES in SAP after PRC creation
Consignee Receipt Acceptance Certificate (CRAC)	Consignee (Stores Officer) after QC clearance.	Within 10 days from delivery of goods. On the 11th day the system auto generates a CRAC if not acted upon by the consignee	
Bill Advice (Payment Advice)	IMM/Buyer (IMM Officer)	Within 2 days of CRAC generation	
Payment	Paying Authority (Divisional Finance officer)	Within 10 days of CRAC generation. This has to be adhered strictly.	
Upload payment details	Paying Authority (Divisional Finance officer)	Same day / next working day	



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Annexure-I

CERTIFICATE FOR TENDERING THROUGH NORMAL PROCEDURE

Subject: Procurement of _____ for _____

Type of Item: Production / Non-Production.

Category of Item: Capital / Revenue.

PR No: _____, **Dated:** _____.

This is to certify that the stores / Services requested are required to procure through normal Tendering due to:

1. Item is not available in GeM with the same specifications and can't wait for 'New category' inclusion in GeM portal.
2. Item is having special characteristics of Design, performance compatibility and required to incorporate a lot of technical parameters after prebid meeting.
3. The complex price format could not be incorporate in GeM.
4. In single tender, OEM is not willing to board in GeM portal.
5. Any other Reasons _____.

Indenter's Sign:

Name:

Designation:

Through Head of the Dept.

Sign. of Head of the Division.



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Annexure-A

Subject: Procedures for payments for Goods / Services to Sellers / Service Providers in Government e- Marketplace (GeM)- by BDL as a non- PFMS Agencies/ Entity (NPAE)-- reg.

The following procedures are prescribed for making payments to the Sellers /Service Providers in GeM which shall be complied and adhered to by all concerned for different type of contracts such as

- a) Supply of Goods& Services
 - b) Supply, Installation, Testing and Commissioning of Goods
 - c) Supply, Installation, Testing, Commissioning of Goods and Training of operators and providing Statutory Clearances required (if any)
2. In respect of contracts for Supply of Goods, 100% payment including GST should be made after receipt and acceptance of Goods and generation of “Goods CRAC” (Consignee Receipt and Acceptance Certificate) subject to recoveries, if any, either on account of short supply and Liquidated Damages etc. for delay in supply.
 3. In respect of contracts for Services, payment should be made as per periodicity defined in the contract i.e. Monthly, Quarterly or any other pre-defined payment periodicity. 100% payment including GST for the particular payment cycle should be made after receipt and acceptance of the Services and generation of “Service CRAC” (Consignee Receipt and Acceptance Certificate) subject to recoveries, if any, either on account of short supply, SLA (Service Level. Agreement) deviations and Liquidated Damages for delay in supply etc.
 4. In respect of contracts for Supply, Installation, Testing, Commissioning of Goods and Training of operators etc. the complete cost break-up indicating Basic price, GST, Installation and commissioning charges, Incidental Services, training etc. is to be indicated separately in the bid. In order to cater to installation intensive products, the different configurable payment terms will have to be incorporated in GeM functionalities (depending upon the quantum of installation and turnkey work required).
 - (a) **First Milestone - On delivery of goods:** 80 to 90% payment (lower initial payment if installation scope is very extensive) of the basic price of Goods along with 100% GST on the Goods Price but excluding installation, testing and commissioning and other charges should be paid after receipt Goods and generation of “Delivery CRAC for initial payment”. This will be issued after physical verification of quantity only but without commitment about quality or functionalities etc. which would be verified after installation / commissioning etc. While creating the bid, Buyer shall have functionality to define the percentage of payment linked with delivery of Goods.
 - (b) **Second Milestone - On Acceptance after installation, testing and commissioning :** Balance 10 % to 20% payment of the basic price of Goods and 100% charges for installation, testing and commissioning and other charges along with GST on these charges should be paid after installation and final Acceptance of Goods and generation of “Installation CRAC” to be issued by the End User / Consignee. Recoveries, if any, either on account of short supply and Liquidated Damages etc. for delay in supply and / or installation etc. shall be made from



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the payment due under this milestone. While creating the bid, Buyer shall have functionality to define the deliverables in this milestone and the percentage of payment linked with this milestone.

(c) Third (and subsequent) milestones - Payment of Incidental Costs:100% Payment related to Incidental costs at consignee site towards Incidental Services (such as providing training, or other work / service as per scope defined in the contract), to be paid on submission of “Final CRAC” by the End User / Consignee. While creating the bid, Buyer shall have functionality to define the deliverables in this milestone. In exceptional cases, Buyer may choose to split this milestone as required.

5. In case of contracts for Supply, Installation, Testing, Commissioning of Goods bundled with one or more Services such as Comprehensive Maintenance, Human Resource hiring for pre-defined time periods etc., the payments for Goods shall be governed by Para 4 above while payment for Services shall be Governed as per Para 3 above.
6. In case of Milestone Based Payments, separate timelines / delivery periods for each milestone will be provided. In case of supply and installation contracts, the delivery period may be specified by filling up the blanks as under:
 - a) **First Milestone - For delivery of goods at site:** ----- days/ months from date of issue of contract with provision for staggered / multiple delivery period for same consignee.
 - b) **Second milestone - Installation, Testing and Commissioning etc. of goods:** days / months from the date of handing over of site complete in all respect as per contract.
 - c) **Third (and subsequent) milestones - Incidental Services etc.:** --- days after installation and commissioning.
7. **Payments for Non- PFMS Agencies/ Entities (NPAE)- BDL:**
 - i) BDL as a NPAE, is directed to open, operationalize and operate a GeM Pool Account (GPA) for all procurement. GPA is a special purpose bank account (interest bearing savings/current Account) opened, operated and controlled exclusively by each NPAE. GeM Pool Account shall be mandatory for all procurement irrespective of value.
 - ii) The following are the core elements of GPA that should be incorporated during the opening and operations / procurement stages:
 - a) The NPAE will open the GPA (as a savings or current account) which will be utilized by buyer through the online integration of Bank with the platform owned and maintained by GeM SPV, as per Service Level Agreement (SLA), and solely for procurement of goods and services on GeM.
 - b) The terms and conditions of procurement on GeM will be part of the operations agreement between the bank and the NPAE.
 - c) The role of the bank will be limited to ensuring operations of the account on the instruction of the NPAE through the authorized NPAE nodal officer for GeM/ buyer.
 - d) Real time details of all operations of the account will be shared by the bank, in a mutually accepted format (to be amended from time to time) with the NPAE, only through the GeM Platform.



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- e) Once a sub-account/ transaction specific account is credited with an amount, the NPAE cannot withdraw this amount, apart from transfer to the designated Seller/Service Provider, till such a time that the transaction is live.
- f) Any withdrawal/transfer by the NPAE from this account, except for payment to the Seller / Service Provider, would be permitted in the following conditions.
 - Order cancellation
 - Order rejection
 - Refund

All the above situations would first be required to be enabled/ flagged on the GeM Platform for the NPAE to be able to act accordingly.

- iii) While procuring goods & services through GeM, the NPAEs should credit 100% of the projected Contract Value in case of Goods Contract in their GeM Pool Account before award of contract. In cases of Services, amount should be credited for one payment cycle as defined in the contract and before releasing payment for any cycle, the funds required for the next payment cycle should be credited so as to ensure availability of payable funds for the next payment cycle. Payment so credited will not be withdrawn for any other purpose other than the one for which the amount is credited into GeM Pool Account.
- iv) Provisional Receipt of Stores on GeM:
 - a) On dispatch of Goods, the Seller would enter the Dispatch Details and date of Dispatch and will upload documentary evidence of Dispatch against each consignment on GeM Portal. All these documents and details shall be shown to the Consignee on his dashboard and shall also be notified to the consignee on his e-mail and on his registered mobile number.
 - b) The Seller shall prepare an electronic Invoice, digitally/e-signed, on GeM portal and shall submit the same on-line to the Buyer. GeM portal will send an SMS/ email alert to the Buyer, on submission of Invoice. This Invoice will contain mode of dispatch of goods, is patched / delivered quantity with date and all inclusive price claimed based on digitally/e-signed Contract. In case Services are procured, the required data as per Contract may be incorporated in the Invoice.
 - c) After actual delivery of goods at consignee destination / milestone achievement (such as completion of installation / commissioning or training etc. as defined in the contract)/ service delivery, Seller would enter the actual date of delivery / milestone achievement / Service Log-sheet (as applicable) and will upload documentary evidence for the same duly digitally signed / e-signed. All these documents and details shall be shown to the Consignee on his dashboard and shall also be notified to the consignee on his e-mail and on his registered mobile number. In case of Services Contracts, the Service Provider will fill up the required data as per the contract (such as log sheets and /or Invoice etc duly digitally signed / e- signed).
 - d) Immediately upon above entry by Seller / Service Provider regarding delivery of goods/ milestone achievement/ service delivery, an alert will be flashed on the Dashboard of the consignee and an email and an SMS Alert will be sent to Consignee informing that consignee has to mandatorily acknowledge receipt of stores / milestone achievement



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/ service delivery through generation of PRC on GeM. The Buyer/Consignee should receive the Goods/Services and issues an online Provisional Receipt Certificate (PRC), within 48 hours, on 'said to contain basis' on the GeM portal with his/her digital signature / e-sign, mentioning the date of Receipt. (From this date of receipt mentioned in PRC, the period of ten (10) days for consignee's/buyer's right of rejection and return policy would be applicable unless otherwise specified in a particular contract)

- e) In case the consignee does not issue PRC within 48 hrs from entry of delivery of goods/ / milestone achievement/ service delivery by Seller/ Service Provider, an alert will be flashed on the dashboard of the consignee and an email and an SMS Alert will be sent to Consignee and Buyer informing that consignee has to mandatorily acknowledge receipt of stores/ milestone achievement / service delivery through generation of PRC on GeM.
- f) After expiry of 72 hrs. from the first alert, another alert will be flashed on the dashboard of the Consignee, Buyer including HoD and an email along -with an SMS Alert to Consignee , Buyer, HoD informing that consignee has to mandatorily acknowledge receipt of stores/ milestone achievement / service delivery through generation of PRC on GeM and if the time limit of 96 hrs expires from the date of delivery of goods/ milestone achievement/ service delivery as per entry made by Seller/ Service provider and if the consignee does not acknowledge receipt of stores/ milestone achievement / service delivery by generating PRC or disputes the same by rejecting receipt, it would be presumed that goods have been delivered/ milestone achievement / service delivery has been made to consignee and PRC will be auto generated by the system (Deemed PRC).
- g) However, if the consignee does not issue PRC within 96 hrs from delivery of goods/ milestone achievement/ service delivery as per entry made by Seller/ Service provider ,GeM System/Portal would auto generate unsigned PRC considering the date of delivery of goods/ milestone achievement / service delivery as indicated by the seller as deemed date of receipt for issuance of PRC. GeM portal shall also send periodic notifications every 24 hrs. to the Consignee, Buyer and the HoD about issuance of auto generated Deemed PRC for next 48 hrs.
- h) In case the PRC is auto-generated, the consignee shall have the provision on GeM to respond back within 48 hrs, if the goods have not been received or short received recommending to cancel or amend/correct the date of receipt / quantity in the auto-generated Deemed PRC. In case nothing is reported / corrected by consignee on the system, it will be presumed that the consignee has nothing to say and the auto-generated Deemed PRC will be considered as final for all purposes.
- i) If it is found at any stage that seller/ service provider has sent/ uploaded wrong information on GeM, based on which PRC has been wrongly auto generated , the seller/ service provider will be dealt severely and should be debarred by GeM for three years.
- v) **Consignee Receipt and Acceptance of Stores on GeM:**
After issue of PRC/ Deemed PRC, the system will start sending an alert on the Dashboard of the consignee and an email and an SMS Alert will be sent as per escalation matrix specified below to issue the CRAC within 10 days:
 - a) Level 1 - Upto 3 days — Consignee



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- b) Level 2 - 4 and 5th day - Consignee and Buyer
- c) Level 3 - 6 to 10th day - Consignee, Buyer, HOD

After verification including assessment of quality and quantity of goods /verification of completion of all deliverables defined in the milestone / completion of service for the defined period, the Consignee(s) will issue an on-line digitally / e-signed Consignee's Receipt & Acceptance Certificate (CRAC) (Goods CRAC/ Service CRAC / Delivery CRAC / Installation CRAC / Final CRAC as the case may be) (within 10 days (unless otherwise specified in a particular contract) of date of receipt indicated in PRC / deemed date of receipt as indicated in Deemed PRC. The CRAC would clearly indicate the Order quantity/ milestone achievement / service delivery, rejected quantity/ unacceptable milestone achievement /unacceptable service delivery (if any, with reasons for rejection including shortages/damaged/unaccepted quality), quantity / milestone achievement/ service delivery accepted and cleared for payment. However, if the consignee does not issue CRAC within 10 days (unless some other time line is specified in a particular contract for issue of CRAC), on 11th day from the date of receipt / deemed date of receipt of quantity/ milestone achievement / service delivery as indicated in PRC, GeM System/Portal would auto generate unsigned CRAC which, backed with digitally/ e-signed PRC or deemed PRC based on Seller Evidence for the corresponding quantity/ milestone achievement / service delivery shall be taken as deemed acceptance for payments in lieu of the requirement of digitally/e-signed CRAC. This will be made available on GeM to the Buyer/ Seller and also the concerned DDO (if applicable) and PAO/Paying Authority. The GeM portal would generate a unique serial number for CRAC relating to concerned DDO (if applicable) & PAO/Paying Authority, so that the payments are made seriatim.

In case the CRAC is auto-generated, the consignee shall have the provision on GeM to cancel or amend the auto-generated CRAC within 72 hrs, if the goods have not been accepted or found defective / short received. In case nothing is corrected by consignee on the system, it will be presumed that the consignee has nothing to say and the auto-generated CRAC will be considered as final for all purposes including payments.

- vi) After issue of CRAC, NPAE Nodal Officer shall issue an advice without delay to the bank to release actual amount payable to Seller / Service Provider as per terms of contract from the GeM Pool Account. On authorization, the bank should transfer the prescribed amount to the Seller/Service Provider supplier mapped in the transaction.
- vii) In case of a Service level agreement (SLA) breach on the part of the NPAE in terms of payments to the Seller/Service Provider, GeM will intimate the buyer and bank of the same. Post such intimation, and non-action on the part of the NPAE with respect to payment transfer, bank will release payments for the delivery of goods at consignee destination / milestone achievement (such as completion of installation / commissioning or training etc. as defined in the contract) / service delivery as notified in the terms and conditions of procurement on GeM to the Seller/Service Provider mapped in the transaction. Such a provision is required to be incorporated in GPA and should be considered as a standing instruction from the NPAE to the bank. The residual amount cannot be withdrawn/ transferred by the NPAE, in such cases.
- viii) In case, even after 10 days of issue of Consignee receipt and acceptance certificate (CRAC)/ auto generated CRAC , the buyer has not initiated the payment process through the GeM



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platform, a payment trigger will be automatically generated for payment equivalent to 80% of the corresponding quantity/ milestone achievement / service delivery deduced by the system as per CRAC. Simultaneously intimation will be sent to the HoD, buyer and NPAE Nodal officer for GeM, regarding the release of payment, at their risk and cost in line with the terms and condition (T&C) and SLA of procurement on GeM. The residual payment of 20% is to be processed by the buyer within 35 days after adjusting for any statutory deduction (TDS, TDS on GST etc.) and damages, failing which after 35 days, the same will be buyersreleased to the Seller/Service Provider automatically through an alert to the bank by the GeM Platform, after statutory deductions and any system know deductions.

- ix) Unutilized funds after closure of the Contract and interest accrued on the credited amount will be at the disposal of nominated NPAE Nodal officer, who may advise banker for further action as deemed fit.



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8.31: PREFERENCE TO MAKE IN INDIA.

The Government of India to encourage 'Make in India' and promote manufacturing and production of goods and services in India with a view to enhancing income and employment, and procurement by BDL is substantial in amount and can contribute towards this policy objective , and local content can be increased through partnerships, cooperation with local companies, establishing production units in India or Joint Ventures (JV) with Indian suppliers, increasing the participation of local employees in services and training them,

1. This Order is issued by MoD pursuant to Rule 153 (iii) of the General Financial Rules 2017 and for compliance.

2. Definitions: For the purposes of this Order:

'Local content ' means the amount of value added in India which shall, unless otherwise prescribed by the MoD4 , be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value, in percent.

'Class-I local supplier ' means a supplier or service provider, whose goods, services or works offered for procurement, has local content equal to or more than 50%, as defined under this Order.

'Class-II local supplier ' means a supplier or service provider, whose goods, services or works offered for procurement, has local content more than 20% but less than 50%, as defined under this Order.

'Non - Local supplier ' means a supplier or service provider, whose goods, services or works offered for procurement, has local content less than or equal to 20%, as defined under this Order.

'L1' means the lowest tender or lowest bid or the lowest quotation received in a tender, bidding process or other procurement solicitation as adjudged in the evaluation process as per the tender or other procurement solicitation.

'Margin of purchase preference ' means the maximum extent to which the price quoted by a "Class-I local supplier" may be above the L1 for the purpose of purchase preference.

'Nodal Ministry ' means the Ministry or Department identified pursuant to this order in respect of a particular item of goods or services or works ie In BDL case MoD.

'Procuring entity ' means BDL and as defined in the Companies Act.

'Works' means all works as per BDL Works Manual and will also include 'turnkey works ':

3. Eligibility of 'Class-I local supplier'/'Class-II local supplier'/'Non-local suppliers' for different types of procurement

(a) In procurement of all goods, services or works in respect of which the Nodal Ministry I Department has communicated that there is sufficient local capacity and local competition, only 'Class-I local supplier', as defined under the Order, shall be eligible to bid irrespective of purchase value.

(b) In procurement of all goods, services or works , not covered by sub-para 3(a) above, and with estimated value of purchases less than Rs. 200 Crore, in accordance with Rule 161(iv) of



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GFR, 2017 , Global tender enquiry shall not be issued except with the approval of competent authority as designated by Department of Expenditure. Only 'Class-I local supplier' and 'Class-II local supplier', as defined under the Order, shall be eligible to bid in procurements undertaken by procuring entities, except when Global tender enquiry has been issued. In global tender enquiries, 'Non-local suppliers' shall also be eligible to bid along with 'Class-I local suppliers' and 'Class-II local suppliers.'

- (c) For the purpose of this Order, works includes Engineering, Procurement and Construction (EPC) contracts and services include System Integrator (SI) contracts.

Purchase Preference

- (a) Subject to the provisions of this Order and to any specific instructions issued by the MoD or in pursuance of this Order, purchase preference shall be given to 'Class-I local supplier' in procurements undertaken by BDL in the manner specified here under.
- (b) In the procurements of goods or works, which are covered by para 3(b) above and which are divisible in nature, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:
- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier', the contract for full quantity will be awarded to L1.
 - ii. If L1 bid is not a 'Class-I local supplier', 50% of the order quantity shall be awarded to L1. Thereafter , the lowest bidder among the 'Class-I local supplier' will be invited to match the L1 price for the remaining 50% quantity subject to the Class-I local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such 'Class-I local supplier' subject to matching the L1 price. In case such lowest eligible 'Class-I local supplier' fails to match the L1 price or accepts less than the offered quantity, the next higher 'Class-I local supplier' within the margin of purchase preference shall be invited to match the L1 price for remaining quantity and so on, and contract shall be awarded accordingly. In case some quantity is still left uncovered on Class-I local suppliers, then such balance quantity may also be ordered on the L1 bidder.
- (c) In the procurements of goods or works, which are covered by para 3(b) above and which are not divisible in nature, and in procurement of services where the bid is evaluated on price alone, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:
- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier', the contract will be awarded to L1.
 - ii. If L1 is not 'Class-I local supplier', the lowest bidder among the 'Class-I local supplier', will be invited to match the L1 price subject to Class-I local supplier has quoted price falling within the margin of purchase preference, and the contract shall be awarded to such 'Class-I local supplier' subject to matching the L1 price.
 - iii. In case such lowest eligible 'Class-I local supplier' fails to match the L1 price, the 'Class-I local supplier' with the next higher bid within the margin of purchase preference shall be invited to match the L1 price and so on and contract shall be awarded accordingly.



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In case none of the 'Class-I local supplier' within the margin of purchase preference matches the L1 price, the contract may be awarded to the L1 bidder.

- (d) "Class-II local supplier" will not get purchase preference in any procurement, undertaken by BDL.
4. **Exemption of small purchases:** Notwithstanding anything contained in paragraph 3, procurements where the estimated value to be procured is less than Rs. 5 lakhs shall be exempt from this Order. However, it shall be ensured by BDL that procurement is not split for the purpose of avoiding the provisions of this Order.
 5. **Minimum local content:** The local content requirement to categorize a supplier as 'Class-I local supplier'/'Class-II local supplier'/'Non-local supplier' shall be as defined in the Para "2" of the Order. No change is permissible on this account. However, if BDL finds that for any particular item, pertaining to MoD, the definition of Local Content, as defined in the Order, is not workable/has limitations. BDL can notify alternate suitable mechanism for calculation of local content for that particular item and submit to MoD for consideration and publication.
 6. **Margin of Purchase Preference:** The margin of purchase preference shall be 20%.
 7. **Requirement for specification in advance:** The minimum local content, the margin of purchase preference and the procedure for preference to Make in India shall be specified in the notice inviting tenders or other form of procurement solicitation and shall not be varied during a particular procurement transaction.
 8. **Government E-marketplace:** In respect of procurement through the Government E marketplace (GeM) shall, as far as possible, specifically mark the items which meet the minimum local content while registering the item for display, and shall, wherever feasible, make provision for automated comparison with purchase preference and without purchase preference and for obtaining consent of the local supplier in those cases where purchase preference is to be exercised.
 9. Verification of local content:
 - a. The 'Class-I local supplier'/'Class-II local supplier' at the time of tender, bidding or solicitation shall be required to indicate percentage of local content and provide self-certification that the item offered meets the local content requirement for 'Class-I local supplier'/'Class-II local supplier', as the case may be. They shall also give details of the location(s) at which the local value addition is made.
 - b. In cases of procurement for a value in excess of Rs. 10 crores, the 'Class-I local supplier'/'Class-II local supplier' shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.
 - c. Decisions on complaints relating to implementation of this Order shall be taken by the competent authority which is empowered to look into procurement-related complaints relating to BDL.
 - d. BDL will constitute committees with internal and external experts for independent verification of self-declarations and auditor/ accountant's certificates on random basis and in the case of complaints.



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- e. BDL may prescribe fees for such complaints.
- f. False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law as well as provisions of Procurement manuals of BDL (both IMM Manual and Works Manual in latest version).
- g. A supplier who has been debarred by any DPSU for violation of this Order shall not be eligible for preference under this Order for procurement by any other DPSU for the duration of the debarment. The debarment for such other DPSU shall take effect prospectively from the date on which it comes to the notice of other DPSU, in the manner prescribed under paragraph 9h below.

(The Department of Expenditure shall issue suitable instructions for the effective and smooth operation of this process, so that:

- i. The fact and duration of debarment for violation of this Order by BDL is promptly brought to the notice of the Member-Convener of the Standing Committee and the Department of Expenditure through the concerned Ministry /Department or in some other manner;
- ii. on a periodical basis such cases are consolidated and a centralized list or decentralized lists of such suppliers with the period of debarment is maintained and displayed on website(s) ;
- iii. in respect of BDL other than the one which has carried out the debarment, the debarment takes effect prospectively from the date of uploading on the website(s) in the such a manner that ongoing procurements are not disrupted.)

10. Specifications in Tenders and other procurement solicitations:

- a. BDL shall ensure that the eligibility conditions in respect of previous experience fixed in any tender or solicitation do not require proof of supply in other countries or proof of exports.
- b. BDL shall endeavor to see that eligibility conditions, including on matters like turnover , production capability and financial strength do not result in unreasonable exclusion of 'Class-I local supplier'/ 'Class-II local supplier' who would otherwise be eligible , beyond what is essential for ensuring quality or creditworthiness of the supplier.
- c. BDL, within 2 months of the issue of this Order review all existing eligibility norms and conditions with reference to sub-paragraphs 'a' and 'b' above.
- d. If a MoD is satisfied that Indian suppliers of an item are not allowed to participate and/ or compete in procurement by any foreign government, it may, if it deems appropriate, restrict or exclude bidders from that country from eligibility for procurement of that item and/ or other items relating to that MoD. A copy of every instruction or decision taken in this regard shall be sent to the Chairman of the Standing Committee. (BDL is to inform the MoD if any such occurrences come to the notice in its procurement processes)
- e. For the purpose of sub-paragraph 10 d above, a supplier or bidder shall be considered to be from a country if (i) the entity is incorporated in that country, or ii) a majority of its shareholding or effective control of the entity is exercised from that country; or (iii) more than 50% of the value of the item being supplied has been added in that country. Indian suppliers shall mean those entities which meet any of these tests with respect to India."



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- 10A. Action for non-compliance of the Provisions of the Order:** In case restrictive or discriminatory conditions against domestic suppliers are included in bid documents, an inquiry shall be conducted by the The committee constituted by functional director/ CMD to fix responsibility for the same. Thereafter, appropriate action, administrative or otherwise, shall be taken against officials under relevant provisions.
11. **Assessment of supply base by Nodal Ministries:** The MoD shall keep in view the domestic manufacturing I supply base and assess the available capacity and the extent of local competition while identifying items and prescribing minimum local content or the manner of its calculation, with a view to avoiding cost increase from the operation of this Order.(BDL has to submit the items which fall under Para 3a)
12. **Increase in minimum local content:** The MoD may annually review the local content requirements with a view to increasing them, subject to availability of sufficient local competition with adequate quality (BDL to represent to MoD for review in case of its procurement requirements).
13. **Manufacture under license/ technology collaboration agreements with phased indigenization:** While notifying the minimum local content, MoD may make special provisions for exempting suppliers from meeting the stipulated local content if the product is being manufactured in India under a license from a foreign manufacturer who holds intellectual property rights and where there is a technology collaboration agreement I transfer of technology agreement for indigenous manufacture of a product developed abroad with clear phasing of increase in local content.
- 13A. In procurement of all goods, services or works in respect of which there is substantial quantity of public procurement and for which nodal ministry has not notified that there is sufficient local capacity and local competition, the concerned nodal ministry shall notify an upper threshold value of procurement beyond which foreign companies shall enter into a joint venture with an Indian company to participate in the tender. Procuring entities, while procuring such items beyond the notified threshold value, shall prescribe in their respective in their respective tenders that foreign companies may enter into a joint venture with an Indian company to participate in the tender. The procuring Ministries/Departments shall also make special provisions for exempting such joint ventures from meeting the stipulated minimum local content requirement, which shall be increased in a phased manner.
14. **Powers to grant exemption and to reduce minimum local content:** BDL with the approval of their Minister-in-charge, may by written order, for reasons to be recorded in writing.(BDL to put up the requirement to MoD through cc after taking approval of Functional director)
- reduce the minimum local content below the prescribed level; or
 - reduce the margin of purchase preference below 20%; or
 - Exempt any particular item or supplying entities from the operation of this Order or any part of the Order.
- (A copy of every such order shall be provided to the Standing Committee. The MoD will continue to have the power to vary its notification on Minimum Local Content.)
15. **Directions to BDL:** In respect of BDL, MoD shall issue policy directions requiring compliance with this Order.



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(Standing Committee: A standing committee is constituted with the following membership:

Secretary, Department for Promotion of Industry and Internal Trade-Chairman Secretary, Commerce-Member

Secretary, Ministry of Electronics and Information Technology-Member Joint Secretary (Public Procurement), Department of Expenditure-Member Joint Secretary (DPIIT)-Member-Convener

The Secretary of the Department concerned with a particular item shall be a member in respect of issues relating to such item. The Chairman of the Committee may co-opt technical experts as relevant to any issue or class of issues under its consideration.)

(Functions of the Standing Committee: The Standing Committee shall meet as often as necessary, as but not less than once in six months. The Committee

- a. Shall oversee the implementation of this order and issues arising therefrom, and make recommendations to Nodal Ministries and procuring entities.
 - b. shall annually assess and periodically monitor compliance with this Order
 - c. shall identify Nodal Ministries and the allocation of items among them for issue of notifications on minimum local content
 - d. may require furnishing of details or returns regarding compliance with this Order and related matters
 - e. may, during the annual review or otherwise , assess issues, if any, where it is felt that the manner of implementation of the order results in any restrictive practices, cartelization or increase in public expenditure and suggest remedial measures
 - f. may examine cases covered by paragraph 13 above relating to manufacture under license/ technology transfer agreements with a view to satisfying itself that adequate mechanisms exist for enforcement of such agreements and for attaining the underlying objective of progressive indigenization
 - g. May consider any other issue relating to this Order which may arise.)
16. **Removal of difficulties:** The Boards of Directors of BDL will issue such clarifications and instructions as may be necessary for the removal of any difficulties arising in the implementation of this Order.
17. The process is to be in cognizance with amendments issued time to time by the concerned authorities (MoD).



CHAPTER - IX

TENDER RECEIPT, OPENING AND EVALUATION

9.1 TENDER RECEIPT:

- a) All Quotations / Tenders to be submitted by firms against enquiries from all IMM Departments of Kanchanbagh Unit of BDL should invariably be addressed to the Officer In Charge, General Administration Department (GAD) only and not to any Division / Department / person.
- b) All quotations (other than Open / Global) relevant to BG unit and Vizag unit to be submitted to concerned unit IMM.
- c) All sealed covers containing quotation / tender documents addressed as above, should be super scribed in bold letters giving the BDL enquiry/ tender No. and closing date. Sealed covers received without mentioning such information on the top of cover is liable to be rejected.
- d) All Divisional IMMs of Kanchanbagh Unit should forward a copy of enquiry/ tender along with a list of firms to whom the enquiry is floated, to IMM (KBU) immediately after the enquiry/ tender is posted. IMM (KBU) shall ensure copy of the enquiry is received before proceeding with tender opening.
- e) There will be a tender box placed in the custody of IMM (KBU) / unit IMMs. The tenders received through post or personal submission by firms at GAD up to 11.00Hrs shall be handed over by GAD to IMM (KBU) on the same day before 12.00Hrs and the tender received after 11.00Hrs shall be handed over before 12.00Hrs on the subsequent working day. The quotations received up to 4.30PM on due date against limited tenders are considered as valid offers and all such valid quotations shall be opened by Standing Tender Opening Committee on the subsequent working day. Further , if the due date specified in the enquiry happens to be holiday for BDL, the next working day shall be considered as due date for receipt of quotation. Wherever quotations are received after due date, such quotations shall be returned to the concerned IMM in sealed condition for record.
- f) The Quotation/ Tender received from GAD shall be acknowledged by IMM (KBU) / IMM unit on the designated Register and all such Quotations/ Tenders shall be dropped in the appropriate slot of the tender Box. The Quotations / Tenders, which are voluminous and cannot pass through the slot of Tender Box, shall be preserved in the safe custody of IMM (KBU) / IMM unit till they are submitted to Tender Open Committee.
- g) A record of particulars such as date and time of receipt of Tender, location (whether placed in Tender Box or Safe Custody), details of firms to whom quotations are floated, whether the quotation is received against our tender enquiry due date for opening etc., will be maintained by IMM (KBU) / divisional IMM for the verification of Tender Open Committee.
- h) Bidders who intend to submit their offers personally in BDL, can hand over such documents in a sealed cover in GAD / BG unit IMM or Vizag unit IMM (other than Open / Global) duly obtaining the acknowledgement with endorsement of date & Time of receipt in BDL.
- i) All Divisional IMMs should ensure to fix the closing day of offers against enquiry / tender to match Tuesday or Thursday and closing time 3.30 PM in respect of all proprietary, single and limited tenders.



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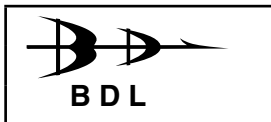
9.2 TENDER OPENING PROCEDURE:

9.2.1 STANDING TENDER OPENING COMMITTEE:

- a) Standing Tender Opening Committee, (STOC) shall consists of one officer each from CC and Internal Audit/ Finance and one officer nominated by CC from Divisional IMM on rotation basis for every month shall perform the tender opening in KBC.
- b) In other units, the Standing Tender Opening Committee shall consists of one officer from Internal Audit / Finance and one officer from IMM on rotation basis shall be formed by divisional head.
- c) Open / Global tenders sent on manual mode shall be opened at CC. The limited tenders pertaining to KBC are opened at CC and those pertaining to other units are opened at the respective units. The Open/ Global tenders are normally opened a day next to the closing date, unless otherwise specified with in bid document. In case of Open / Global tenders the bidders are allowed to be present during techno commercial bid opening.
- d) The tenders opened are duly signed by the members and the tender summary sheet is prepared.
- e) The single / proprietary tenders shall be opened by Standing Tender Opening Committee, on the advice of IMM, without waiting till the closing date. However if the quotation is received by telex / fax in open condition the same shall be so endorsed by Head IMM. There is no need for tender opening and the quotation can be processed further by IMM.
- f) The tender summary sheet shall consist of bidders contacted, bidders responded, bidders regretted and the bids rejected due to reasons like unsolicited, non-submission of tender fee / EMD, delayed submission.
- g) In case of IPBG / EMD / Tender fee submitted from banks other than nationalised banks or banks indicated in tender document approval may be obtained from divisional head to accept the deviation.
- h) The Committee has to sign undertaking as per the format available at **Annexure-XXVII**.

9.2.2 TECHNO COMMERCIAL COMPARATIVE STATEMENT:

- a) In the case of two-bid system IMM shall prepare techno commercial CST after opening techno commercial bids in association with the user/ indenting department.
- b) Firm's willingness to accept LD for late delivery as well as BDL's Standard Terms and Conditions of Contract.
- c) Specifications offered are the same as demanded / alternative offered and benefits claimed for it.
- d) Assurance / Methods to replace defective supplies.
- e) After - sales - service arrangement and cost of such services, if any.
- f) Samples if required are submitted with the offer or alternatively party agrees to submit samples as required in the enquiry.
- g) Validity period is adequate.
- h) Commercial parameters.
- i) The Members preparing CST after opening the Commercial Bids should provide an undertaking at the CST report at the beginning, that he / she has does not have any personnel interest in the companies / firms. In addition, if he / she have interest in any company / firm should refrain in the preparation of Techno – Commercial Comparative Statement.



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9.3 TENDER EVALUATION:

In order to evaluate the offers TEC shall be formed by the concerned divisions with the approval of CFA consisting of members from indenting / user department, PED / SEG / Methods and QC with suitable technical knowledge. This shall be formed before opening the bids, preferably IMM member shall be included who will act as member secretary for the committee. In cases where CFA does not specify IMM member explicitly, head IMM shall nominate the same. The TEC for below Rs.20 lakh of estimated value, user and IMM representative will be the members. TEC is mandatory for all capital items.

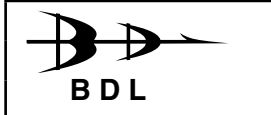
- a) The CST is to be passed to TEC / User Department for further study and their recommendations.
- b) The TEC's report shall bring out in detail, compliance report of each technical feature of the tender, deviations if any, and the reasons for acceptance / rejection of bids duly signed by the members of the Committee. In case the bidder quotes for higher specifications than what has been sought, which does not compromise the functional requirement in any way, shall be considered as acceptable parameter.
- c) The report shall bring out acceptance or otherwise without any ambiguity and make clear recommendations. The TEC shall evaluate both technical and commercial aspects of the bid. Wherever required they may seek clarifications from the bidder if required they may be called for discussion and such discussion shall be recorded duly signed by the members and the bidder which shall be annexed to the report.
- d) The offers shall not be rejected on performance / capability grounds, in the case of Limited Tenders.
- e) However in case of production items where, the vendor has been added on temporary basis and assessment reveals that he is not suitable, the bid shall be rejected.
- f) Any increase in quantity at this stage is limited to 10% of the tendered quantity.
- g) IMM of the concerned division shall also publish a corrigendum to include these aspects in the tender document for the benefit of other bidders.
- h) Tender, Evaluation committee should inform to all the bidders about their status i.e accepted or rejected of technical bid.
- i) The Committee has to sign undertaking as per the format available at **Annexure-XXVII**.

9.4 COMPARATIVE STATEMENT PREPARATION FOR CAPITAL AND OFF SHELF ITEMS.

Counter terms & conditions provided by the bidder are considered if they are beneficial or not. Suitable loading factors shall be applied to compare bidders.

Normal BDL payment term is "payment within 30 days after receipt and acceptance of goods at BDL" but Bidder may submit counter terms & conditions to payment terms, keeping in view, payments from BDL, their working capital position and other circumstances prevailing on the day of submission of quotation. Vendor may seek payment terms as 100%, 90% or 80% payment against, Delivery / Collection / Dispatch of Document / Cash on Delivery (CoD) / Pre Dispatch Inspection Report (PDI Report) / Letter of Credit (LC) / Site Draft etc.,

In view of the above while preparing CST, to bring vendors into common platform in net price calculation, suitable weightage shall be added:



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For net price calculation:

- (a) For normal payment terms of within 30 days of receipt and acceptance of goods at BDL **Net Price = Quoted Price + Taxes Extra**
- (b) For against delivery payment

Net Price = Quoted Price + (Quoted Price X % of payment sought against delivery X % of interest per month) + Taxes etc.

Example:-

- i. If 90% is sought against delivery

Net Price = Quoted Price + (Quoted Price X 90/100 X 10.25/100/12) + Taxes etc.

- ii. If 50% is sought against delivery

Net Price = Quoted Price + (Quoted Price X 50/100 X 10.25/100/12) + Taxes etc.

(Prime lending rate: at present 10.25% per annum. BDL to discourage vendors from seeking payment terms other than standard payment term of BDL).

- (a) Advance Payment:

In case bidder seek advance payment the additional cost is calculated at SBI Prime Lending Rate applicable on the due date of the tender + 2% extra for the anticipated period in which the item would be delivered, to arrive at the net price & Taxes others as quoted.

- (b) EX-Works:

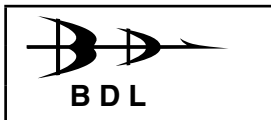
Instead of free delivery at BDL if vendor quotes EX-Works price, for all inland supplies 2% shall be added to the quoted price for overseas supplies cost for Freight & Forwarding is calculated and added to arrive at net quoted price(finance support can be availed to arrive at value), Taxes others as quoted.

9.5 COUNTER TERMS AND CONDITIONS:

IMM should persuade the bidder to accept BDL's standard terms and conditions. However, in cases when the bidder insists on their terms and conditions CFA may accept bidder's terms and conditions after examining the implications, with Finance concurrence. IMM shall include these points in the note initiated for technical acceptance of the bids on recommendation of TEC / Indentor.

9.6 REVISED PRICE BIDS IN TWO BID SYSTEM:

In case of procurement involving two-bid system, it may not be practicable to incorporate all possible details in the technical specification(s), thereby requiring elaborations / clarifications during technical discussion. This may necessitate submission of revised price bids consequent upon discussion during TEC. This can also occur when one or more bidders do not extend the validity. In such cases, if the original price bids have not been opened, it would be advisable to give equal opportunity to all technically acceptable vendors to give their revised price bids in a sealed cover. The Price Negotiation



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Committee (PNC) would take into account the revised commercial bids to arrive at L1. However, this shall not be applicable in cases where pre-bid meeting is held.

9.7 PRICE BID CST:

The bids of technically accepted bidders are considered for price bid opening. On approval of CFA the price bids are opened by Tender Opening Committee. CST with the prices quoted, the terms and conditions, delivery period of all the quotations is prepared by IMM.

For uniform comparison, the prices quoted and the landed price (i.e. adding freight, insurance, taxes and duties etc) shall be indicated in the CST. Duties and taxes entitled for input credits need not be included in the computation of landed cost. The conditional discounts such as cash discount etc shall not be considered for CST. While seeking the recommendations from the user / indenting department the CST & quotations shall be sent to them by IMM for recommendations.

Following points shall be paid special attention while compiling information on the tender evaluation sheet:

- a) Whether the price is firm and/ or any escalation formula is offered.
- b) Foreign exchange conversion on the last date of tender shall be considered.
- c) GST and any other imposts / taxes that are payable.
- d) Terms of delivery i.e. ex-factory, BDL stores and other terms and conditions.
- e) Packing and Forwarding charges.
- f) The terms of payment and request for advance payments & willingness to offer Bank Guarantee.
- g) Due price preference to Public Sector Undertakings, Ancillaries, MSEs and Indigenous manufacturers as per Govt. Directives, issued from time to time.
- h) Taking into consideration the above factors, a net price comparison of the valid tenders only shall be prepared and tender evaluation sheet(s) shall be endorsed L1, L2, L3 etc., to indicate 1st lowest, 2nd lowest, 3rd lowest and so forth.

Tender Opening Committee at the time of Price Bid Opening should provide an undertaking (as per **Annexure - XXXIII**) at the beginning of Price Bid CST that he / she has does not have any personnel interest in the companies / firms. In addition, if he / she have interest in any company / firm should refrain in the preparation of Price Bid Comparative Statement.

9.8 REASONABLENESS OF PRICES IN COMPETITIVE TENDERING:

9.8.1 DETERMINING REASONABILITY OF PRICES:

In the case of competitive tendering where two or more vendors are competing independently to secure a contract, the competitive bids form the basis for determining reasonableness of prices. Database maintained on cost, based on concluded contracts, price of the product available through market, etc. should also be used to assess reasonableness of the price offered.



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- a) Evaluation of tenders is to be made on the basis of the ultimate cost to the user.
- b) As a general principle, no offer involving any uncertain or indefinite liability or any condition of unusual character should be considered.
- c) The reasonableness of the price proposed has to be established by taking into account the competition observed from the response of the trade to the enquiry, LPP, estimated value as given in the indent, database maintained on costs based on the past contracts entered into, market price, wherever available and changes in the indices of various raw materials, electricity, whole sale price index, and statutory changes in wages rates etc.
- d) For procurement of spare parts, consumables and small value contracts which are supplied in the past, the price reasonableness can be determined after comparing with last purchase price and factoring in changes in price indices published by the Government sources.
- e) The reasonableness of price may also be examined by resorting to Cost Analysis in situations where there is a wide variance over the Last Purchase Price (LPP), not explained by corresponding changes in indices.
- f) Effort should be made to check cost break up details which include raw material cost (Import and Indigenous) rejection, conversion cost, testing and other charges to the extend possible.

9.8.2 LAST PURCHASE PRICE (LPP):

LAST PURCHASE PRICE AS A DETERMINANT OF REASONABLE PRICE:

LPP is one of the relevant factors in deciding price reasonableness. However, following needs to be considered while comparing the quoted rates with the LPP:

- a) LPP of more than three years vintage is not a real scale for comparison. However, such LPP could be used as an input for assessing the rates by adding yearly escalation, if considered necessary. The rate of escalation may differ from case to case depending on the type of goods being procured. Further, the prevailing market rules shall be considered for escalation procedure.
- b) LPP should pertain to a past successfully executed order of similar magnitude and scope of supply.
- c) Factors like basket price and bulk discount offered need to be taken in to account while using LPP as a scale for comparing prices.
- d) Price variation clause, if any, and the final cost paid by the user in respect of last purchase to which LPP pertains needs to be considered.
- e) Factors like items supplied against LPP being of current production or ex-stock supply need to be taken into account.
- f) Market conditions and other factors like re-starting production lines due to Obsolescence may also have to be considered.
- g) Where no other option to assess reasonable rate is feasible, LPP of more than three year vintage may also be taken into account but such situations should be rare.

9.9 SAMPLES:

- a) Where samples are required the same shall be specifically indicated in the PR / Enquiry and the sample shall form part of the technical bid. Such samples should be obtained in two sets. One set should be with the concerned IGQC and the second set with the concerned Divisional IMM duly marked by the tender committee or IGQC and IMM.



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- b) The samples such as office stationery, shop consumables like cotton waste etc., received with the technical bid will be marked and signed by the Tender Opening Committee, either on the samples or on the pack containing samples. Where the samples are to a standard specification, the samples will be analysed / inspected by QC / LAB to form the basis for suitability of the bid. If the items are of non-standard nature, a committee constituted by CFA will examine the samples and recommend suitability. The samples shall be sealed and preserved by the QC as reference sample till the supplies against the PO are totally received.
- c) Samples of items having shelf life, hazardous nature, requiring conditioned storage will be held at an appropriate place and will be preserved till the life expiry date or as per the decision of experts in the field.
- d) Any other samples: The policy for the verification / acceptance / preservation of the samples shall be examined case to case and approval to be obtained from CFA.
- e) In the case of non-consumable samples and If the bidders wish to take back the samples, the same will be returned to the unsuccessful bidders after finalisation of the order. This would necessitate a communication to the effect that the tender has been awarded and the addressee, being an unsuccessful bidder may collect his samples / rejected materials within 30 days from the date of receipt of the said communication beyond which M/s. BDL will not be responsible for the safe custody of the said samples. Any dispute by unsuccessful bidder towards selection of samples, will not be entertained after return of samples.
- f) In case the Order is not finalized within 120 days the samples may be returned with the approval of CFA.

9.10 QUOTATIONS RECEIVED THROUGH FAX / E-MAIL:

Quotation received through Fax / E-mail within stipulated period can be considered provided the enquiry was sent only to one party. The fax/email quotations of the foreign bidders shall be considered valid if it is followed by an ink signed copy by post.

9.11 CORRESPONDENCE WITH VENDORS:

Indentor / user apart from IMM may correspond with various manufacturers / sources in order to firm up their specifications etc. before finalising the PR. Once a PR has been raised and sent to IMM for processing, correspondence with vendors concerning with related procurement should be carried out by IMM department only.

9.12 NEGOTIATIONS:

- a) There should be no post-tender negotiations with L-1 except in certain exceptional situations. Such exceptional situations would include procurement of proprietary items, items with limited sources of supply and items where there is suspicion of a cartel formation. The justification is recorded and on approval of CFA negotiations shall be conducted by PNC. PNC shall record the proceedings of the negotiation. In case the bidder is not in a position to attend PNC, the chairman of PNC at his discretion may conduct PNC through video conferencing / tele conferencing and obtain discount and clarification in writing (through e-mail / hardcopy).



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- b) In cases where a decision is taken to go for re-tendering, but the requirements are urgent, negotiations may be under taken with L1 bidder(s) for the supply of a bare minimum quantity in accordance with para 2 of CVC instructions dated 3rd March 2007.
- c) While concluding RCs, it is preferable to conduct price negotiations by the PNC in order to obtain best value for money and also to clarify all aspects of the RC to avoid ambiguity and dispute at a later stage. All RC s and PA s should be processed through the PNC on approval of CFA so as to ensure best value for money, quality assurance and transparency.
- d) Participation of Finance member in all deliberations, particularly regarding the pricing and conditions of contract, is mandatory.
- e) Where a group of items is tendered, with a condition that items will be ordered as a group, a combined L1 counter offer can be made picking up all the L1 rates to the lowest bidder (group L1), based upon which contract will be finalised. Similarly in case of disposal action, instead of L1 the exercise will be done on H1 basis.
- f) The constitution of negotiation committee shall be as per the DoP.
- g) The Committee has to sign undertaking as per the format available at **Annexure-XXVII**.

9.13 SPLITTING OF ORDERS TO MULTIPLE SOURCES:

To reduce procurement risk it is necessary to have multiple sources. In such cases the splitting of order shall be indicated in the tender document as indicated in PR. After opening the price bids L2 and/ or L3 vendors shall be called for negotiations or by sending a counter offer through mail / fax / letter to the bidders to accept L1 price. Order is split on the vendors as per planned splitting of orders. If L2 / L3 do not agree for L1 price and if it is essential to split the orders on multiple sources, order is recommended on L2 with difference in price not exceeding 5% with approval of FD.

Normally the ratio for splitting the quantity shall be as follows.

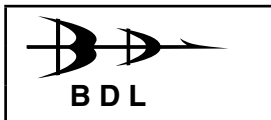
Two Sources- 60:40 (L1:L2 ...)

Three Sources- 45:35:20 (L1:L2:L3 ...)

Four Sources- 35:25:20:20(L1:L2:L3:L4 ...)

If the vendors other than L1 are not agreeing to the counter offer of L1 price by BDL then the quantity intended to be split will be sourced from L1 vendor. Provided the L1 has no capacity constraints.

Note of Caution: Negotiation with L1 vendor should be done considering the quantity and the delivery schedules etc.



CHAPTER – X

PURCHASE PROPOSALS, PLACEMENT OF ORDERS AND AMENDMENTS

10.1 PURCHASE PROPOSALS:

A purchase proposal for approval shall be put up in the form of DPO. The purchase proposal shall be put up in the format placed at Annexure - XXII. The DPO shall be comprehensive and self-contained. The DPO shall be approved by CFA as per DoP (purchase / acceptance of tenders) after due concurrence by the finance department.

Where, as per DoP, a purchase proposal requires approval by the Board, the DPO along with Agenda Note for Board's approval shall be put up to the Functional Director. On approval the PO shall be released.

10.2 TOOLING CHARGES / DEVELOPMENT COST:

In development projects, tooling cost could be huge as compared to conversion cost. In such cases where the sub-contractors would not be willing to invest in the tool, tool cost may be paid specifying clearly in the PO.

In such cases a stipulation is made in the PO specifying the life of the tool and that the tool is the property of BDL and shall be returned on completion of the order. It is also necessary to specify in the PO that the sub-contractor is obliged to supply the items over a period of time and regular maintenance of tools shall be his responsibility for supply of components / products for BDL, as primary purpose for the order is to procure components / products but not tools required.

10.3 MODE OF DESPATCH:

Where there is an approved transport contract for transport of materials by Road / Air in respect of the stations specifically covered in the contract, it will be deemed as the cheapest mode of dispatch. If indigenous orders are placed involving dispatch from other stations, the P.O. should be placed on Free On Road (F.O.R) destination basis but insurance to BDL account. In the case of air consignments from abroad from a sector not covered by the consolidation contract, the transportation shall be entrusted to the contracted consolidation agency, but International Air Transport Association rates will be applied for which no separate approval is necessary. If such sectors are of repetitive requirement, the Divisions concerned shall advise CC to enter into consolidation agreement for such sectors also. Any deviation from this procedure in the mode of dispatch involving extra expenditure is to be approved by the Divisional Head.

10.4 SIGNING OF PO:

Officers in the following Grades are authorised to sign the WOs, POs, SOs, and Contracts after approval of the file by Competent Authority:

- | | | |
|--------------------------|---|---------------------------------------------------|
| a) Up to Rs. 10,00,000/- | - | Gr. III and above |
| b) Up to Rs. 25,00,000/- | - | Gr. IV and above |
| c) Up to Rs. 50,00,000/- | - | Gr. V and above |
| d) All | - | Head of IMM Dept. of Divn. irrespective of grade. |



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However, these levels may be modified by Head of Corp Comml from time to time and a Circular to this effect will be issued by Corp Comml. In case of contracts with OEM / licensor an authorised Representative from BDL shall sign the contract.

10.5 AUDIT CONCURRENCES:

Before release of PO concurrence from audit section of Finance is obtained. However where it is required, an advance copy of PO is sent to the vendor prior to concurrence.

10.6 VETTING OF PO:

The customer or customer representatives vetting is required in certain projects. In such cases PO is released after vetting by customer or customer representative which is done after audit concurrence of PO. Where it is urgent an advance copy of the PO shall be sent to the vendor. IMM shall ensure that the values are masked while issuing the POs for vetting.

10.7 RELEASE OF PO:

PO is sent to vendor and copies are marked to stores, Finance bills section, Finance books and budget section, IGQC, three copies for IMM (Master copy, File copy and Follow-up copy). Vendor shall submit unconditional order acceptance immediately on receipt of PO.

If such an acceptance or communication conveying any objection to certain part of Purchase / Supply / Work Order is not received within seven days from the date of receipt of PO by BDL, then it would be deemed that Order is fully accepted by the vendor.

10.8 ISSUE OF DOCUMENTS AND SPECIFICATIONS:

It is ensured that the PO is accompanied by all necessary documents and specifications. If necessary documents are already issued to the Vendor in the previous order they need not be issued again. The reference to such prior issue may be made in the PO, if required. It is also to ensure that the drawing / specifications are of latest issue.

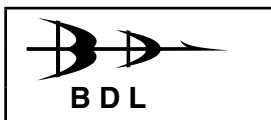
10.9 FREE ISSUE MATERIAL (FIM):

FIMs where applicable are issued to the vendor, after obtaining necessary Indemnity bond (format placed at Annexure - XXVI) / BG as per PO terms. For the purpose of vendor rating the delivery dates are entered in SAP system based on FIM issue date by IMM. Insurance is also obtained in case of tooling's / equipment from vendor by IMM. Along with each supply the material consumption statement including material received, consumed and balance available shall be submitted by the vendor to IMM.

Incase the PO calls for staggered delivery or supplies are expected to be received in batches for which FIMs are issued in batches, the BG can be for quantity expected to be issued.

10.10 ISSUE OF MATERIAL ON LOAN BASIS:

In cases where expensive material / equipment / gauges / fixtures are to be issued to the vendors or designer on loan basis to meet production requirements / urgency on the basis of request from issuing department, IMM shall obtain an approval from CFA indicating the value and time frame for return. These items are reviewed by IMM regularly to ensure the same is returned and accounted. These items shall be issued by stores on advice of IMM on returnable gate pass. In case of items like gauges required for inspection, IGQC/ SEG issues the same and collects back.



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Whenever the vendor requests for some consumables like chemicals, ingredients, raw materials, components etc. (Although originally meant to be procured by Vendor) that can be issued on chargeable basis.

10.11 SUPPLY OF THE ITEMS BY THE VENDOR:

Items are supplied to stores or location specified in the PO along with delivery challan / invoice by the Vendor. The Vendor is expected to supply all inspection reports, conformance reports, material consumption reports for each delivery etc., as per PO terms refer (Annexure P & Annexure P1).

10.12 DELAY IN DELIVERY OF SUPPLIES AND LD:

LD Clause: Time is the essence of the P.O and delivery should be strictly insisted upon according to the delivery schedule given in the SOs/POs. In the event the supplier fails to deliver the goods / service, within the stipulated delivery period, BDL reserves the right to recover from the supplier, LD and not by way of penalty an amount as detailed in terms and conditions. A sum of 0.5% of the price only of the stores (Including duties, taxes) which the supplier has failed to deliver as aforesaid for each week of delay or part thereof, subject to a maximum of 10%.

In case of extension of delivery period, increase in taxes shall not be borne by BDL, if delay is attributable to vendor.

Guidelines on procedure for imposing liquidated damage (LD) in up gradation/ alteration cases

1. These Guidelines lay down the procedure to be followed for determining the applicability of imposing Liquidated Damage (LD) in cases where the vendor wishes to upgrade/ alter the specifications of the equipment already contracted on account of change in manufacturing procedures, indigenization or obsolescence.
2. The vendor, in consultation with BDL, may carry out technical up-gradation/ alterations in the design, drawings and specifications due to change in manufacturing procedures, indigenization or obsolescence. This will, however, not in any way adversely affect the end specifications of the equipment." This provision in the PO/Contract enables a vendor to make changes in specifications of the equipment as given in the contract with equipment/ sub-assemblies which are upgraded/ modified/ altered/ indigenized, promotes the local defence manufacturing industry, increases self-reliance and is in consonance with the Make in India vision of the Government.
3. The Standard PO/Contract Document also to stipulate that the up-gradation/ alteration should not adversely affect the end specification of the equipment, it becomes necessary to check, at the Limited Validation Trials stage, all parameters which may get affected due to the said alteration. This further needs to be accepted by the competent authority, and may have a financial effect which needs to be determined by a Technical Evaluation Committee (TEC) if required. These approvals are time consuming and may lead to delays which may result in non-delivery of the equipment within the delivery schedule spelt out in the PO/Contract, due to which the vendor is liable to be imposed LD on account of non-adherence to the contract conditions. Imposition of LD on a vendor who is trying to achieve indigenization, that too for no delay on his part, needs to be addressed.
4. The procedure to be followed in all such cases is enumerated in subsequent Paras. In cases where specifications are better or equivalent, vendor may be permitted without imposition of LD subject to successful conduct of evaluation.



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- a. If the vendor wishes to upgrade/ alter the specifications of the equipment after the PO/contract gets awarded, the vendor will submit a written application to Indigenization team/ methods/ SEG/Project team/ D&E Team, specifying the equipment/ sub-assemblies proposed to be changed and the list of enquiry parameters which are likely to be affected by this change. The application for initiating the proposal must be submitted by the vendor within a maximum period of 3 months/ 20% of Delivery schedule (whichever is earlier) from the date of award of PO/contract and minimum indigenization percentage for initiating a proposal may be laid down as 10%. It may be informed ab-initio to the vendor that no changes in original delivery schedule beyond six months would be acceptable; else LD would be applicable if same is violated due to Vendor's proposal. Written application from vendor proposing Up-gradation/ Alteration of equipment must also include the following:
 - (i) Timelines required for supply of item for limited evaluation trial after acceptance of offer.
 - (ii) Effect on delivery timelines. (iii) Details of internal validation trials done by BDL for the proposed changes. (iv) Changes envisaged in SMTs/ STEs/ Test Jigs/ MRLS. (v) Effect on overall cost of Item/project.
- b. Indigenization team/ methods/SEG/Project team/D&E Team, in consultation with other stakeholders, will analyse the upgrades/ alterations offered by the vendor and the approximate time required for carrying out the Limited Validation Trial of the upgrades/ alterations. The vendor on his part must ensure that mere forwarding the proposal does not impact the original delivery schedule. An undertaking may be sought from the vendor at this stage that LD would be imposed on him if any delay occurs due to failing of proposed modification in equipment during limited validation trials or due to non-cooperation by the vendor in sharing data. Maximum time limit for analysis of proposal would be 4 weeks from date of receipt of the proposal from the vendor.
- c. If the time required for the acceptance of Indigenization team/ methods/SEG/Project team/ D&E Team assessed to be more than six months (cumulative time for preparation of equipment after Up gradation, fielding upgraded equipment for trials, completion of validation trials along with evaluation), Up gradation/ alteration offered by the vendor on account of change in manufacturing procedures, indigenization or obsolescence in the present PO/contract need not be accepted on grounds of likely delay in the current procurement, and should be deferred to subsequent POs/contracts (like Option Clause or Repeat Order). The time period of six months may be extended on a case to case basis depending on the duration of original delivery schedule, if accepted by the competent authority.
- d. If the time required for the same is less than six months, the offer may be accepted at the level of Indigenization team/ methods/SEG/Project.
- e. If the time assessed by the Indigenization team/ methods/SEG/Project team was less than six months and the proposal was accepted by the CFA, but thereafter the time taken by the vendor in acceptance of Indigenization team/ methods/SEG/Project team exceeds six months, then the reasons of delay would need to be analyzed and decision of imposing LD should be based on attributability identified. Indigenization team/ methods/SEG/Project team evaluation may get delayed due to non-cooperation by the vendor in sharing data, in these cases delay to be attributable to the vendor and LD to be imposed. Exemption from LD would be applicable only if the delay is attributable to the BDL. The vendor, at the time of PO/contract



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acceptance, would give a comprehensive list of upgrades which he wishes to make, and no further upgrades in that PO/contract would be allowed.

- f. If the time assessed by the Indigenization team/ methods/SEG/Project team was less than six months and the proposal was accepted by the CFA, but thereafter the vendor fails the Limited Validation Trials, LD should be imposed for delays, if any. The Vendor while proposing any up gradation should be reasonably confident of an acceptance. LD would be imposed if delivery schedule is delayed by 06 months or more.
- g. There is a need for financial evaluation wherever material variation in any of the terms or conditions in a contract becomes unavoidable. The benefit of downward trend, if established by the Indigenization team/ methods/SEG/Project team/D&E Team, would necessarily have to be passed on to the BDL even in the ongoing PO/contract. However, if the Indigenization team/ methods/SEG/Project team/D&E Team establishes a cost escalation due to proposed up-gradation/ alteration, same could be factored in the subsequent POs/contracts, with the value of ongoing PO/contract remaining unaltered.
- h. If the offer of up-gradation/ alteration has been applied for by the vendor, in the intervening period, he should continue to supply the equipment as per the original delivery schedule with the original equipment/ sub-assemblies till such time its acceptance is intimated to him.

Waiver of up-to maximum six months of delay in delivery period may only be considered post evaluation of proposal and confirmation of acceptance to the vendor. However, LD provision will be applicable for any delays beyond Revised Delivery Schedule. The delivery schedule will not be changed beyond six months and LD would be imposed if the same is violated. This would be done on a case to case basis upon a written request from the vendor.

10.13 RETURN OF REJECTED GOODS:

IMM shall ensure that the goods rejected on inspection are promptly disposed off.

- a) Where payment in full or part is already made for the rejected goods efforts shall be made by IMM to get the items replaced. In cases where the replacement is not forthcoming the amount shall be deducted from the pending bills to the vendor. However in cases where this is not possible, the matter is referred to CC for necessary punitive actions. The IMM shall take necessary legal steps to recover the amount.
- b) Where the material is issued from BDL, free of cost, for manufacture of the items, the cost of material shall be recovered from the bills payable if found to be in excess of rejection allowance allowed. However the replacement for such rejection needs to be obtain on priority from the vendor to meet the production requirements. If necessary fresh material shall be issued on approval of Head IMM by ensuring that proper stock / inflow of FIM is available and also take necessary corrective actions wherever required.

In all the cases vendor is informed to collect back rejected material within a stipulated period of time failing which stores shall dispose the material as per their procedures.

10.14 AMENDMENT TO CONTRACTS:

IMM shall put on record justification for the amendment and it is issued on approval of CFA.



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a) MODE OF DESPATCH:

In case the mode of dispatch is changed from sea to air, road to courier, the deviation is to be approved by CFA.

b) EXCESS SUPPLY:

Acceptance of excess supply, change in quantity, over the ordered quantity should have the approval of CFA.

c) CHANGE IN STATUTORY LEVIES:

Any change in statutory levies can be considered, subject to the conditions of P.O where such levies were agreed for reimbursement at rates prevailing at the time of dispatch; or on mutually agreed terms. No amendment to PO is necessary and a formal letter from the party with all supporting documents duly forwarded by the IMM Department for such cases to Finance will suffice for admitting statutory levies at revised rates without deviating from other terms and conditions of the contract.

d) CHANGE IN RATE / REQUESTS FOR PRICE INCREASE:

In the case of POs finalized with fixed price i.e., with no escalation clause, normally no request for price increase is to be entertained. However, cases of hardship to suppliers may be considered, if found genuine and beyond the control of the suppliers, for the inputs in question with the approval of CFA.

It is necessary to build in price escalation clauses for long term contracts where delivery periods are beyond eighteen months and/or materials involved are affected by international / national prices or exchange rates.

e) DELIVERY AHEAD OF STIPULATED SCHEDULE:

Delivery ahead of the stipulated delivery schedule in the PO is not normally acceptable. In case of staggered deliveries without shelf life problems or storage problems material may be accepted by Head IMM. In case of shelf life items / perishables prior supply is not accepted unless there is a request from BDL. In case of other items the same may be considered , owing to production exigencies, economics of inspection costs, apprehensions of future non-availability of materials etc by Head of IMM Department.

f) CANCELLATION / SHORT CLOSURE:

Any Cancellation or Short closure of PO shall have the approval of CFA. Cancellation is done when:

- i. The vendor fails to comply with the terms and conditions of contracts, like submission of SD.
- ii. Lack of progress in executing the order.
- iii. Failure to supply the items in stipulated time.
- iv. When the contractor is found to have made any false or fraudulent declaration or statement to get the contract or he is found to be indulging in unethical or unfair trade practices.
- v. When both parties mutually agree to terminate the contract.
- vi. When the item offered by the supplier repeatedly fails in the inspection and/or the supplier



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is not in a position to either rectify the defects or offer items conforming to the contracted quality standards.

- vii. Any special circumstances, which must be recorded to justify the cancellation or termination of a contract.

Short closure of order is done when supplies were made by the vendor and balance quantity is too low to execute the supplies as a batch or there is no need to procure the balance quantity. Cancellation of POs are intimated to CC by concerned IMMs as and when occurs.

10.15 TERMS OF PAYMENT:

Considering the nature of materials, availability of sources, company's past experience in similar purchases, payment terms are to be firmed up and accordingly mentioned in NIT / enquiry. Any change in the terms of payment indicated in the PO has to be covered by an amendment to PO duly approved by the same authority who approved the PO.

Timely payments are important to ensure sustained supply from the vendors. Delayed payments beyond thirty days are reviewed and resolved by Divisional head. Delayed payments beyond sixty days are reviewed by GM (F) at corporate level. Exceptions are resolved.

In case of MSE vendors, payments to be released within 45 days from the day of acceptance or deemed acceptance (means, where no objection is made in writing by the BDL regarding acceptance of goods /service within 15 days from the day of delivery of goods or rendering of services, otherwise BDL shall be liable to pay interest on delayed payment.

10.15.1 COMPREHENSIVE PAYMENT TERMS:

- a) Standard payment terms of BDL shall be 100% plus taxes within 30 days of receipt and acceptance of the stores / services. BDL reserves its right to release GST only after supplier's invoice / debit note is reflected in GSTR-2B / 2A within the specified time limit mentioned in GST Law.
- b) For Capital items:
 - i. Normally terms of payment are "90 % payment within 30 days after receipt & acceptance of the goods and balance 10% after installation & commissioning of the equipment against submission of performance bank guarantee for 10% value or as applicable of order covering warranty period plus 3 months claim period"
 - ii. However, where the performance of the equipment can only be verified on commissioning then the payment made on receipt and acceptance shall be reduced to 70% or 80 % etc..
- c) The company does not encourage payment of mobilisation advance. However, in situations where payment of advance is necessitated in specific cases, the following procedure shall be followed:
 - i. Interest free initial advance is paid to CPSUs, Ordnance Factories, Government Agencies or Organizations funded by Government only. Such cases shall be approved by CMD and after such approvals put up to Board for its noting. Advances to these organizations shall be released without insisting on BG but based on the indemnity bond.
 - a) Interest free advance will be paid to MSMEs and start-ups against Bank Guarantee for 110% of order value.



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- ii. In all other cases decision of interest free mobilisation advance shall be taken at Board level.
 - iii. Decision for interest bearing advances shall be taken at CMD / Functional Directors level.
 - iv. In order to give equal opportunity to all participants, it shall be clearly stipulated in the tender document whether any advance is payable or not and if payable amount of advance whether the advance is interest free or interest bearing and its recovery based on the supplies made subject to a given time frame.
 - v. Advances to suppliers shall be secured by obtaining BGs and authenticity of such BGs should also be invariably verified from the issuing bank, confidentially and independently. Relevant format of BG shall be provided in the tender document.
 - vi. Part Bank Guarantee against the mobilization advance may be taken as far as possible in as many numbers as the proposed recovery installments and may be equivalent to the amount of each installment.
 - vii. There will be clear stipulation of interest to be charged on delayed recoveries either due to the late submission of bill by the supplier or any other reason besides the reason giving rise to the encashment of BG.
 - viii. The Bank Guarantee etc., taken towards security of mobilization advance should be more by at least 10% of the advance or notional interest calculated whichever is more to ensure recovery of not only principal amount but also the interest thereon.
 - ix. The mobilisation advance should be paid in more than one installment except in special circumstances for the reasons to be recorded. Utilization certificate from the supplier for the mobilisation advance should be obtained. Subsequent installments should be released only after getting satisfactory utilization certificate from the supplier for the earlier installment.
 - x. In the case of interest free mobilization advance, a clause shall be stipulated in the tender document as well as the contract stating that if the contract is terminated due to default of the supplier, the mobilization advance shall be deemed as interest bearing advance from the date of advance payment in the case of termination of the contract.
 - xi. The interest amount shall be compounded quarterly.
- d) PSUs, Ordnance Factories, Government Agencies or Organisations funded by Government may be made progressive payments in addition to the initial mobilization advance on the same lines of the progressive payments eligible from the customers of the relevant contract.
 - e) Payments released subject to clearance from the authorized agency against delivery / documents negotiated through bank. In case of supplies from ordnance factory units / Government Agencies, the payment will be released against Performa invoice / Invoice.

10.15.2 PAYMENTS TO FOREIGN VENDORS:

In the case of imports, payment is arranged in line with terms of contracts by the following modes.

- a) 100% of invoice value within 30 days of receipt.
- b) Sight draft.



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- c) By Letter of Credit (irrevocable / confirmed / revolving).
- d) By direct bank transfer or swift transfer.
- e) Payment of advance by DD as per Reserve Bank of India guidelines.

Any other terms of payment sought by the vendor shall be considered as a counter offer and accepted as per the norms.

10.15.3 PAYMENTS TO INDIAN VENDORS:

In case of orders for inland purchases the desirable payment terms are within 30days of receipt and acceptance of the stores. However these terms of payment may not be acceptable to some suppliers where alternate payment terms are to be agreed and the same shall be incorporated in DPO while obtaining approval from CFA.

10.15.4 ALIGNMENT OF PAYMENT TERMS.

In case of Global tender, where overseas vendors and domestic vendors are participating, LC will be operated on domestic vendor, in case the tender is finalised and order being placed on domestic vendor.

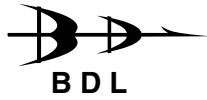
10.16 GOCO Model

To incorporate GOCO model of entering into Agreement with Private firms:

Government-owned, Company/Firm (GOCO) facilities are owned or leased by BDL, but managed by third-party Company/Firm. GOCO Company/Firm operates the GOCO facility and are subject to the BDL/ Government regulations. While Company/Firm operates within a BDL-owned facility, GOCO Company/Firm do not represent the BDL. The GOCO is run by a Company/Firm that ultimately delivers to BDL the products and services in its scope of work. The Unit/ Division will form a committee with all stake holders like Finance, HR , IMM, Divisional Representative, SEG/Methods/ Indigenization team/Project team to identify the areas which can be brought under GOCO , formulate the terms and conditions and tendered as per IMM procedures to place service contract. The concerned area QC (department) will be responsible for quality of the items produced.

Some of the parameters to be ensured are.

- 1) Considering GST provisions, the allotted premises are to be earmarked as in independent entity and other repercussions may be envisaged.
- 2) Insurance provisions.
- 3) Labor Laws.
- 4) HR issues.
- 5) Security and Safety aspects
- 6) Acceptance of outcome quality based on the equipment condition.
- 7) Assurance of 100% load for utilization man and machines under GOCO.



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10.17 Collaborative R&D

i) Introduction:

It is necessary to identify and indigenize critical Systems/Subsystems either with in-house resources or co-develop with other Indian and Foreign vendors as Collaborative R&D. This approach facilitates working with vendors comprising of Indian Private Industries including MSMEs, reputed Indian academic institutes, foreign industries, for development of Systems, Subsystems and software to bridge the technology gap.

If the Identified item for Indigenization is of high value, complex in nature and involving considerable R&D, Collaborative R&D approach may be adopted. If an item needs to be developed with the involvement of outside partners (other than DRDO & other Government organizations),

Collaborative R&D process may be followed. The collaboration vendors are selected based on transparent EOI process or by SEG/Methods/Indigenization team/ project team/D&E (committee). Corporate Commercial will enlist/update vendors for Collaborative R&D and issue as 'Corporate List' of Collaborative R&D vendors to Units. In-order to select right technology vendor for collaborative R&D for Particular System/Subsystem/Software, 'Quality & Cost Based Selection (QCBS)' is followed (which involves both technical and cost aspects in vendor selection). Funding for development, on case to case basis, from BDL is permitted after due Management approval. For such developments, a joint IP between BDL & vendor is to be in place.

ii) Collaborative R&D Procedure:

SEG/Methods/Indigenization team/ project team/D&E (committee) will Identify Projects/ Technology Modules for development through Collaborative R&D and identify Vendors from the Corporate list.

In case there is a need to add new Vendors, the same will be forwarded to CC by SEG/Methods/Indigenization team/ project team/D&E (committee) after obtaining CFA approval, for scrutiny and inclusion in the corporate list.

User department will obtain in-principle approval from Management for starting Collaborative R&D, with chosen list of vendors.

User department will obtain acceptance from vendors for taking up development work and obtain Non disclosure agreement (NDA) signed from willing Vendors.

User department will obtain Management approval, Generate & forward to Vendors the draft Scope of Work (SoW), technical Collaboration Agreement (TCA) and call the potential Vendors (responded) for technical discussions/clarifications.

Update SoW & TCA based on the feedback from Vendors. The SoW will have QCBS requirement sharing embedded in it.

User will obtain unit head approvals for (final) SoW, Work Orders/WBS.

The Enquiry with final SOW and TCA to be sent to selected Vendor by the IMM Dept, following normal purchase procedure to obtain techno commercial proposal in two bid system.



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Technical Evaluation Committee will evaluate the Technical 1 bids of the received quotations. Vendors are selected through QCBS.L1 Vendor is arrived.

Obtain approval from Management for signing TCA with finalized L1 Vendor. Release PO with SOW and TCA. Participate and review with vendor during development as per SOW.

- f) In respect of advance payments on maintenance contracts, the same may be allowed on quarterly basis after obtaining certification as to the regularization of the payment of the previous quarters before releasing advance payment for subsequent quarters.
- g) Advance payment of insurance charges is permitted provided the insurer is a Public Sector Organization and payment is approved by the concerned Functional Director.
- h) Advance payments may be approved in the case of miscellaneous expenses like payments of small value to suppliers from outside India, exhibitions, advertisements, subscriptions, membership fee, books and periodicals etc., upto a maximum of Rs. 20 Lakh by CMD and Rs. 10 Lakh by FD in each case.

10.18 PAYMENT:

For all inland payments crossed Cheques / Demand Drafts shall be sent by Finance department to IMM or banks in case of cash on deliver of items, banks to negotiate document only.

In all other cases payments shall be made by electronic payment through Real Time Gross Settlement (RTGS) / National Electronic Fund Transfer (NEFT) / e-Transfer.

Vendor's bank account details for e-payment are updated in SAP by CC and scanned copies of these particulars are uploaded into SAP system by ITD.

10.19 EXCHANGE RATE VARIATION (ERV):

a) ERV CLAUSE:

In case the delivery period exceeds one year from the date of contract which involves import content (foreign exchange), the offer should indicate the import content. In case Delivery Period is re-fixed / extended, ERV will not be admissible, if this is due to default of the supplier. Base Exchange rate of each major currency used for calculating FE content of the contract is to be indicated. The base date for ERV to be admissible would be the last date of submission of bid.

b) DOCUMENTATION FOR CLAIMING ERV:

The following documents would need to be submitted in support of the claim on account of ERV:

- i. A bill of ERV claims enclosing worksheet.
- ii. Banker's Certificate / debit advice detailing FE paid & Exchange rate.
- iii. Copies of import orders placed on the suppliers.
- iv. Invoice of supplier for the relevant import orders.

10.20 BILL SUBMISSION:

Vendors submit the bills / invoices to stores along with supplies or to IMM / CPED or PED / Civil. The bill details are entered in to SAP system by these departments and forward the bills along with relevant



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documents to finance for payment. The list of documents to be submitted along with supplies and along with bill is clearly specified in PO / Service Order / Work Order.

The date of delivery, where conditional supplies are specified in PO, like supply with in 'X' weeks from, the date of issue of material / site clearance, is entered by IMM / CPED or PED in SAP system for the purpose of Vendor rating and to evaluate the vendor performance..

10.21 HIRING OF VEHICLES / HANDLING EQUIPMENT ON EMERGENCY BASIS:

Departments requireing to hire vehicles and handling equipments on emergency basis may do so by obtaining the quotations from transporters / service providers by fax or by physical collections. At least three quotations shall be collected by the department and approval shall be obtained as per DoP. However it is essential to contact the transporters with whom BDL has got agreement entered into by CC. In cases where obtaining three quotations is difficult, approval of next higher authority may be taken. In exceptional cases, like firing ranges, Installation sites, pre-dispatch inspection sites the senior most officer incharge (not less than the rank Grade V) shall exercise due diligence and decide on the such hiring. Post facto approval shall be taken in such cases.

10.22 ACTION PLAN FOR PROCUREMENT OF ITEMS IN THE APPROVED CAPITAL BUDGET:

As soon as the budget is approved, Corporate Finance Department shall circulate the Approved Capital Budget to all concerned (Finance / IMM / Divisional Heads) for initiating procurement actions. The Indenter / user departments shall prepare the PR with complete specifications for the items and send them to IMM department duly vetted by the concerned Divisional Head.

It is to ensured by the indenter / user that the specifications are prepared clearly. The specifications should also be generic enough to allow wide participation of bidders.

It shall be ensured by head IMM that the technical evaluation for the bids received is done within a reasonable time. If required head IMM may interact with the committee to sort out issues if any.

Both indenting department and IMM shall periodically review the progress on all capital purchases under process in the division with divisional head to ensure that the capital budget allocated is utilized within the time frame. The status after review is to be forwarded to head CC. Such reviews shall be held at least once in a month.

10.23 Inter Factory Demand (IFD) :

IFD is raised by user division on providing division for service or supply / work.

IFD is signed by divisional head, IMM and finance on request of PPC is submitted to the providing divisional IMM. The providing divisional IMM will put up for consideration of the IFD by providing divisional head through finance. Any modifications in the IFD will be communicated back and the IFD terms and conditions are settled on mutual consent. Once approved it is submitted to PPC for taking up the IFD.

If IFD requires FIMs from the user division, STO is raised for transfer of FIMs once the items are received, internal work order is raised for taking up either production or assembly of the requirement.



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If materials is to be procured by servicing division, concerned PPC will raise the PR's for procurement of items required. The servicing division will execute the IFD, the concerned QC will clear the items / assembly and the items will be store credited. The stores department will stock transfer to the user division. Based on the IFD terms the user finance department will settle the accounts.

10.24 CLOSURE OF PURCHASE ORDER / SERVICE ORDER

While making the final payment to the vendor and before releasing the PBG, it should be ensured that there is nothing outstanding from the vendor, because it would be difficult to retrieve such amounts after releasing the bank guarantee/final payment.

At least in large PO / SO (above Rs. 50 (Rupees Fifty lakhs), it should be ensured that before the release of the bank guarantee (final payment, if there is no bank guarantee), the following reconciliations should be done across Departments involved in the execution of the PO / SO:

10.24.1 MATERIALS RECONCILIATION

The stores and/or the indenter should confirm that all materials ordered in the PO / SO and paid for have been received in good condition and there is no shortfall. Full reconciliation of all raw material, part, assembly provided to the vendor should be done including wastages and return of scrap/off-cuts.

10.24.2 RECONCILIATION WITH THE USER DEPARTMENT

Besides material reconciliation, the user Department should certify in writing that the following activities (wherever applicable) have been completed by the vendor, to the Department's satisfaction, as per the PO / SO:

- i. Achievement of performance standards of material/equipment supplied;
- ii. Installation and commissioning;
- iii. Support service during the warranty period which has ended on_____;
- iv. Training of operators/maintenance staff;
- v. Return of all ID cards, gate passes, documents, drawings, protective gear, material, equipment, facilities and assets loaned to vendor; and
- vi. Support during annual maintenance PO / SO (if it was part of the PO / SO) which has ended on_____.

10.24.3 PAYMENT RECONCILIATION

The indenting / IMM Departments may reconcile payments made to the vendor to ensure that there is no liability outstanding against the vendor on account of:

- i. LD;
- ii. Price reduction enforced on account of shortfall in performance of material/ equipment;
- iii. Variations/ deviations from the scope of the PO / SO;
- iv. Overpayments/ duplicate payments, if any;



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- v. Services availed from Procuring Entity and vacation thereof such as accommodation, electricity, water, security, transport, cranes and other machinery, and so on,
- vi. Demurrage, insurance premiums or claims, customs duties, and so on;
- vii. Material reconciliation;
- viii. Price and exchange rate variations;
- ix. Statutory duties paid on behalf of the vendor by Procuring Entity; and
- x. Inspection charges or loss of material in testing.

On satisfactory reconciliation, the bank guarantee may be released and its acknowledgement taken from the vendor and the PO / SO is closed in SAP.

On completion of all activities against a PO / SO, the purchase file should be preserved as per the norms prescribed by HR and then destroyed after expiry of the applicable mandatory retention period with the approval of the CFA. However, Procuring Entity, at its discretion, may retain important records for future reference.

10.25 SHORT CLOSURE OF PURCHASE ORDER ON FOLLOWING CONDITIONS :

- i. Vendors request for short closure of PO due to its inability to supply
- ii. Vendors not able to meet quality parameters.
- iii. Vendors inability to upgrade to latest infrastructure as per PO terms.
- iv. Fraudulent vendor post PO release.
- v. Debarred vendor
- vi. Vendors inability to supply based on overall assessment post PO.
- vii. Based on customer complaint.
- viii. Force majeure conditions.
- ix. Short closure on account of BDL's indent closure post PO.
- x. Vendors not able to meet daily request (inordinate delay leading BDL to LD with customer i.e. armed forces)



CHAPTER - XI

E-PROCUREMENT

11.1 e-PROCUREMENT :

Electronic Procurement is the business-to-business or business-to-consumer or Business-to-government purchase and sale of supplies, work and services through the Internet as well as other information and networking systems, such as Electronic Data Interchange and Enterprise Resource Planning. e- procurement offers the benefits of greater transparency, wider geographical reach and lesser time of transaction and better pricing.

e-Procurement is done with a software application that includes features for supplier management and complex auctions. The new generation of e-procurement is now on-demand or a software-as-a-service.

e-Procurement includes various e-features such as:

- ✍ e-Tendering
- ✍ E-Reverse Auction / E-forward Auction
- ✍ e-Payments
- ✍ e- Sourcing
- ✍ e- Catalogues
- ✍ e-Billing / e- Invoices

11.2 e-TENDERING:

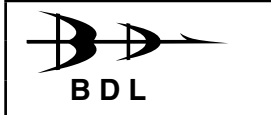
11.2.1 PREPARATION OF NOTICE INVITING TENDER (NIT):

IMM shall fill NIT as per standard format, inserting SAP generated enquiry number as tender reference number. Open / Global / Limited tendering is decided based on value of PR and IMM manual.

In case of Limited tenders, the list of vendors with contact details along with e-mail id are to be sent to Service Provider, for sending mails inviting them to participate in the tender and the bidders are mapped against the tender by the IMM officer

The necessary documents to be accessed by the vendor are uploaded in to e-procurement portal, by IMM. The typical lists of documents are provided below.

- a) Technical specifications and requirements.
- b) Drawings and documents if any.
- c) Pre-qualification requirement if any.
- d) Relevant General terms and conditions.
- e) Special terms and conditions, if any like Integrity Pact etc.
- f) Price bid format.



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IMM Officer's contact details (Name of the Officer, Designation, Dept Name, Phone / Mobile no, Email ID) shall be provided in NIT.

11.2.2 CREATION OF BIDDING FORMS & ENVELOPES:

The bidding forms shall be created based on the single bid / two bid system adopted. In case of single bid all the technical and price bid forms shall be in one envelop.

In case of two bid system the EMD and Tender fee, techno commercial and price bid envelopes shall be separate. The techno commercial envelop shall contain separate terms and conditions confirmation form, special conditions confirmation form, technical confirmation form, commercial confirmation form, to verify compliance of the bidder. Wherever required vendor pre-qualification form shall be in a separate envelop.

The bidding forms shall be as detailed below

a) VENDOR PRE-QUALIFICATION :

Vendor pre-qualification form shall have the provision to enter pre-qualification requirement criteria like past experience, turnover, proof of execution of similar projects etc.. vendor pre-qualification shall be in a separate envelop.

b) EMD / TENDER FEE :

In case of tender where EMD and Tender fee is applicable the form shall contain the provision for bidder to enter the e-payment / DD submission details and upload the documents or exemption documents.

c) TECHNO COMMERCIAL:

Techno commercial forms shall contain provision for bidder to accept the general terms and conditions, specifications, special conditions, BoM, taxes, delivery details, etc.. along with provision to enter bidder remarks. In case bidder are allowed to offer alternate model / specification the same shall be spelt out in the technical requirements as a specific point and they should be asked to upload the scanned specification of the other models.

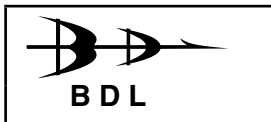
d) PRICE BID:

The price bid form shall have the provision to enter the price. This shall have the provision to encrypt with DSC. Wherever required, the bidder shall be given an opportunity to specify the currency in which they are quoting.

Wherever applicable, they should be able to select additional rows to offer alternate models / specifications. The provision for remarks shall be provided.

11.2.3 MAPPING OF BIDDER:

In case of Limited tender IMM shall map the suitable bidders in e-procurement portal for the particular tender. It is necessary that the vendors are enrolled (new bidder registration) in e-procurement portal to enable them to be mapped. The vendors shall be encouraged by IMM and CC to enroll into e-procurement portal.



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Normally access to tender is before login for Open / Global tenders and after login for limited tenders. Only bidders who have been mapped to the tender can access the limited tender. In case where it is required due to reasons approved by CFA, the Open / Global tenders can be created with a condition of access only after login. The access in such cases can be provided on payment of tender fee.

11.2.4 ENCRYPTION OF THE BID:

The encryption of the price bid is equivalent to a sealed cover in normal tendering. The encryption is done using public key of IMM officer and at the time of opening the bids his private key is used to decrypt the price bid. This ensures confidentiality of the price quoted by the bidder until tenders are opened. This is done using DSC issued by Certifying Authority in India to the concerned IMM officer.

11.2.5 PUBLISHING OF TENDER:

The tenders are published in e-procurement portal by concerned IMM officer using DSC.

In case of Open / Global tenders the tenders are published in the newspapers as done in the manual mode. However, in case of Open / Global tenders, the amendments shall be published as corrigendum in the e- procurement portal only and not in newspapers. Necessary condition shall be incorporated in the terms and conditions / advertisement.

11.2.6 DURATION FOR SUBMISSION OF BID:

For manual and e-tendering

Duration of submission of bid from the date of publishing of tender to last date of submission of bids shall be allowed as detailed below:

Global tenders 35 days.

Open tenders 28 days.

Limited tenders 10 days, if all the bidders are registered in e-procurement portal and are mapped by IMM executive while publishing the tender else 15 days.

Single tenders: Sufficient for the bidder to respond.

Where, because of urgency, the Head of the IMM Department proposed to contact only one source, or to give a notice of less than the duration that of regular due date duration the IMM department shall obtain approval from the Divisional Head. The reasons for the urgency and for selecting a particular source and reduction in due date is to be recorded.

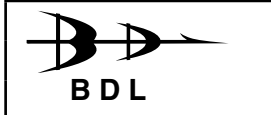
If required, the duration may be increased accordingly. The tenders should be kept open for downloading the documents just a day prior to the tender due date.

11.2.7 VENDORS LOGIN:

Vendor's login and submission of tender is done using DSC which is acceptable as per Indian IT Act 2008.

11.2.8 PRE-BID MEETING:

Pre-bid meeting shall be organised online or offline mode wherever required.



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11.2.9 COMMITTEES:

a) TENDER OPENING COMMITTEE (TOC):

Tender opening committee shall be formed before due date and details shall be entered into e- procurement portal. The committee shall have one finance member and one IMM member and normally it is a three member committee.

The committee shall open the bids using their DSCs and printouts shall be signed. All other procedures shall be followed as per manual mode.

In case of Open / Global tenders, TOC will also share complete tender opening result with “sharing of individual technical bid chart” details with the bidders to enable the bidders to know who are their competitors and their technical information. However bidders will not be called for tender opening as done in manual mode.

On successful evaluation of Techno-Commercial Bid by TEC the price Bids shall be opened or e- Reverse auction is adopted on approval of CFA. Successful techno commercial bids are to be accepted in the portal, to open price bids. In case, price bids are opened, CST and price bids are printed and signed by TOC.

11.2.10 EXPRESSION OF INTEREST (EOI):

In certain cases EOI is published in the e-procurement portal. Evaluation of EOI can result in further tender on limited tender basis. EOI is given necessary publicity through advertisement etc.

11.3 STANDARD OPERATING PROCEDURES (SoP):

Detailed Standard Operating Procedures (SoP) is issued by CC on e-Procurement, which is placed at Annexure - IX. All those details not referred in this chapter or SoP have to be followed as per the manual system.

11.4 e-REVERSE AUCTION :

If approval is given for e-Reverse auction, Price bids shall be opened. The bidders who are technically qualified shall only be eligible to participate for e-reverse auction on a specific date. Bidder will be trained by the Service Provider before the auction and certificate to this effect is obtained from the bidders.

The start price & decremental value is decided by a committee which is to be approved by CFA. The reverse auction is conducted using the start price and decremental value. The L1 bidder is decided on conclusion of the auction.

The terms and conditions are placed at Annexure - XXIII.



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CHAPTER – XII
SPECIAL PROCEDURES

12.1 COMPENDIUM OF CIRCULARS:

CC shall circulate the guidelines / instructions received from CVC, MoD, Management in respect of procurement activities to all concerned.

12.2 FEED BACK AND REVIEW OF MANUAL:

The Manual has to be constantly reviewed by all the Agencies concerned and suggestions for modifications, if any, may be suggested to CC. The same will be reviewed and necessary amendments shall be issued as and when required.

The amendments will be issued by CC on approval from CMD and shall be circulated to all concerned. The manual and all its amendments during the year shall be hosted in the SAP system of BDL and website. Biennially, the manual shall be renewed and the latest version including all amendment shall be issued.

12.3 MAINTENANCE / WEEDING OUT OF OLD RECORDS:

Weeding of old records is as per the directives issued by HR Department.



CHAPTER - XIII
STORES PROCEDURES

13.1 CLASSIFICATION:

Stores are classified based on the location

- a) Stores are located at factory premises in different Units. They are responsible for the receipt and issue of raw materials / semi- finished and finished items and dispatches.
- b) Stores sections are classified as
 - i. Divisional Stores
 - ii. Complex Stores

13.2 CLASSIFICATION OF ITEMS:

Items are classified as follows:

- | | | |
|------------------------------------------------------------------------------------------|---|-----------|
| a) Plant, Machinery and Equipment, Office Equipment & Furniture and Industrial furniture | } | Capital |
| b) Standard Tools | | Revenue |
| c) Special Tools, Jigs and Fixtures and special to product items | | |
| i. Deferred Revenue | | Amortised |
| ii. All consumable items | | Revenue |
| d) Spares | | Revenue |
| e) Raw materials & Components | | Revenue |

The indenting agency will indicate whether the item is Capital or Revenue applying the principle enunciated. In case of doubt the General Manager (CC) / Director (Finance) shall decide.

13.3 METHODOLOGY:

The implementation of this system involves accomplishment of the following activities:

- a) Receipt of Stores
- b) Issue of Stores
- c) Storing and Accounting

13.4 RECEIVING:

- a) Arrange for customs clearance and collection of goods.
- b) Prefer claim on vendor / insurance as the case may be in case of rejection / damage.
- c) Preparation of receiving report and arrange for clearance of goods from inward Goods Inspection.
- d) Arrange for storing of rejected material in a separate quarantine stores, advise purchase section to take up with the supplier, organise periodical discrepancy. Review committee meeting for disposal of rejected items.



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13.5 DISPATCH:

- a) Arrange for all dispatch documents, packing of goods after inspection, custom clearance and handing over the consignment to carrier / consolidating agency. Inform vendor/ customer of dispatch details.
- b) Finalise insurance policies and ensure continuity of coverage by prompt payment of premium.
- c) For inland dispatches, way bills are to be obtained from CC by providing all the requisite information as per the format available in Samachar.

13.6 HOLDING STORES:

- a) Proper storage / preservation of materials, issue against authorized material requisitions.
- b) Carry out perpetual stock / physical verifications.
- c) Ensure First In, First Out for listed shelf life items and arrange for disposal of life expired items.

13.7 TOOL CRIBS:

- a) Proper storage / preservation of tools, issue against token.
- b) Keep up to date record of calibration status and arrange for periodical calibration / reconditioning of tools.



CHAPTER – XIV
RECEIPTS OF STORES

14.1 SOURCES:

Items are received in the stores from the following sources:

- a) Foreign firms and licensors.
- b) Local suppliers including sub-contractors.
- c) Production and Assembly shops of BDL.
- d) Loan (or) Transfer from other units / organisations etc.

14.2 CLEARANCE OF IMPORTED GOODS / CONSIGNMENTS:

Stores receive the following documents for custom clearance:

- a) Two copies of supply order / PO.
- b) Customs copy of import license wherever applicable
- c) General Exemption Certificate in original wherever applicable.
- d) Invoice Copy.
- e) Packing List Copy.
- f) Country of Origin Certificate.
- g) Copy of the Letter of Credit wherever applicable.
- h) Airway Bill / Bill of lading.
- i) Catalogue / write up wherever applicable.
- j) Freight Certificate in Duplicate.
- k) Conformance certificate.
- l) Material inspection certificate from third party wherever applicable.
- m) Authorization letter to liner to handover the documents / delivery order to Clearing Agent for Clearing the consignment.
- n) Technical write-up, if required.
- o) In case of direct delivery like charter flight, BDL will file katcha bill of entry / Final bill of entry.
- p) Take delivery of cleared consignment along with original bill of entry and other documents from clearing agent.
- q) If any damage is noticed in the material obtain a open delivery certificate for claiming Insurance.
- r) Submit Bill of entry to RBI, duly endorsed by the bank.

Import Clearance Section assesses the customs duty to be paid to each item in Supply Order as per the Indian Customs Tariff, wherever applicable.

For Import of Project capital items, the contract shall be registered with Customs Authority, prior to the import of first consignment of said project capital items.



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The import Clearance section shall enter the details in “Register of Foreign Consignments”

They shall forward the above referred documents to the clearing agents / embarkation commandant, Embarkation Headquarters, Bombay for clearing the consignments.

The representatives of the clearance section shall coordinate with the clearing agents who shall arrange to forward the cleared consignments to Bharat Dynamics limited, by Rail / Road / Air, depending upon the urgency, nature and size of consignment. In case of local clearance at Hyderabad the consignment meant for Kanchanbagh, shall be collected by Complex Stores from CATCH.

In case of damage / shortage in any consignment, the clearing agent shall arrange survey by insurance surveyor, custom authorities, carriers, agents and port trust authorities as required and obtain necessary certificate to enable us to complete claim formalities in the event of loss or damage.

14.3 CLEARANCE OF FOREIGN POST PARCELS:

On receipt of parcel Arrival Notice from “Principal Postal Appraiser, Bombay”, the Import Clearance section, shall forward the following documents to “The commissioner of Customs postal Appraising Section, Bombay”

- a) General Duty Exemption Certificate if duty free.
- b) Import License, where-ever applicable.
- c) Invoice.
- d) Packing list.
- e) Postal receipt.
- f) Technical Write up.

After the receipt of above documents, customs authorities shall assess the customs duty to be levied on the parcel / consignment and forward the parcel along with the details of customs duty to be paid, wherever applicable to respective post offices.

On receipt of parcel arrival notice from post office, the import Clearance section shall pay necessary amount towards the Customs duty and collect the parcel.

14.4 COLLECTION OF GOODS FROM INDIGENOUS / LOCAL SUPPLIERS:

14.4.1 Stores Department shall receive the PO copy from the Purchase Department. Stores officer shall forward it to the Receipt section of Stores for necessary action.

14.4.2 On receipt of intimation from the Bank, concerned MM Department shall retire the documents from the Bank and forward the same to Stores Section. After the receipt of documents such as BURR / LR / AWB etc., from Purchase Section, the Receipt section In-charge shall make entries in LR / RR Register (Annexure - A) and shall forward all the documents to person in-charge of collection of stores and obtain his signature in RR ‘Register’.

14.4.3 The person responsible / deputed for collection of stores shall plan for the collection. He shall ascertain with the transport carriers/agencies the arrival/receipt of the consignments. The person incharge of collection shall collect the required amount for the payment of the freight and other incidental charges from Imprest.



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Before actually taking delivery of packages / cartons, the person incharge of collection shall check the packages / cartons for any damage. If the packages are found in good condition, he shall pay the freight charges etc. and take delivery.

14.4.4 In case packages are found in damaged condition, he shall demand for open delivery from transport agency. He shall arrange for the Joint Survey by the representatives of BDL and transport agency / Insurance authority wherever necessary. The representative shall invariably be from Indenting Department / Quality control Department or Stores Section.

14.4.5 He shall obtain the open delivery certificate from the transport agency and shall lodge claim on the carrier for the refund of damages assessed. A copy of claim shall be sent to Insurance Company.

14.4.6 In the case of packages received in deficit numbers / short, he shall obtain, "Short Landed Certificate" from the transport agency, in respect of packages received.

14.4.7 The following documents will be forwarded to section preferring the claims:

- a) Formal application for open delivery.
- b) Open delivery certificate,
- c) Claim on carrier
- d) Short landed certificate in cases where packages are received in deficit numbers. Copies of claim letters will be sent to Purchase, Accounts and Indenter.

14.4.8 The person in charge of collection / receipt section will ensure that all the required documents for collecting the consignments are filed properly in receipt section and in no case they will be lost / misplaced. In case the required documents for collecting the consignments are not available or inadequate, the person in charge of collection will obtain the required particulars from transport agencies and also from Purchase Section. He will present "Indemnity Bond" or "Guarantee" issued by the stores Officer. in order to facilitate immediate collection.

14.4.9 The person responsible for collection will hand over the packages/cartons along with the challan and Invoices for incidental charges, to the person incharge of Receipt section and obtain his signature in 'the Register.

14.4.10In case of door delivery at Bharat Dynamics Ltd., stores, as stipulated in the PO, the firm / supplier will submit the items along with delivery challan directly to receipt section.

14.4.11After the receipt of consignments, the Receipt section In charge will arrange to unpack the cases and will check for the quantity/weight received against the Invoice / packing list / Bill / Delivery Challan and PO.

14.4.12 In case the quantity / weight of items received are in surplus/deficit as against the quantity /weight mentioned in packing list / invoice, the person Incharge of receipt section will prepare 6 copies of "Discrepancy Pending Status Advice" (Annexure-B), and will make entries in "DPSA Register.



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14.4.13 The copies of DPSA will be distributed as follows:

- First, Second and Fifth copies - IMM (Integrated Material Management)
- Third Copy - Finance
- Fourth Copy - Claims Section
- Sixth Copy - Office Copy

14.5 GOODS RECEIPT (GR):

The Receipt section will enter PO number in computer GR screen and prepare Nine copies of PRV Voucher and will allot the GR control number and enter in GR Register.

GR will contain following information:

- a) PO No. and date (PO number shall be entered into GR screen.)
- b) GR Number and date (give GR No. and date on which GR prepared.) GRs are prepared separately for capital and revenue through SAP.
- c) Supplier's address and code (SAP will pick up from PO table).
- d) Delivery Challan No. and date (Enter D.C. No. and date on which dispatched).
- e) LR / RR / AWB / BURPP No. and date (Enter LR / RR / AWB etc. No. and date).
- f) Mode of transport (Enter mode of transport Rail / Road / Air / Ship / Door Delivery / Cash purchase etc).
- g) Item No (Enter Serial Number of item after ascertaining / comparing PO item description).
- h) Description and specification (SAP will pick up description and specification from PO table).
- i) Unit code (SAP will pick up from PO table).
- j) Challan Qty. (Enter Qty. of items mentioned in Delivery Challan).
- k) Received Qty. (Enter physical quantity received at stores).
- l) Material Code (Computer will pick up material codes from PO).
- m) DPSA No. and date (Prepare DPSA for the items received in shortage etc.).
- n) Condition of package (Give the condition of package received at stores).
- o) Actual Weight (Give weight of the package received at stores).
- p) Claim on Vendors/carriers (Indicate claim to be initiated against relevant insurance authorities for deficit materials received and damaged condition of package / deterioration to materials).
- q) Freight to Pay / Paid (Indicate if freight to be paid / already paid at carrier by stores).

14.6 The Receipt Bay Incharge shall attach tags for each of the items in GR quoting:

- a) Description of item.
- b) GR number and date.

14.7 The Receipt Section will sign in GR and will submit the items along with 9 copies of GR to Inward Goods Quality Control (IGQC) for Inspection. Stores officer will obtain the signature of IGQC personnel in GR register.



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14.8 It will be ensured by the Receipt Section that the GRs are prepared and the materials are presented for inspection within 2 days of the receipt of the material.

14.9 IGQC will link up the PO with the GR and inspect the items.

Correctness of the Quality and Quantity:

The stores / items are checked for ascertaining the correctness of quantity, quality and documents. In case the stores / items are found deficient in any way the stores / items rejected even if these were inspected and cleared by the inspector.

14.10 IGQC shall check and indicate quantity rejected and the Rejection Code in GR and in SAP mode. The quantities accepted with concessions and accepted with rework are entered in SAP system. (GR, Annexure C, C1 and C2). A "O.K. Tag" signed by the Inspector of IGQC shall be attached to each of the accepted items before they are submitted to Receipts Bay and taken on charge in holding stores for issue.

14.11 The IGQC officer shall sign the GR, and forward the inspected items along with 8 copies of GR to Receipt Section, after retaining their copy of GR.

14.12 Quality Control Department shall ascertain that the items are inspected for both quality and quantity and send back to Receipt section normally within 3 days but not exceeding 7 days of the receipt of items. (As special case).

14.13 In case goods are received through Charter flights QC Dept. should inspect and clear the items immediately, pending receipt of presentation reports/inspection report from collaborator.

14.14 In case of capital items such as Plant & Machinery Maintenance Department shall be the inspection agency. In case of Furniture and office equipment, the Indenter will be the Inspection agency.

14.15 On receipt of inspected items along with 8 copies of GR from IGQC / Indenter, the Receipt Section shall enter the date of receipt in GR Register and shall segregate all the rejected items. Colour bands shall be marked on the accepted raw materials by Receipt Section with the specified colour as per standard colour code chart. The Receipt section shall forward with fourth copy of GR to Purchase department within two days. The Receipt section shall handover the accepted items along with the remaining copies of GR to concerned Holding Stores.

14.16 HOLDING STORES:

On receipt of items, the Holding Store Keeper shall check:

- a) Physical quantity with accepted quantity in GR.
- b) Physical damage if any by visual inspection and.
- c) Record the accepted quantity taken on charge in SAP, and Bin card.

The Holding Store Keeper will sign all the copies of GR, and forward 7 copies of GR to Receipt section for further distribution, after retaining his copy within two days.



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The copies of GR will then be distributed as follows by Receipt Bay Section, within one day.

- First Copy - Accounts Inward Bill Section
- Second Copy - Accounts (Costing) Third and Fourth Copy - IMM
- Fifth Copy - Indenter
- Sixth Copy - R/B Receipt Bay Stores
- Seventh Copy - Master Copy / Rej. Cell

14.17 RECEIPTS AND PAYMENTS:

The following will be the time frame within which a consignment will be taken on charge and paid for after clearance from the carrier:

- a) Receipt and accounted of individual consignment and preparation of DPS (Quantity)
- Two days.
- b) Preparation of GR and presentation of goods for Inward Inspection cell of Quality Control Department / IGQC / Indenter
- Two days.
- c) Inspection of goods and clearance of GR's - Three days in the normal course and up to a maximum of seven days where special tests are involved.
- d) Receiving GR and Goods by Receipt section and preparation of Rejection report Segregation of rejected items and handing over of the accepted material to the Holding Stores - Two days.
- e) Taking charge of materials and clearance of GR by the holding stores to Receipt section.
- Two days.
- f) Distribution of GR by Receipt section to all departments including Purchase Section
- One day.
- g) Linking of GR, Bills and other payment documents by purchase section and Forwarding the bills to Accounts
- Two days.
- h) Payment of the bills after completing all the formalities (Date of posting the cheque from the date of receiving bill from purchase)
-Three days.

14.18 PAYMENT OF BILLS:

- a) The invoice / bill received along with goods by stores are forwarded to IMM. In some cases where the supplies are received along with the Delivery Challan (DC) only and the bills are received by IMM. In case of work order the Plant Engineering Department (PED) / Central Planning Engineering Department (CPED) / Civil will receive the bill directly.
- b) Entry of the bill / invoice is made in the SAP system by bill recommending authority.
- c) Bills are forwarded to paying authority (divisional Finance) along with SAP generated IDN, to enable bill tracking. It is essential that documents required to be submitted along with the consignment and bill / invoice are clearly specified in the PO / Work order / Contract.
- d) The details of bills paid are received by the recommending authority and which shall be sent to the vendor / contractors.



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14.19 REJECTED MATERIALS:

- a) Items rejected in Inspection shall be kept separately in the "Receipt Section" till disposed of as per instructions of IMM. Each rejected item shall be labelled properly in Red tag indicating the name of the supplier, PO No., GR No, DPSA No. etc., and the details shall be entered in "Register of Rejected Stores".
- b) Incharge of Receipt section shall arrange to dispatch the rejected items to the suppliers, on advice from IMM, through "EXIV for Rejected stores" (Annexure-D1), Rejected stores register (Annexure D)
- D) and Ex-IV Control Register.
- c) IMM and Accounts department shall be informed of the charges which include Demurrages paid, advance paid, Freight if paid, RPP charges etc., to be deducted from the amount to be paid to the supplier.

14.20 DAMAGED GOODS - INSURANCE CLAIMS:

Whenever any loss or damage occur to the goods which are covered by the Insurance, during transit from the supplier to BDL stores, Stores shall assess the extent of damage, in co-ordination with Quality Control department, and shall prepare six copies of Insurance claim against open policy taken with Insurance company along with necessary support documents such as Non-Delivery / Damage / Loss Certificate issued by transporter, survey report by Insurance etc. as required by insurance policy conditions.

- a) The copies of Insurance claim shall be distributed as follows
First Copy - Insurance Company
Second Copy - Accounts
Third Copy - IMM
Fourth Copy - Office copy
Fifth Copy - Supplier
Sixth Copy - Carrier
- b) Receipt Section of Stores shall furnish at the end of each month the "Statement of Monthly Insurance Declaration" (Annexure - E) to the Accounts. Department, giving the details of all materials received and the materials dispatched from BDL, arranging the Insurance Coverage against transit risks.

14.21 RAILWAY CLAIMS:

- a) In case of damaged consignments received through rail transport, the person responsible for collection will demand for open delivery of the packages / cartons, and will arrange joint inspection by the stores personnel and Railway officials - (Technical representatives of BDL and representatives of Railways) and surveyors.
- b) Stores section will (obtain shortage / damage report from the Carrier authorities and prepare copies of claims.



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- c) The copies of claims will then be distributed as follows
- | | | |
|-------------|---|-------------|
| First Copy | - | Insurance |
| Second Copy | - | Accounts |
| Third Copy | - | Office Copy |
| Fourth Copy | - | Purchase |
| Fifth Copy | - | Supplier |
| Sixth Copy | - | Carrier |
- d) All the claim notices will be entered serially in the "Claims Register" (Annexure - E1) maintained in the claims section of stores. The claims section under the guidance of Stores Officer will ensure that the claims are pursued and the matter in dispute settled in time. In case of claims of complicated nature legal assistance will be obtained from our company's legal adviser.

14.22 DEMURRAGE CHARGES / TRANSIT DUES:

- a) Unloading of carrier should be promptly and speedily attended to within the free time allowed to avoid demurrage charges.
- b) If demurrage charges are to be paid, approval of the competent authority as per delegation of powers should be obtained by initiating a note explaining the circumstances in detail.
- c) The demurrage charges paid will be noted in a register with particulars of approval.



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15.1 STORE CREDIT SLIP:

- a) All the items such as semi-finished / finished components, sub-assemblies / assemblies, which are manufactured in Component Production and Assembly shops, will be store credited on the basis of “Store Credit Slip” (Annexure - F) prepared by Production Planning and Control (PPC) section in quadruplicate.
- b) The person incharge of Holding stores will check:
 - i. The quantity indicated on store credit slip with the physical quantity.
 - ii. Inspection remarks and signature of Q.C.D.
- c) The details are entered serially in “Store Credit Slip Control Register” (Annexure - F1). The person incharge of Holding Stores will indicate control serial No. and sign on all the copies of Store Credit Slip and Tool delivery voucher (Annexure F2).
- d) After taking the items and entering the details on Computer BIN cards / Register, the copies of Store Credit Slips will be distributed as follows
First Copy - Accounts
Second Copy - Stores
Third Copy - IMM
Fourth Copy - PPC

15.2 STORES RETURN NOTE:

- a) Surplus / Redundant items will be Store credited to holding stores through “Stores Return Note” (Annexure-G) prepared by Indenting Department in quadruplicate and signed by Quality control as acceptance.
- b) Holding Stores will enter the details in “Store Return Note Control-Register” (Annexure - G1) and will assign the control serial number on Stores Return Note.
- c) The quantity is posted in the relevant Bin card. Holding Stores will sign in on all the copies of Stores Return Note.
The copies of Stores Return Note will be distributed as follows
First Copy - Accounts
Second Copy - Stores
Third Copy - Material Management
Fourth Copy - PPC / Indenter
- d) PPC will ensure that all the excess material drawn against Material Requisition Slips (MRS) are returned to stores on “Stores Return Note”.
- e) Tools found surplus in the Tool Crib will not be taken back on Stores charge but they will be declared as surplus and separate disposal action will be taken as per the recommendations of a duly constituted salvage committee(SC).



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15.3 STOCK TRANSFER VOUCHER:

- a) Whenever it is necessary to transfer items from one Division Stores to another Division Stores, it will be done by means of "Stock Transfer Voucher"(Annexure - H) to be prepared in quadruplicate by the issuing stores. In respect of tools transferred from Tool crib of one Division to other Divisions this document will not be used and the tools will not be taken back on charge in holding stores.
- b) After the receipt of items from issuing stores, receiving stores will enter the details in "Stock Transfer Voucher, Control Register"(Annexure – H1) and will post the quantity taken on charge in the Bin card. This register is not required wherever SAP is followed.
- c) The copies of Stock Transfer Vouchers will be distributed as follows
 - First Copy - Accounts (Costing)
 - Second Copy - Issuing Stores
 - Third Copy - IMM
 - Fourth Copy - Holding stores / Receiving Store

15.4 ISSUE OF STORES:

Items will be issued from Stores to the following:

- a) Component Production, Tool Room. Assembly and other departments
- b) Outside firms / sub- contractor.
- c) Finished products to customers.

15.5 ISSUE TO WORKS:

- a) MRS (Annexure-I) prepared in quadruplicate by Production Planning and Control will be presented to concerned holding stores 3 days in advance of starting date of first operation in shops.
- b) All items required for manufacture of products will be drawn on MRS only, duly authorised by IMM.
- c) After the receipt of MRS the incharge of holding stores will
 - i. Check the authorisation of Material Management.
 - ii. Check the availability of stock from Bin cards.
- d) Enter the details in "MRS control Register' (Annexure - I1) and assign the control number on all the copies. The stores department will issue separate control serial for the MRS in respect of drawal against work orders and for the "Issue Vouchers" in respect of drawal of items of general and consumable nature.
- e) The Store Keeper will issue the correct quantity of items to the representatives of PPC and indicate issue unit and issue quantity. The Store Keeper will issue the correct quantity of items to the representatives of PPC and indicate issue unit and issue quantity (Annexure I2).
- f) The Store Keeper will sign and obtain the signature of representative of PPC on all the copies of MRS.
- g) The MRS copies will be distributed as follows:
 - First Copy - Accounts
 - Second Copy - Stores
 - Third Copy - IMM
 - Fourth Copy - PPC



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15.6 ISSUE VOUCHER

- a) Capital items such as Plant, Machinery / Equipment and Revenue items such as consumables and other items shall be issued to Indenting Departments on "Issue Voucher," Annexure - J) authorised by Material Management. Issue vouchers shall be prepared in quadruplicate by the Indenting Departments and presented to Stores 3 days in advance or at least one day in advance to keep them ready.
- b) After the receipt of Issue voucher (4 copies) from the indenters, the person in charge of holding stores shall enter the details in Bin Card and "Issue Voucher Control Register" (Annexure - JI) and indicate control number on Issue Voucher
- c) The person in charge of holding stores shall fill the details of items issued, and obtain the signature of the indenter on all the copies of the Issue Voucher.
- d) The copies of Issue Voucher shall be distributed as follows
First Copy - Finance
Second Copy - Store
Third Copy - Material Management
Fourth Copy - Indenter
- e) In case of Assembly jobs, AMR / DMR raised by PPC in line with Bill of Material, after duly authorized by IMM, the material received shall be issued by holding stores and dispatch to accounts. In case full material is not issued as per AMR requisition, the Indenter shall raise the supplementary AMR / DMR on same work order.

15.7 ISSUE TO OUTSIDE FIRMS / SUB-CONTRACTORS:

- a) Issue of items to outside firms or other organizations, for manufacture, reconditioning, plating etc., shall be done on EXIV Sales (Annexure - K) / EX.IV unit to unit (Annexure - K2), EX.IV Sub-contract (Annexure - K1) and Returnable Material Gate Pass (Annexure K3) and Non-returnable Material Gate Pass (Annexure K4).
- b) IMM section shall forward an advice note to Stores to prepare and Issue / dispatch material giving details:
 - i. Reference of our PO.
 - ii. Material / quantity of materials to be sent to sub- contractor.
 - iii. Description of component (s) sub- contractor.
 - iv. Estimated number of components for which the materials are to be sent.
 - v. Mode of dispatch of component (s) sub- contractor.
 - vi. Value of the Raw- Materials.
- c) The persons in charge of Holding Stores shall prepare the Material gate pass and shall raise 9 copies of "EX.IV". He shall enter the details in "EX.IV Control Register". He shall indicate the control number on all the copies of EX.IV and retain one copy of Issue voucher with stores.
- d) The copies of EXIV shall be distributed as follows:
 - i. Accounts - 2
 - ii. IMM - 2



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- i. Party along with material - 3
- ii. Stores - 1
- iii. Master Copy - 1
- e) The person incharge of Holding Stores shall then prepare “Non- returnable Material Gate Pass” in triplicate. One copy of Material Gate Pass shall be retained with the stores.
- f) Other two copies of Material Gate Pass shall accompany the material up to security check. Security shall retain one copy of Material Gate Pass and release the material along with other copy.
- g) At the end of each financial year, the Material Management shall send to accounts a statement of materials held with the sub- contractors for audit verification.
- h) e-way bills shall be generated for movement of goods against job-work wherever applicable

15.8 ISSUE OF FINISHED GOODS TO CUSTOMERS:

- a) The Head of Department (Planning) shall inform Material Manager who shall arrange to dispatch the finished goods to the customer indicating the quantity of finished goods and mode of dispatch etc based on customers’ orders / contracts. On the basis of this Stores will dispatch the finished goods. In case escort is essential, Stores shall arrange the escort.
- b) Finished goods, after clearance by Quality Control Department and a waiting dispatch shall be taken into ledger charge separately in finished goods stores.
- c) The person incharge of Holding Stores shall prepare “Ex. IV” in 9 copies and enter the details in the EX-FV control register. Stores shall indicate the Control Number on all the copies of EX-IV.
- d) The copies of Ex-IV shall be distributed as follows
 - i. Accounts - 2
 - ii. IMM - 1
 - iii. Stores - 2
 - iv. Customer - 3
 - v. Planning - 1
- e) The person incharge of Holding Stores will prepare “Non returnable “Material Gate Pass” in triplicate. He shall arrange for packing of finished goods in good condition and shall ascertain that the goods are loaded in truck. It is also the responsibility of Stores Officer for making arrangement for loading the finished goods in the appropriate transport.
- f) The two copies of Dispatch Note along with two copies of Material Gate Pass shall accompany material to the security check. Two copies of Ex-IV and signed by customer for having received, shall be sent back to stores.
- g) e-invoice shall be generated by Finance and e-way bill shall be generated by CC on request of stores

15.9 ISSUE OF CAPITAL ITEMS:

- a) Requisition in the form of Capital Issue Voucher (Annexure - L) Capital Issue Voucher Control Register (Annexure - L1) for plant, machinery / equipment will be raised by the maintenance department/ production department / indenter, duly authorized by the Material Management Department.
- b) Maintenance Department will hand over machine/ equipment to the indenter / production Department against Issue voucher, after installation and commissioning of the machine/ equipment.



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- c) Spares will be drawn directly by the concerned production department/ indenters/ maintenance department, on issue vouchers, duly authorised by Material Management Department.

15.10 GENERAL:

- a) No material will be issued from Stores unless the material code number, Revenue/capital, cost center number, requisition number and date is indicated on all Material Requisition Slips/ issue Voucher by Material Management Department / Indenter. SAP facility is to be used for raising vouchers.
- b) Issues from Stores will be made only on authorized Material Requisition Slips /Issue Vouchers, against Work Orders / Standing Orders duly authorised by Material Management Department.
- c) Each and every category of item will have permanent location with location code number. The items except capital items will be positioned in the location as decided by the person in charge of Holding Stores.

15.11 HOLDING STORES :

Holding stores (Sub-Stores) will be entered in SAP for accepted goods such as :

- * Missile Stores
- * Ground equipment Stores
- * Raw Material Stores
- * Semi-finished Stores
- * Central Stores
- * Hardware Stores
- * Finished Stores
- * Explosive Stores

15.12 STORAGE-EQUIPMENT BIN:

- a) Indicate serial number of rack / slot within the equipment/Bin Location
- i. R. V No.
- ii. Tag attached to each item indicating thereon,
- aa) GR No.
- bb) Description of material
- cc) Material code, quantity etc.
- iii. It will be the responsibility of person incharge of holding Stores, for packing and preservation of stores by the application of rust preventive compound/oils/ greases etc. He will ensure that items are stored as per the instructions given by the manufacture / quality control department.

15.13 SALVAGE AND DISPOSALS OF SCRAP:

- a) Items like packing boxes, empty tins / barrels received along with items, will be separately accounted for, and stored in the scrap yard under the control of Common Services -IMM/ unit



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IMM. Such items can be issued for usage in the works under the instructions of Head of IMM KBU / Unit IMM.

- b) The process scrap is segregated as ferrous and non-ferrous scrap by component production and sent to scrap yard through collection agency.
- c) Non-ferrous scrap such as brass scrap, copper scrap, silver scrap etc., duly certified by Quality control Department will be Store credited, by the representative of Production Planning Department through "Scrap Delivery Note" (Annexure - M) prepared in quadruplicate, to scrap stores and SDN Control Register (Annexure - M1). The scrap stores shall be maintained by CS-IMM / Unit IMM.
- d) On receipt of such scrap material, the person incharge of Scrap Stores will enter the details in Store Ledger and will sign all the four copies of Scrap Delivery Note (Annexure - M).
- e) The copies of Scrap Delivery Note will be distributed as follows
 - First Copy - Divisional Accounts
 - Second Copy - Stores
 - Third Copy - Division IMM
 - Fourth Copy - Production control
- f) All the other process scrap such as Aluminum and Steel turning and boring scrap, from shops will be kept separately and the same is moved to scrap yard through collection agency. The scrap generated due to rejection is segregated similarly by quality control and moved to scrap yard after defacing. All the items / materials rejected after inspection, end-pieces and other items salvaged by the SC will be stored in Quarantine Stores. Stores officer will take necessary action to dispose the above items as laid down in paras above.
- g) The scrap will be disposed off through MSTC / GeM.
- h) The scrap will be weighed in the presence of Stores officer, Material Manager, security Officer and the Purchaser / Contractor, "EXIV" and the Material Gate Pass will be prepared and duly signed by Stores officer, Material Manager and Security Officer.
- i) The Contractor will collect the scrap material, only after submitting the amount after obtaining sale order. The Contractor will make his own arrangements to take the scrap material from BDL at his own expense.
- j) The stores incharges to follow the scrap disposal procedure adopted by BDL in disposing, sorting of the scrap in case of scrap handling.

15.14 RECORD KEEPING:

- a) The concerned Store Keeper of the Holding Stores will prepare a Bin card (Annexure - N) and Bind card control register (Annexure - N1) for each item stored under his custody The Bin card will contain the following information.
 - i. Material Code
 - ii. Description
 - iii. Specification
 - iv. Accounting unit
 - v. Location



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- b) The Store Keeper will be held responsible for proper postings for receipt and issues on Bin cards / Ledgers daily. The Store Keeper, on receipt of items to be stored.
 - i. Check the physical quantity of items received, with the quantity mentioned in GR / Issue Voucher, etc.
 - ii. Prepare labels / tags indicating control number of GR / Issue Voucher, description of the material, material code, Bin card number etc.
 - iii. Find out location and position the material in the Bin / rack. Every item in Issue Voucher will be posted in SAP.
- c) The Store Keeper will ensure that the distribution of copies of Material Requisitions, Issue vouchers to all concerned, is done positively on the following day after posting. He will be responsible for the safe custody of stores in stock, and will also be accountable for any shortage or spoilage.

15.15 STOCK VERIFICATION:

- a) The Stores Officer will ensure that the stocks of all items in concerned Holding stores are verified departmentally, in addition to the stock verification by the Accounts Department/Audit.
- b) Stock verification will be carried out to check the proper nomenclature of all the items, and that actual physical balance tallies with the balance in Bin cards as per proforma. Any discrepancy will be investigated and adjusted after the approval of the Management only as per DoP.
- c) Periodical physical stock verification will be done by the person deputed by the Audit in the presence of Store Keeper. Discrepancy after due acknowledgement of concerned Store Keeper, will be forwarded to Management. Adjustments of Stock will be made only with the approval of Management.
- d) A programme for stock verification will be finalised by Stores and Accounts sections and stock verification work will be taken up accordingly. Before stock verification work is taken up, the Stores section will keep the records up-dated by posting all the transactions of receipts/ issues/ transfers in SAP and the closing balance on date of physical verification.

15.16 RE-INSPECTION OF STORES:

- a) In case the quality of the material held on charge in any Holding Stores, except the scrap materials/ items stored in scrap yard, is suspected that
 - i. Materials are deteriorated
 - ii. Materials become obsolete
 - iii. Adverse report is received from the users
 - iv. Damaged due to storage conditions
 - v. Short life items etc.the concerned Indenter / Quality Control Department / Stores officer will inform Quality Control through Inspection Note.
- b) On receipt of Re- inspection note, the Quality Control Department will ascertain, whether Re- inspection is to be carried out for the entire quantity or for the part quantity/sample. Quality Control department will advise Store Officer to submit the material for re- inspection.



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STORAGE OF MATERIALS

CHAPTER - XV

- c) Quality Control Department will inspect the material and will submit its report in proforma indicating the quantity accepted and quantity rejected, to store officer. Store officer will forward the report to the Management in proforma for information and approval to write off the rejected quantity from the concerned Holding Stores.
- d) In the case of short life ingredients / items, explosives and other volatile liquids, requiring special storage conditions, Quality Control Department will ascertain at the time of Inward Goods Inspection that the items are re-inspected after certain period and the periodicity of inspection will be written, by attaching a special note along with the GR of the Holding Stores copy.
- e) The Incharge of Holding Stores is responsible to store and preserve the materials in good condition as per the procedure and will also indicate the periodicity of re-inspection.



CHAPTER - XVI
TOOL CRIB PROCEDURE

16.1 GENERAL:

The tool crib will be responsible to provide the operators all small Tools, measuring instruments and Jigs & Fixtures for different Projects. The issue of tools / measuring instruments / drawing tools to the operators is always treated as a loan issue and is transacted by the use of Tool Issue Slip or Permanent Individual Tool Issue Card, in cases where the items are required to be held by the individuals permanently. Tool issue slip (Annexure - O), Gauge / Measuring Instruments / Tool Damage slip (Annexure - O1), Tool rework advise (Annexure - O2) and Tool record advice register (Annexure - O3).

16.2 PLANNING AND PROCUREMENT:

Procurement action in respect of small tools / Project tools and metrology items required by all shops will be taken care by Divisional Material Management in consultation with Tool Engineering Group and Metrology, as these sections are directly responsible for provisioning of small tools / project tools as well as all the metrology items to tool crib. Replenishing of quantities rendered unserviceable through normal wear and tear, breakage or loss etc. is automatically done by the tool crib.

16.3 OPERATION OF TOOLS CRIBS:

- a) The Tool crib operates under direct charge of a Senior Stores Asst. controlled by Stores officer. Separate tool crib is operated for different work spots. All tools / gauges available in tool crib are classified and codified systematically. The storekeeper in charge will be responsible for the safe custody and proper maintenance of small tools / project tools and measuring instruments held in tool crib. For the purpose of easy operation of the tool crib, the items held therein will be classified as under:
- i. Hand Tools : Files Hacksaws, Hammers, Spanners, Screw drivers, Pliers, Nippers etc
 - ii. Holding Devices : Hand vices, machine vices, Bench vices, Collects, Dead Centers, Revolving Centers, V'Blocks, Clamps, Lathe Carriers etc.
 - iii. Drills : Twist Drills, Core Drills, Centre Drills etc.
 - iv. Reamers : Hand Reamers, Machine Reamers, Taper Pin Reamers etc. Side Turning Tools, Turning & Facing Tools, Boring Tools,
 - v. Turning Tools : Boring & Facing Tools, Parting Tools, Knife Tools, Finishing Tools Recessing Tools etc.
 - vi. Threading Tools : Tape Dies, Chasers Etc.
 - vii. Milling Cutters : End Mills, Slot Drills, Shell End Mills, Slitting Saws, Angle Cutters, T-Slot Cutters, Concave & Convex Cutters, Hobs.
 - viii. Gauges : Plug Gauges, snap Gauges, Pitch Gauges, Feeler, Gauges etc.
 - ix. Measuring Instruments : Vernier Calipers, Micrometers, Dial Indicators Spirit levels etc.
 - x. Jigs & Fixtures : Jigs, Fixtures, Press Tools, Project Tools, Special Tools etc.



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- b) It is the responsibility of the Tool Crib in charge to see that the minimum quantity of each type of tools required by the shops is maintained at all times in the Tools Crib and replacements made by drawing the items from the main Stores against Stores Requisition. A visual inspection will be done by the Store Keeper each time when a tool is returned to the tool crib by the operator.
- c) A bin card is maintained for all the items in the tool crib with Location besides kardex entries. The Store Keeper will maintain detailed inventory of all the items whether in his custody or in the custody of operators and record the results thereof in the inventory account. Representative of Material Account will arrange to test check the entries of the receipts of Tools and Gauges made in the Bin Cards kept in the Tools Crib with the relevant Stores Requisitions. As per the Stock verifications procedure, the stock verifier will check the physical stock of all the items in the Tool Crib at least once a year. All jigs, fixtures and the Tool Engineering Section will credit tools manufactured under different projects to Tool Crib directly against tool delivery voucher.
- d) In case, when an item is required by one Tool Crib and is not available there, the same can be drawn from another Tool Crib on loan request form. The items drawn from the main Stores but not in use in Tool Crib can be returned to the Main Stores against a Store Return Note.
- e) In case of items requiring calibration tool crib shall submit them to the calibration agency before the expiry of valid calibration period.

16.4 ISSUE OF TOOLS AND GAUGES:

- a) The issue of tools and gauges will be controlled by the use of either Tool Issue Slip or a permanent individual Tool Issue Card. The items issued to an operator against a Tool Issue Slip must be returned to the Tool Crib within two days or on completion of job for which they were issued whichever is earlier. All the items drawn by the operator during the week and could not be returned to the Tool Crib within the above stipulated time for various reasons should be returned to the Tool Crib on the last working day before closing time every week. When it is felt necessary for an operator to be in-possession of certain items permanently, a permanent Individual Tool Issue Card is prepared wherein all such items are entered and issued to the individual, there being subjected to physical check at all times. It is the responsibility of the operator for safe custody of items issued to him against a permanent Tool Issue Card through the concerned Officer.
- b) The tools and gauges that are returned by the user should accompany a Tool OK slip duly signed by the concerned shop officer. After receipt of the tools in the crib, they should be dipped in plastic pool, or applied greases or oil depending on the type of the tools. Only one type of tool should be kept in one pigeonhole of the rack. Whenever the operator/user approaches with tools issue slip, tools are to be issued and all such tool issue slips are to be placed at their respective positions and details of tools are to be posted in the respective cards.
- c) The operator should not keep the tools with himself for more than 15 days. Otherwise the value of tools is likely to be recovered, from his salary.
- d) Broken tools must be returned along with breakage report duly incorporating reasons for breakage, certified by Section-in-charge not below the rank of Deputy Manager. Consumed reports will not be entertained in any case. In case of breakage of Solid Carbide tools they should be certified by SM (CP) / DGM (CP) / CP (Officer Incharge).



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- e) Standard tools which require repairs / reconditioning/re-sharpening are to be drawn by Tool Room Planning on weekly basis and the same shall be returned within two weeks from the date of drawl duly completing the job. In case of measuring instruments, quality control Department has to perform the above functions.
- f) Methods Department should examine about rework for project tools that has to be carried out and their comments should be given within a day to TCD. Thereafter, tools shall be drawn by TED for rework.
- g) The end user shall directly co-ordinate with Tool Room Planning for the repairs / reconditioning of holding devices such as drill chucks, 'C' Clamps, parallel clamps, etc.
- h) Tools shall be issued only to permanent employees.
- i) Tools for PED and general departments such as TED, D & E etc., will be issued to officers only.
- j) A condemnation committee is to be constituted, drawing members from TED, Methods, QC, MM, User Department and Finance for declaring the tools as Unserviceable and condemned. This committee should meet at least once in six months to accomplish the above task. Thereafter, disposal action shall be taken by Stores department.

16.5 RESHARPENING OF STANDARD CUTTING TOOLS / MAINTENANCE OF TOOL HOLDERS:

Tools requiring re-sharpening / reconditioning of cutting edges and tool holders requiring repairs are to be returned to tool crib by the shop personnel advising tool crib to keep them in a separate Bin for re-sharpening / repairs. The tools thus accumulated over one week are to be listed and forwarded to Tool Planning / Tool Room by the Tool Crib personnel. Tool Planning shall co-ordinate with the Tool Room and Tool Crib for re- sharpening / repair of the same and return to Tool Crib.

16.6 STORING AREA TOOL CRIB:

Smaller Size Cutting Tools / Gauges are to be kept in plastic bins and stored in pigeon racks. As far as possible, cutting tools with drawing numbers are to be stored in Tool Crib In the order of their numbers.

16.7 REWORK OF TOOLS:

The Jigs, Fixtures, Press Tools, Drawing Tools etc., which lost their original shape during normal usage and become unfit for further use for want of repairs or modifications, such tools, will be returned to the tool Crib by the operators against Tool Rework Advice. On receipt of these items the Store Keeper concerned will forward the same together with the rework advice to Tool Engineering Section with Methods remarks for necessary rework. The Tool Engineering Department will liaise with Tool Room and arrange to get them reworked and returned to tool Crib. Some of the tools which cannot be reworked or used further and required to be scrapped will be returned to Tool Crib by Tool Engineering against Tool Breakage / Damage Slip so as to enable the Tool Crib incharge to write-off these items as is done in the case of unserviceable tools.

16.8 DAMAGED ITEMS:

At the time of returning tool / gauge drg. Tool and Tool Crib Store Keeper usually inspect in all cases. No damaged item shall be accepted into the Tool crib unless it is accompanied by breakage slip/damage slip duly filled with the reasons for breakage and signed by the writing -off authority. Every first week of



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the following month a statement of broken and unserviceable tools / gauges report will be prepared on No.5 copies (Accounts, MM, Tool Engineering, Metrology and Retention) and forwarded to the above mentioned department duly certified by the departmental head concerned and counter signed by the Tool inspection Committee or Condemnation Board in order to see that all damaged items covered by the statement are written -off from the Tool Crib charge and the values of the same are debited to the account of the departments concerned and also for making arrangements to replenish the same.

The entire scrap of the above tools / gauges / drg. Tools will be surrendered to the salvage Stores against Stores Return Note.

In the event of tools lost by the operators, habitual losses or damages to tools / gauges, the tool crib will advice Accounts Manager of pay Rolls under intimation to the operator for effecting the deduction from salary.

16.9 SECURITY MEASURE CHECK BY STORES STAFF:

The Stores staff should play an effective role as custodian for safe custody of stores. The Stores staff should exercise a constant vigil of the stores both in the stores hanger and outside the open yard and in addition make a daily round of the stores lying in the open area. Heavy and bulky items that cannot be binned have to be stocked outside in an orderly manner and the area fenced with a wicket gate provided.

LOCKING OF STORES HANGERS:

- a) All the Stores hangers should have adequate shutter arrangement and duly locked & sealed by the Stores Keeper incharge at the close of shifts. The hangar keys and Stores Office Keys should be deposited daily with the Security, in the key boxes meant for the purpose. The keys are drawn only by Stores Personnel authorised by the Officer Incharge of Stores department from time to time. All such authorizations are sent to security.
- b) One set of duplicate keys of all locks used for locking stores hangars, stores offices and lockers are kept in the office of the Senior Stores Manager / Stores Manager, duly sealed. In case of replacement of locks or introduction of new locks, the duplicate keys of such locks should be sent under a covering memo to the office of the Senior Stores Manager / Stores Manager through the Stores Officer.
- c) The duplicate keys deposited in the office of the Senior Stores Manager / Stores Manager are used only at the time of emergency and the details entered in the departmental key register indicating the purpose for which the keys were drawn.

STORES LYING IN OPEN AREAS:

The Stores lying in open area should be in the constant vigil of stores and security staff and the later particularly during night and holidays when the stores offices remain closed. Sufficient fencing and flood light illumination of the area where stores are kept must be arranged.

Explosive stores and ammunition stores shall be guarded by Security personnel in addition to stores vigilance.



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16.10 LOSSES DUE TO PILFERAGE OR THEFT:

Losses occurring through suspected pilferage / theft etc. should be reported to the Management immediately when noticed. The report will be submitted by an officer not below the rank of Grade-III. It should- incorporate the following details.

- a) Division / Department reporting.
- b) Date of occurrence / detection.
- c) Nature of material.
- d) Value of material.
- e) Nature of loss.
- f) Brief observations - how occurred, who is responsible, etc.
- g) Action taken / recommended.

Report on losses should be made to the Divisional Head and Security.



CHAPTER – XVII
CAPITAL INVENTORY PROCEDURE

17.1 PURPOSE:

The purpose of this procedure is to identify the fixed assets such as Plant & Machinery, Industrial & Office furniture and Equipment and all Civil Assets with their location and to assign a code referred to as item location number to facilitate perpetual physical verification of all fixed assets.

17.2 METHODOLOGY:

17.2.1 Capital items will be procured by the Divisional IMM / CC / IMM (KBU) / Unit IMM. These will be purchased only against approved budgets for the projects. Buildings for the various uses of the company will be executed by Civil engineering department, through work orders on contractors.

17.2.2 Whenever capital items are procured the PR, GR and IV will be marked “ Capital” on the top of the pages and the “Project name” will also be stamped by IMM.

17.2.3 Capital items will be first received in stores and issued to departments after painting the item location number according to the procedure detailed in Para 4 & 5 below. Buildings will be brought on charge after completion certificate is issued.

17.2.4 All the capital items that are purchased, the Division stores will enter in this capital items register. A separate page (Ledger folio) will be maintained for each category of item.

17.2.5 Stores incharge of every division will prepare a capital items inventory report as on the last date of the financial year. The same will be sent to the divisional head by first week of May of every year. Capital equipment for Corporate Offices will be maintained by Common Services Stores.

17.2.6 Location registers will be maintained in individual departments by the departmental heads and these will be maintained. Location register for buildings will be maintained by civil department of the unit.

17.2.7 All the departmental heads will update capital inventory register (Appendix - 1) and (Appendix - 2) of the department as and when a new asset is installed in the department. All HODs will send updated capital inventory report of the previous year by first week of May to divisional head.

17.2.8 Divisional head, on endorsing the departmental capital inventory reports will send them to divisional finance for consolidating divisional capital inventory report. The same will be sent to FD and CMD by last week of May (for the previous year) by all divisional heads. For corporate division, Head of Corporate finance will submit the same to FD and CMD.

17.2.9 CE will submit the same report to FD and CMD regarding the buildings.

17.2.10 For the sake of convenience the HODs are advised to maintain the register for assets whose purchase value is Rs. 2500/- or more. The financial limit of Rs. 2500/- is Subject to revision from time to time based on CMD's instructions.



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CAPITAL INVENTORY PROCEDURE

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17.3 LOCATION REGISTER:

Departmental head will maintain relevant information regarding each capital item in each of the cost centers. This register will form the basis of physical verification of all the capital items in a cycle of 5 years. Location register for plant and machinery (Appendix - 3) and location register for civil asset (Appendix - 4).

17.4 TRANSFER OF CAPITAL ITEMS:

17.4.1 In case any capital item is transferred to any other cost centre it should be done through capital transfer voucher (Appendix - 5) and relevant entries made in the location register of both the cost centers. The location number of the transferred item will change and the changed item location number should be shown in the location register.

The new item location number should be again painted on the item in the place of old number by the department receiving the capital item by transfer.

17.4.2 In case an asset is transferred between Cost centers of a division or Inter divisional transfer the head of the division of receiving department is responsible for updation of item location number.

17.5 RECONDITIONING / UPGRADATION OF CAPITAL ITEMS:

PED will carry out all repairs, reconditioning and maintenance of the capital items. If any item is sent to divisional PED for this purpose a pencil entry to this effect should be made in the location register and struck off on receipt of the subject item in the department provided the item is physically moved from the cost centre to PED. The industrial and office furniture will be taken up for repair / reconditioning by the concerned department. Details of the routine repair / maintenance of the item should not be entered in the location register.

17.6 CONDEMNATION OF CAPITAL ITEMS:

17.6.1 All unserviceable and irreparable items proposed to be condemned (in the first opinion of the departmental head) should be listed and sent by the departmental head to the chairman of The Condemnation board of the respective division.

17.6.2 The departmental head will show these items to the divisional condemnation board which will evaluate and consolidate and forward to the CS IMM or unit IMM regarding the action to be taken in respect of capital items that are proposed to be condemned by the divisional condemnation board, duly indicating the reserve price in a sealed cover, to be opened at the time of disposing.

17.7 PERPETUAL INVENTORY OF CAPITAL ITEMS:

17.7.1 A team consisting of a representative from internal audit and a representative of the department / cost centre holding the capital item will carry out the physical verification of the capital items on a continuous basis in a cycle of 5 years which will ensure that every capital item is checked for their physical presence once in 5 years. The result of this physical verification will be recorded in the location register and also in the report of the team.

17.7.2 For any new cost centre number or machine number or number for any item of furniture the departmental Heads have to consult CDO / Central Codification cell.



CHAPTER-XVIII
EXPLOSIVE STORES

18.1 RECEIPT:

Explosive materials are received and stored in Explosive stores. PRV is prepared by the receiving stores clearly noting down the batches and serial numbers of the items as applicable. The PRVs are submitted to IGQC for inspection.

The material produced in house is received against store credit slip and stored accordingly.

The explosive category of each material should be noted and care shall be taken accordingly as specified in safety manual.

18.2 HOLDING AND ISSUE:

Material accepted is entered into Bin cards with details of location. Material is issued against authorized Issue Voucher / MRS. The material is handled carefully and sent to different assembly shops only in explosive van.

18.3 REJECTED MATERIAL:

The rejected material is stored separately in explosive stores. These materials are disposed of by returning to the manufacturing agency or by Destruction as directed by safety officer.

Monthly report of explosive stores in stock is sent to IMM head of the division and safety officer. It is ensured by the stores incharge that the stocks do not exceed the explosive safety limits. The stores incharge shall make available all the records and stores for statutory explosive and safety audit. All the aspects concerned with the safety while storing and handling are ensured by all concerned in the stores as per the safety manual.

18.4 All safety matters are to be followed as per safety manual issued by safety department and amendments issued there on.



CHAPTER-XIX

PROJECT CUSTOMER SUPPORT:

19.1 PROCUREMENT FOR CUSTOMER SUPPORT ACTIVITIES:

- a. BDL off-late receiving orders wherein BDL is extending Customer Support for warranty and post warranty periods.
- b. The Agreements may consist of supply of spares, periodic servicing of equipment's and repairs as and when requested by the Customer.
- c. The process to be followed for Customer Support activities is as under :

CUSTOMER SUPPORT PROCUREMENT TAKES PLACE AS A PLANNED PROCUREMENT AND CONTINGENCY OR EMERGENCY PROCUREMENT:

- a. Planned procurement is generally for warranty and post warranty period. The entire requirements as per the agreement are considered well in advance before any actual requirements arises from the users, for which procurement of goods or services are dealt as per the procedure laid down in IMM Manual.
- b. For regular works / services, AMCs will be finalised. Rate Contracts will be made for repair of works / items / equipment's. To avoid delay Vendors / Service Providers shall be shortlisted in advance for repair / service of equipment's / items area wise.
- c. Repair / Service of item at site includes where material is supplied and consumed at site. For repair at site each complaint will be considered as unique case and treated independently for placement of SO / PO without waiting for consolidation of the requirements.
- d. To reduce the cycle time of repair at site the RC / AMC Vendor / Service Provider will be requested to take up the Repair / Service as per the requirement and the regularisation of the process will be done later.
- e. In case of supply of material / service requirements at the site, the Customer Support Dept may source the requirement from the vendor / Service Provider if already RC / AMC exist. Else the Customer Support Dept can source the requirement from the local market as per (f) below and the expenses will be regularised subsequently.
- f. For local purchase the Customer Support Dept should seek two to three quotations and the requirement to be met from L1 vendor. For regularisation / reimbursement the original quotations and invoices duly authorised by the Customer Support Dept to be submitted by duly certifying the completion of repair / service rendered.
- g. For all expenditures which are equal to or more than Rs.5000/- (excluding Taxes) per each case and maximum Rs. 30,000/- excluding Taxes on each occasion minimum two to three quotations are to be obtained.
- h. If at local market more than one vendor is not available the Customer Support Dept Representative at the site will submit a certificate to that effect along with the Completion Certificate.



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- i. The Customer Support Dept Representative should obtain consent from the authority before proceeding with the repairs / service which will be endorsed by the authority who authorised the expenses at the time of regularisation of the activity.
- j. The following documents are to be enclosed at the time of reimbursement / regularisation of the advance
 - a. For material / items: Bills in original with GSTIN Number / TIN Number of both Vendors and BDL where ever possible and receipt of material on Delivery Challan / Invoice duly signed by the customer representative which is the recipient of it.
 - b. For Service / Repairs : Work completion / Service report for service rendered including part repair / replaced duly signed by customer representative.
 - c. For Labour: Receipt of payment with signature / thumb impression of the labourer / labour contractor with name, no of days and rate per day.
- k. Customer Support Dept should obtained prior approval of CFA by estimating the emergency / contingency expenditure for a period of one year, the same will be regularised by submitting all the documents by consolidating the yearlong activity from the same CFA who has approved the expenditure.
- l. The AMCs / RCs will be made as per IMM procedure by the Division to which the Customer Support Dept is reporting.
- m. The advances drawn should be approved by the CFA to be as per DoP Sl. No. 174, page 64/91 and the same is to be settled by the person who has drawn the advance.
- n. In case of expenditure made by person without drawing the advance, on approval of CFA as per DoP, it will be reimbursed.



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PURCHASE REQUISITION (PR) CONTENTS

ANNEXURE – I

S.NO	DESCRIPTION	S.NO	DESCRIPTION
1	Indentor		SUB SCREEN 1
2	ST No.		Probable vendor
3	Division	1	Sl. No.
4	Project	2	Vendor Code
5	Cost Centre	3	Vendor Name
6	PR No.		
7	PR Date		SUB SCREEN 2
8	Type (REV / CAPITAL)		PR ENTRY REMARKS
9	Budget Head	1	SL No.
10	BE / RE	2	Remarks
11	Proprietary / Non-Proprietary (SINGLE)		
12	Recurring / Non- Recurring		
13	PR Year		
14	Justification		
15	Item No.		
16	Material Code		
17	Description		
18	Specification		
19	Size		
20	Unit Code		
21	Quantity		
22	Unit rate		
23	Item Value		
24	Delivery Date		
25	Total no. of Items		
26	Total Value		
27	Last PR No.		
28	Last PR Date		
29	Last PO No		
30	SP Condition		
31	Class		
32	Department		
33	Source(Indigenous / Imported)		
34	Staggered delivery		
35	Message		



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SERVICE CONTRACT REQUEST (SCR) CONTENTS

ANNEXURE – II

S.NO	DESCRIPTION	S.NO	DESCRIPTION
1	Staff No.		SUB SCREEN - 1
2	Division		ITEM DETAILS
3	Project	1	Item No.
4	Recurring / Non-Recurring	2	SR No.
5	Class	3	SR Item No.
6	SR No.	4	Material Code
7	SR Date	5	Unit
8	Source	6	Quantity
9	Tender Type	7	Unit Rate
10	Type of Bidding	8	Total Value
11	Prod Type	9	Store
12	Type (REV / CAPITAL)	10	Last PO No. & Date Re-order Level ABC
13	BE / RE	11	Remarks
14	Budget Head		
15	Budget Amount		SUB SCREEN - 2
16	Balance Amount		List of vendors for sending
17	Justification		enquires
18	C.F.A.	1	Sl. No.
19	Total no. of Items	2	Vendor Code
20	Total Value	3	Vendor Name
21	SR No.		
22	SR Date		
23	Cost centre		
24	Last SR No.		
25	Priority		
26	Category		
27	Person Indented		
28	Special condition		
29	Financial Year		
30	Enquiry Reference		
31	General Description		



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NOTICE INVITING TENDER (NIT) CONTENTS

ANNEXURE – III

S.NO	DESCRIPTION	S.NO	DESCRIPTION
1	Indentor		SUB SCREEN 1
2	Division	1	Sl. No
3	Project	2	Remarks
4	Cost Centre	3	Details
5	SR No.		
6	SR Date		SUB SCREEN 2
7	Type (REV / CAPITAL)		SR Probable Vendors
8	Budget Head	1	Sl. No.
9	BE / RE	2	Vendor Code
10	Proprietary / Non Proprietary	3	Vendor Name
11	Recurring / Non-Recurring		
12	PR Year		
13	Justification		
14	Item No.		
15	Material Code		
16	Description		
17	Unit Code		
18	Quantity		
19	Unit Rate		
20	Form Date		
21	Delivery Date		
22	Item Value		
23	AMC/ SC		
24	Last SR No.		
25	Last Service Order no.		
26	Special Condition		
27	Total no. of Items		
28	Total Value		
29	Line No.		
30	Scope of work		
31	Message		



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**ANNEXURE – III
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Tender No :	Specify the BDL Enquiry number (Generated in SAP System)
Department Name :	System Generated (BDL UNIT - Division - Department) Example : KBC-Milan-IMM
Scope of Work :	Elaborate Description of the work
Tender Details :	Brief Description of the tender.
Mode of Tender Submission:	Online
Tender Type :	Open / Limited / EOI
Type of Contract:	Select Suitable option 1. Goods 2. Works 3. Service 4. Turnkey projects 5. Others
Bidding Type :	Global or Indigenous
Base Currency :	INR or USD/EURO/SF/BP
Consortium :	Not Allowed for BDL
Download Tender Documents :	1. For Open and Global Tenders Before Login 2. For Limited tenders After Login.
Purchaser Location :	Bharat Dynamics Ltd, Hyderabad / Bhanur / Vishakapatnam
Online Distribution of PO:	NO
Online Work flow Requires :	YES/NO
	(If YES, entry of NIT can be done by subordinate officer using his DSC and which will be approved by superior officer. On approval the subordinate officer can publish the tender. The tender opening can also be done by the superior officer with private key of his DSC).
Key Dates:-	
Document Download Start Date & Time :	Specify (T0)
Document Download End Date & Time :	Specify Limited – T0+ no. of days as per IMM manual/Approval Open / Global – T0 + no. of days as per IMM manual/Approval
Last Date & Time of Online Bid Submission :	Specify Limited – T0+ no. of days as per IMM manual/Approval Open / Global – T0 + no. of days as per IMM manual/Approval
Date & Time of Bid Opening:	Specify (Last date + one day)
Bid Validity Period (Days):	Specify (90days for Limited / 180 days for Open/Global)
Project Duration:	Not Applicable



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NOTICE INVITING TENDER (NIT) CONTENTS

**ANNEXURE – III
Contd..**

Documents to be submitted Physically :	Documents required physically are to be specified here Example: EMD, Tender Fee, Completion certificate issued by competent authority, IPBG etc
Tender Activity Configuration:	
Mode of Prebid-Meeting : Mode of Apo-Po :	Specify Required / Not required Specify Offline
Mode of Document Fees Payment:	Online/ Offline / Both
Mode of EMD payment :	Online/ Offline / Both
Mode of Security Fees Payment :	Specify Offline
Mode of Prebid-Meeting :	Specify Required / Not required
Payment Details:	
Document Fees :	Mention the Value in INR (Specify Zero, if not applicable)
Document Fees & EMD Payable to & at :	Payable to BHARAT DYNAMICS LIMITED, at Hyderabad
EMD Amount :	Mention the Value in INR (Specify Zero if not applicable)
EMD payable to & at :	Payable to BHARAT DYNAMICS LIMITED, at Hyderabad / Bhanur
Estimated Cost :	Specify in case of Civil works, (Specify Zero if not applicable)
Details:-	
Eligibility Criteria :	Specify the details Example : The average annual financial turnover during the last three years ending 31st March 2011 should be at least Rs. 140 Lakhs (Audited statement duly attested) etc..
General Terms and condition :	Specify Document Fees, EMD etc.. in Dollars where ever applicable with details payable to and at.
	Specify that Terms and Conditions are available as part of tender document.
	Specify the requirement of IP and IPBG if any.
	Specify any specific conditions are required to be fulfilled for which you would like to draw the attention of the bidder though it is specified in the tender document.
Other Details :	Name of the IMM concern in charge with designation, phone number, and email id.
Product/Service/ Works Keywords:	Specify Keywords for facilitate search



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TENDER ENQUIRY CONTENTS

ANNEXURE – IV

S.NO	DESCRIPTION
1	Staff No.
2	Password
3	Division
4	PR No.
5	PR Date
6	Enquiry No.
7	Enquiry Date
8	Due Date
9	Single / Two Bid
10	General Description
11	Item No.
12	Material code
13	Unit Code
14	Quantity
15	Delivery Required
	VENDOR DETAILS
16	SL No.
17	Vendor code
18	Vendor Name
19	SI No.
20	Remarks
	DATE_EXTN
21	Revised Due Date
22	Reason
	REFLOAT
23	Initial Enquiry no
24	New enquiry no
25	Reasons
26	Revised vendors list
27	Vendor code
28	Vendor Name



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SINGLE TENDER CERTIFICATE

ANNEXURE – V

Sub: _____

This is to certify that stores request are manufacture by _____

_____ and it means all the technical requirements suitable for our applications.

REASONS FOR ADOPTING SINGLE TENDER

- a) It is in the knowledge of the user department that only a particular firm is the manufacturer of the required goods.
Justification:
- b) In a case of emergency, the required goods are necessarily to be purchased from a particular source and the reason for such decision is to be recorded and approval of competent authority obtained.
Justification:
- c) On account of any other operational or technical requirement, which should, however, be clearly recored.
Justification:
- d) For the purpose of standardization of Machinery or components or spare parts to be compatible to the existing sets of Machinery / equipment (on the advice of competent technical expert and approved by the competent authority) the required goods are to be purchased only from a selected firm.
Justification:

Date:

Indenter's signature :

Name :

Designation :

Through: Head of the Dept.

Sig. of Head of the Division



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PROPRIETARY CERTIFICATE

ANNEXURE – VI

Sub: Procurement of _____
The indented goods/items are manufactured and to certify that the goods/items requested are the proprietary products of M/s. _____ OEM.

Reasons for Proprietary Article Certificate:

- _____
- (a) It has been selected for its special characteristics / design / performance / compatibility such as _____.
 - (b) No other make or model is acceptable / Suitable for the following reasons _____.
 - (c) Supporting documents from suppliers attached. (YES / NO)

Date:

Indenter's signature :

Name :

Designation :

Through: Head of the Dept.

Sig. of Head of the Division



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BANK GURANTEE FORMAT

ANNEXURE – VII

This deed of guarantee executed on _____ day of _____ 19 by _____

(Name and Address of the Bank)

- 1) The Bank here in after called the 'Bank'(which term shall mean and include its successors and assigns wherever the context so admits) in favour of Bharat Dynamics Limited, a Government company incorporated and registered under the companies Act 1956, having its registered office at Kanchanbagh P.O. Hyderabad 500258, India (here in after referred to as the 'BDL' which term shall include its successors and assigns).
- 2) In consideration of Bharat Dynamics Limited (BDL) agreeing to make as advance payment of Rs. _____ Representing _____% of the total contract value as per the terms and conditions of the Purchase /Works Order No. _____ dated _____ (here in after called the Agreement) to _____ here in after called the said contractor (s) (which term shall mean and include its : successors assigns and legal representatives) on production of a bank guarantee for Rs _____ (Rupees _____ only), we _____ (name of the Bank, address) (here after referred to as "The Bank ") at the request of contractor(s) do here by undertake to pay BDL an amount not exceeding Rs. _____ Against any losses or damage caused to or suffered by BDL by reason of any branch by the said contractor (s) of any of the terms and conditions contained in the said agreement.

In consideration of Bharat Dynamics Limited(BDL) having agreed to exempt _____ here in after called the said contractors(which term shall mean and include its successors assigns and legal representative) from the demand under the terms and conditions of Purchase / work order no. _____ dated _____ for _____ (hereinafter called the said Agreement) of Earnest Money / Security Deposit / Defect liability Deposit for the due fulfilment by the said Contractors of the bank guarantee for Rs. _____ (Rupees _____ only), we _____ (Bank) (*hereinafter referred to is do hereby undertake to pay BDL an amount not exceeding Rs. _____ against any loss or damage caused to or suffered or would be caused to or suffered by BDL by reason of any breach by the said contractors of any of the terms and conditions contained in the said agreement.

- 3) We _____ (Bank) do hereby unconditionally and irrevocably agree and undertake to pay to BDL the amounts due and payable under this guarantee without any demur. Merely on a demand from BDL stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by BDL by reason of breach by the said agreement or by reason of the contractors failure to perform the regards the amount due and payable by the Bank shall be Conclusive as regards the amount due and payable to the Bank under this guarantee. However our liability under this guarantee shall be restricted to an amount not exceeding Rs. _____.



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BANK GURANTEE FORMAT

ANNEXURE – VII

- 4) We undertake to pay BDL any money so demanded notwithstanding any dispute or disputes by the contractors/suppliers in any suit or proceedings pending before any court or tribunal relating thereto, our liability under this present being absolute and unequivocal. The payment so made by us under this Guarantee shall be a valid discharge of our liability for payment there under and the contractors shall have no claim against us for making such payment.
- 5) We _____(Bank) further agree that the guarantee herein contained shall remain in full force and effect during the period shall continue to be enforceable till all the dues of BDL under or only virtue of the said Agreement have been fully and properly carried out by the said contractor and contractor seeks an extension of term of the guarantee, such extension shall be granted by the Bank and the guarantee shall be in full force till the expiry of such extended period.
- 6) We _____(Bank) further agree with BDL that BDL shall have the fullest liberty without our consent and without affecting in any the said Agreement or to extend time of performance by the said contractors from time to time or to postpone for any time or from time to time any of the powers exercisable by BDL against the said contractors and to forbear or force any of the terms and conditions relating to the said agreement and we shall not be relieved from our liability by reason of any such variation or extension being granted to the said contractors or for any forbearance, act or omission on the part of BDL or any indulgence by BDL to the said contractors or by any such matter or thing whatsoever which under the law relating to sureties would but for this provision, have effect of so relieving us.
- 7) It shall not be necessary for BDL to proceed against the contractor before proceeding against the Bank and the guarantee herein contained shall be enforceable against then Bank notwithstanding any Security which – BDL may have obtained or obtains from the contractors.
- 8) This guarantee shall not be discharged due to the change in the constitution of the Bank or the Contractors.
- 9) We _____(Bank) lastly undertake not to revoke this guarantee during its currency except with the previous consent of BDL in writing.
- 10) Our liability is limited to a sum not exceeding Rs. _____ unless a claim is made on us in writing or or before _____ we shall be discharged from liability under this guarantee.

In witness whereof these presents are executed at _____ on the date, month and year first herein above written.

FOR AN ON BEHALF OF THE BANK WITHIN NAMED



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PURCHASE ORDER (PO) CONTENTS

**ANNEXURE – VIII
Contd...**

S.N	DESCRIPTION	S.N	DESCRIPTION	S.N	DESCRIPTION	S.N	DESCRIPTION
1	Staff no	5	Clearing Agent	19	GST	10	DO YOU Want Further Changes (Y / N)
2	PO No.	6	Insurance Code	20	Taxes	11	Duties
3	PO date	7	Imp Price	21	Discount (%)	12	Taxes
4	DPO No.	8	Pack Fob Imp	22	Discount Value	13	Other Discount (%)
5	DPO Date	9	Conv Value	23	P & F (%)	14	Discount Value
6	From PR / Quotation	10	Custom Duty	24	P & F Value	15	Pack Forward (%)
7	PR No.	11	Consignment	25	Pack Flag	16	Pack Forward Value
8	Date	12	CIF (%)	26	Packing (%)	17	Pack(%)
9	Ref No.	13	Bill Mark	27	Packing value	18	Pack Value
10	Quotation no	14	Imp Pack Flag	28	Forward (%)	19	FOB (%)
11	Quotation date	15	Fob Value	29	Forward Value	20	FOB value
		16	Supplies Indian office	30	FOB (%)	21	Freight (%)
	ITEM	17	Sea Agent 1	31	FOB Value	22	Freight Value
1	Item Details	18	Sea Agent 2	32	Frieght (%)	23	Forward (%)
2	Item No.	19	Gec Note	33	Frieght value	24	Forward value
3	PR No.			34	Approved By	25	Insurance (%)
4	PR Item No.		COMMON	35	Remarks	26	Insurance Value
5	Qtn Item No.	1	General Description			27	CIF (%)
6	Mat Source	2	Import Flag		DPO to PO Conv....		
7	Sub Contract	3	Development	1	DPO No,		PO
8	Party – RM Material Code	4	Flag Total Items	2	DPO Date	1	CANCELLATION Staff No.
9	Unit Code	5	total value	3	Source	2	PO No.
10	Nos	6	Nett Value	4	PO No.	3	PO Date
11	Quantity	7	RPO date	5	PO Date	4	Budget Head
12	Material By	8	Vendor			5	Gen Desc
13	Unit rate	9	Cancel Date		DEC Item	6	PO Status
14	Item Value	10	Insure ID	1	Item No.	7	Updated St No.
15	Tool cost	11	Price Qtn	2	Material Code	8	Approved By
16	Acc Unit code	12	Currency	3	Description	9	PRO date
		13	Source	4	Unit Code	10	Vendor
	Import Details	14	Capital / Rev	5	PO Qty.	11	Report Sign St No.
1	Del Period	15	Budget Head	6	Dec Qty.	12	Reason for Cancel
2	Agent	16	Payment	7	GST		Status
3	Imp LIC code	17	Despatch				
4	Indian Agent	18	Ex-Ready Flag				



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ANNEXURE – VIII

S.N	DESCRIPTION	S.N	DESCRIPTION	S.N	DESCRIPTION	S.N	DESCRIPTION
1	I.No.	1	Item No.		PO REMAINDER		
2	Mat Code	2	Material Code	1	PO No.		
3	Description	3	Quantity	2	PO Date		
4	UC	4	Delivery Type	3	Remainder No.		
5	Qty.	5	Schedule Flag	4	Staff No.		
6	Received Qty.	6	Schedule Time				
7	Unit Rate	7	Regular Interval Quantity				
8	I. Value	8	Delivery Date				
	DELIVERY DETAILS		REMARKS				
1	Details For All Items (Y / N)	1	Sl. No.				
2	Schedule Type (Days / weeks / Months/ By Date)	2	Remarks				
3	Delivery Schedule From						
4	Schedule Time		REPORT				
5	Sample Qty	1	PO Related Reports				
6	Regular Interval Quantity	2	Staff No.				
7	Sample Time (Days)	3	Items ALL (A) / Received(R)				
8	Start Date	4	DPO Print				
9	Delivery Date	5	PO Print				
10	Delivery Type (One Time / Regular Int)	6	PO Remarks				
		7	PO Status Print				



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**ANNEXURE – IX
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S.No	Activity	Primary Responsibility	Secondary Responsibility
1	Forecast based on Past Consumption data (Pattern / BOM/ Budget / Requirement / Stock/ Project Requirements)		
	a. Regular Production items	IMM	HoD
	b. Other than regular production items	Indenter	HoD
2	Preparation of Purchase Requisition (PR) PR is to be prepared in SAP and printed. (Technical specifications to be made in Excel Sheet with each parameter in separate row) - Both Hard and soft copy of the specifications to be forwarded to IMM along with hard copy of the PR. - The list of vendors to be selected from vendor master in case of limited tenders. - Proprietary / Single Source certificate to be enclosed wherever required. - Drawings hard copy to be forwarded to IMM. Soft copy to be obtained by IMM from CDO/SAP.		
	a) Regular Production items.	IMM	HoD
	b) Other than Regular Production items.	Indenter	HoD
3	Verification of Purchase Requisition for completeness as detailed in IMM manual. - After verification PR to be referred to Estimate cell for Capital items/New items.	IMM	Indenter
4	Evaluation of the estimated cost of the Capital items/New items - Update the specification and cost with the intimation to indenter to amend the PR accordingly. - Send the report to IMM.	Estimate cell	HoD
5	Preparation of Purchase Request (PR) and approval by CFA. - Open / Global / Limited tendering is decided based on value of PR and IMM manual. - In case of Limited tenders, additional vendors to be added from vendor master as per guidelines in IMM manual. - In order to meet the IMM manual guidelines if additional vendors are not available, approval to be obtained for deviation. (However in such cases it is necessary for IMM to explore the possibilities of Open Tender and exploring new vendors with the help of CC). - Type of bidding Single / Two / Three to be decided. - All PRs, where Open/Global tenders are adopted, are to be published in minimum two bid system even if deviation is obtained for limited tender.	IMM	HoD



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**ANNEXURE – IX
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S.No	Activity	Primary Responsibility	Secondary Responsibility
6	Generation of Enquiry in SAP	IMM	Head IMM
7	Preparation of Tender Document	IMM	SP by providing Helpdesk for preparation and publishing.
	a) NIT to be Prepared with SAP generated Enquiry no. as Tender number - NIT to be filled as per standard format. - List of vendors with contact details along with e-mail in case of limited tenders to be send to SP.		
	b) Uploading of following documents as applicable. - Technical specifications and requirement. - Drawings and documents if any. - Pre-qualification requirement if any. - Relevant General terms and conditions. - Special terms and conditions, if any like Integrity Pact etc. - Price bid format. - Ensure that the bank details for RTGS/NEFT/e-Transfer of EMD & Tender fee are correctly specified in the tender document, along with mode of payment and details for online transfer of the fee. Online transfer of EMD tender fee are to be done separately to be done by the bidder and the payment details are to be entered and receipt is to be uploaded in the e-procurement portal. Beneficiary Name: BHARAT DYNAMICS LIMITED Beneficiary Bank Name: UNION BANK OF INDIA Branch : BDL CAMPUS Address of the Bank : BDL CAMPUS BRANCH, KANCHANBAGH, HYDERABAD – 500058 Contact Number of Bank: 040- 24587948, 7259 Bank A/c Number: 104531043010001 ACCOUNT Type: CURRENT ACCOUNT MICR Code (Beneficiary Branch): 500026165 IFSC Code (Beneficiary Branch): UBIN0810452 SWIFT CODE : UBININBBBDL Beneficiary Address (Corporate Office): BHARAT DYNAMICS LIMITED, Corporate Office, Plot No.38-39, TSFC Building (Near ICICI Towers), Financial District, Gachibowli, Hyderabad, Telangana-500032..		



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S.No	Activity	Primary	Secondary
	c) Bid withdrawal option to be provided		
8	The draft tender document to be sent to SP for verification.	IMM	Head IMM
9	Verification of tender document and confirm for publishing or suggest for any amendment.	SP	EP Cell
10	Publication of Tenders on e-portal after the clearance of SP with appropriate due dates for the tender. - A hard copy of NIT to be sent to Vigilance department.	IMM	SP
10A	Limited Tenders: - A soft copy of list of vendors to be sent to Corp Comml.	IMM	SP
	a) Send mail(s) to vendors with a copy to IMM and EP Cell based on the list sent by IMM	SP	EP Cell
	b) Ensure that the mails are sent to all the suggested vendor and print a copy as a record.	IMM	EP Cell
	c) Wrong email IDs shall be informed to IMM and EP cell by SP, for necessary corrective actions.	SP	IMM
	d) Follow up with vendors for submission of quotation within the due date and time.	IMM	HoD
10B	Open Tenders: Publishing of the bid on e-portal after due verification by SP. Along with confirmation the details of tender numbers to be sent to CC for advertisement.	IMM	HoD
	a) Taking approval for Publishing Advertisements based on the estimates obtained from advertising agency.	CC	CFA
	b) Publishing of Tender Enquiry on e-portal.	IMM	CC
	c) The details of tenders (Open/Global) to be published in the News Papers and Central Public Procurement Portal with the help of ITD.	CC	ITD
	d) Copy of the advertisement shall be forwarded to IMM.	CC	IMM
	e) Embassies of the countries with potential vendors shall be intimated about the Global Bid.	CC	IMM
	f) Known sources shall be informed about the advertisement.	IMM	HoD
11	Queries and Help Desk		
	a) All queries connected with bidding problems, vendor registration in e-portal etc. from the vendors shall be attended by SP.	SP	IMM



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S.No	Activity	Primary Responsibility	Secondary Responsibility
	b) Queries received by the IMM executives shall be attended by them with help of SP / EP cell.	IMM	SP/ EP cell.
	c) Technical queries are to be attended in writing by IMM to the bidder.	IMM	Indenter
	d) In case Limited tenders any Indian agent / representative of the foreign bidder or foreign bidder approaches BDL directly or through the service provider to allow the Indian agent / representative to bid or the tender. Authorisation letter for the principles may be sought and they may be allowed to participate in the tender by mapping their user id in the bid. This will enable them to participate in the bid.	IMM	SP
12	Amendments / Corrigendum		
	a) In case of any tender specifications / terms and conditions are amended due to the internal analysis or as result of query from bidder the corrigendum shall be published and tender last date shall be appropriately amended.	IMM	Indentor
	b) In case of limited tender the details shall be informed to the bidders by mails. If bid is already submitted by the bidder then the bid withdrawal provision shall be provided on request of MM by the SP to submit fresh bids.	SP	IMM
	c) In case of open/Global tender the details shall be informed to the bidders, who mapped, by mails. If required bid withdrawal provision shall be provided for the bid on request of MM by the SP to submit fresh bids. (Note: Corrigendum shall not be published in News Paper)	SP	IMM
13	Pre-bid meeting		
	a) Pre-bid meeting with all vendors, If required. (Online / offline as indicated in NIT.)	IMM / SP	Indenter
	b) Open / Global tenders : Pre bid meeting will be conducted between 21 to 30 days (preferably)	IMM / SP	Indenter
	c) Limited tender : Pre bid meeting will be conducted between 7 to 12 days (preferably).	IMM / SP	Indenter



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S.No	Activity	Primary Responsibility	Secondary Responsibility
	d) Pre-bid meeting proceedings shall be recorded and MoM with Question & Answers without names of the bidders who sought the clarification to be prepared by IMM.	IMM	SP in case of online pre-bid meeting.
	e) All the vendors shall be Informed through online by way of corrigendum on the outcome of the pre-bid meeting. Extension of last date if any will also be considered at this stage.	IMM	SP
	f) All the bidders who mapped shall be informed about the Corrigendum through mail.	SP	IMM
14	Technical Evaluation Committee (TEC) TEC shall be formed when ever required, on approval of CFA preferably before opening of the bids.	IMM	HoD
15	Tender Opening Committee (TOC) Open / Global / Limited Tender: The Standing TOC consists of i. IMM - executive whose public key is mapped. ii. IMM – member. iii. Divisional Finance. The TOC member details shall be uploaded in the portal by IMM. (If required the option of two out of three members should be present, may be availed for opening the bids). Standing committee is nominated by divisional head.	IMM	HoD
16	Opening of Bids		
	Limited / Open Tenders: If number of quotes received is only one / two, if there is possibility of obtaining further quotes, approval from divisional head to be obtained to publish corrigendum extending the date, before opening the bids. In all other cases, the tenders are to be opened at time specified in the tender document. Further the tenders are processed as per the relevant clauses of IMM Manual and DoP.	IMM	Indenter/ HoD
	a) In the tenders where EMD/ Tender Fee and / or IPBG and / or Pre-qualification, are applicable the following steps are to be followed	CC	IMM



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S.No	Activity	Primary Responsibility	Secondary Responsibility
	i) The details of Physical form of EMD, Tender fee received by way of DDs along with IPBGs received against a particular tender are compiled in to a table consisting of tender Number, Tender Id and is communicated to the Divisional IMM for onward transmission to TOC. In case of tenders where EMD, Tender fee and / or IPBG are specified but, DD / BG have not been received physically at CC, "Nil" statement shall be submitted by CC to divisional IMM .	CC	IMM
	ii) The DDs and / or IPBG and any other document pertaining to the tender received by CC are to be forwarded to Div IMMs and Divisional IMMs should duly acknowledge the same.	CC	IMM
	iii) Preparation of TOC summary sheet for Pre-qualification and /or EMD & Tender fee and/or IPBG, IP Agreement. TOC takes the details issued by CC into consideration while preparing the tender summary sheet. Online payment details provided by the bidder in the relevant envelops, are counter checked by the Finance representative against the credit details in the Axis bank account. b) In other cases Pre-Qualification form alone is opened and tender summary sheet is prepared	TOC TOC	IMM IMM
	c) Pre-qualification details are evaluated and the same is entered in the portal.	IMM	Indentor/ TEC
	d) Publishing of Techno-commercial bid opening date / time in web portal.	TOC	IMM
	e) Opening Techno - Commercial Envelop	TOC	IMM
	i. Based on the TOC summary sheet on pre-qualification and/or EMD & Tender Fee and/or IPBG, IP agreement, the techno-commercial envelop shall be opened.	TOC	IMM



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ii. The techno-Commercial CST, vendor wise compliance statements & attachments shall be handed over to the TEC / Indentor.	IMM	TEC/ Indenter
----------------------------------------------------------------------------------------------------------------------------	-----	---------------

S.No	Activity	Primary Responsibility	Secondary Responsibility
	iii. In case of Global/Open Tenders, the technical bid (only) details are shared through the portal by selecting the option		
	aa) Share Complete Tender Opening Result with the bidder.		
	bb) Share Individual Chart. Note:Bidders neednot be called for the tender opening.	IMM	HoD
17	Technical Evaluation		
	a) Technical evaluation of the bids received based on the details of CST. If required TEC may discuss by calling the bidder / video conferencing with the bidders for clarification or visit the bidders place to compile the document and submit the final recommendation. Clarifications may be collected in writing wherever required.	TEC	IMM
	b) Approval of TEC recommendation shall be obtained from CFA along with approval to open price bids or to adopt e-reverse auction.	IMM	CFA
	c) The list of bidders shortlisted in Technical evaluation shall be intimated to all the bidders who have submitted their offer.	IMM	HoD
18	Opening of Price Bids		
	a) Price bids shall be opened, if applicable and print CST. (In case of Single bid system all the forms shall be opened together)	TOC	IMM
	b) The CST of the Price bid from the portal can be downloaded. Manual CST shall be prepared based on the complexity / requirement.	IMM	HoD
	c) Indenter / IMM shall recommends to order or for Price Negotiation or re-tender with approval of HoD. (In case of single bid the Indentor shall indicate the technical acceptance of the bids also)	Indenter / IMM	HoD
	d) Approval of CFA to conduct Price Negotiation and formation of PNC. / Re-tender / Order.	IMM	CFA



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STANDARD OPERATING PROCEDURE FOR e-PROCUREMENT

**ANNEXURE – IX
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e) Negotiation with the L1 party. (Note: Negotiations shall be held with L2 / L3 party if Division of patronage is planned / decided.)	PNC	IMM
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S.No	Activity	Primary Responsibility	Secondary Responsibility
19	e-Reverse Auction		
	a) If approval is given for e-Reverse auction Price bid to be opened.	IMM	ITD / CC
	b) Approval for base price fixation along with the decrement value by the TEC/ Committee/Indenter and for conducting e -Reverse Auction.	IMM	HoD
	c) CC shall be informed for conducting e-Reverse Auction by providing the base price and decremental value.	IMM	HoD
	d) E-Reverse auction schedule shall be Communicated and required training of all technically short listed vendors for participating in E-reverse Auction, with details of items to be quoted/ included in landed cost at BDL stores.	ITD / SP	IMM
	e) Conducting e- Reverse Auction as per the schedule and finalise the L1 and submit the report to the IMM. (Note: In case e-reverse auction fails open price bids with approval of CFA)	ITD	SP
20	Ordering Process		
	a) Details of technically qualified bidders to be updated in SAP along with L1 party details.	IMM	HoD
	b) Approval of PO from CFA.	IMM	HoD
	c) Release of Purchase Order based on approved PO.	IMM	HoD
21	Three – bid System		
	a) Expression of Interest shall be published in newspapers and Government Portal with the help of ITD.	CC / IMM	Indenter
	b) The bids shall be opened and handed over to the TEC	TOC	IMM
	c) Evaluation of EOI and submission of shortlisted bidder for further action.	TEC	IMM
	d) Based on the recommendation further action shall be taken to process with approval of CFA.	IMM	Indentor



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STANDARD OPERATING PROCEDURE FOR e-PROCUREMENT

ANNEXURE – IX

e) Generalized specification with minimum, mandatory requirements shall be prepared to go for tendering through limited (shortlisted vendors) or open tender mode.		
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Abbreviation:

CC	-	Corporate Commercial
SP	-	Service Provider
TOC	-	Tender Opening Committee
TEC	-	Tender Evaluation Committee
NIT	-	Notice Inviting Tender
HoD	-	Head of the Indenting Department
Head IMM	-	Head of Divisional IMM
EP cell	-	e-Procurement Cell
CFA	-	Competent Financial Authority

General Guidelines :

1. Details of vendors like vendor code, name, e-mail ID, of those who did not respond for the bid shall be forwarded to EP cell for necessary improvement process.
2. Wherever required, IMM shall fix the tender due date / opening date as 7 days (or as required) in the beginning and keep extending the date up to 21 days, with approval of Head IMM for Single / Limited Tender mode.
3. Whenever tender has to be re-floated the existing tender to be cancelled by communicating to SP with the intimation to EP Cell along with reason for cancellation.



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VENDOR REGISTRATION FOR SUPPLIER

**ANNEXURE – X
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SECTION 1- Applicant Particulars	
Registration Category: Public sector unit, Defence PSU, Government organisation, Large scale industry, Medium Scale industry (MSME), Small Scale industry (MSME), Micro Scale Industry (MSME), NSIC, Dealer / Distributor / Stockist, Agent./ Others-Please Specify.	
Name of the Organisation :	
GeM Registration Number & Date	
Address for Registration :	
Door No.	
Street	
City	
State	
Country	
Telephone Number 1	
Mobile number-1	
Mobile number-2	
Email ID 1	
Email ID 2	
Contact Person Name :	
Address for Correspondence:	
Address of Factories: (if applicable)	
Company website:	
SECTION 2- Applicant Profile	
2.1 Type of Ownership :	
Individual / Partnership / Ltd company (Pvt / Public) / PSU / Govt Undertaking / Research Institute / Trust / MSME / Joint Venture or other tie up technology, equipment, financial backing and/or project management / Government Sector	
*Enclose copies of PAN (In case of Individual)/Partnership Deed/Articles & Memorandum of Association/ JV Agreement/Certificate of Incorporation/Certificate of Registration etc as applicable, duly attested by Chartered Accountant.	
2.2 (a)Are you a Micro / Small / Medium Scale Industry registered with NISC?	
If yes, please Enter Registration Details.	
1 Are you MSME (if applicable)	(YES/NO)
a MSME Certificate Number and date (If yes please enclose copy of MSME certificate)	
b MSME Type	(Micro / Small/ medium)
c MSME owner ship Gender	WOMEN / MEN
d MSME owner ship Category	SC / ST
e MSE to confirm if they are registered in TreDS platform. Upload Document.	(YES/NO)
2 Are you Registered with NSIC	(YES/NO)



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	NSIC Certificate Number and date (if YES please enclose copy of NSIC, competency/Capacity Certificate)	
(b)	Do you have ISO / AS9100 Certification Registration Number and date (if yes, please specify & indicate validity)	
(c)	In case of certification by other accredited institution, please give details:	
	Institution	
	Type of Certification	
	Valid up to (date)	
(d)	Give details of registration, GeM / PSUs / Central / State Govt. / Major Private Institution / Others (Specify): (Attach necessary certificate from the registering authorities.	
	Company Name	
	Registration Number	
	Dated	
	Validity	
	Class / Type of Registration	
	GeM seller ID	
(e)	Whether Supplier/ Service provider is a Start-up Enterprise (yes /no) Upload certificate issued by startupindia.gov.in	
(f)	Is the company have valid Class 3B Digital Signature Certificate with Firm's Name issued by licensed Certifying Authorities for participation in e-tendering	Yes / no Login ID:
(g)	Register of Companies (ROC) / SSI Certificate if applicable	
2.3	Give floor area of your factory and offices. If you own more than one factory please give separate details for each unit: Covered and Uncovered area	
	S.No	
	Office/factory	
	Location	
	Area in Square meters	
	Upload front view of the Firm /company/ shop	
	GPS coordinates, latitude and longitude with interactive Maps	
2.4	Give a list of your major products / services, you intend to offer as a supplier: (please enclose your company product catalogue)	



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	S.No.	
	Major product / services	
	Are you OEM for listed Product	
2.5	Give a list of your major customers to whom you have supplied in the past 3 years: (please attach proof in the form of purchase orders/invoices etc.)	
	S. No	
	Company name and address	
	Products /Services Provided	
2.6	List the names of Owners / Partners / Promoters and Directors / Company Secretary / Holder of Power of Attorney, as applicable, in the format detailed below:	
	S.No	
	Names of Owners / Partners	
	Promoters and Directors	
	Company Secretary	
	Address	
	Whether Owner / Partner / Promoter / Director / Company Secretary / Holder of Power of Attorney	
	Extent of share in the Firm / Company as the case may be	
2.7	List the names & addresses of all associated subsidiary & holding companies, including trusts:	

	S.No			
	Company Name			
	Address			
	Name of the Business			
	Relationship with Applicant			
	SECTION 3	Financial Details		
3.1	Annual Turnover in the past 3 years:			
	Year	20YY - 20YY	20YY – 20YY	20YY - 20YY
	Annual Turnover in lakhs			
	Profit in lakhs			
	Loss in lakhs			
3.2	Attach the following audited financial statements, as applicable, for the past three financial years and place a tick mark in appropriate column as confirmation of having enclosed the documents with application. Document is Mandatory			
	Year	20YY - 20YY	20YY – 20YY	20YY - 20YY
	Annual Turnover			
	Profit statement			
	Loss statement			



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**ANNEXURE – X
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3.3 Tax Details:	
PAN Number	
GSTIN Registration No	
TAN Number	
(copies of the above documents to be enclosed)	
Important Note –Financial Assessment	
4	Before the assessment of this application completed, a representative from BDL may contact you concerning the financial and technical information that you have provided. Your co-operation is required to assist in the assessment process. Failure to co-operate may affect registration. The assessment report is specifically for use by BDL for the purpose of assessing Suppliers for Registration, and will be treated as strictly confidential.
	In the last 3 years your firm, or any firm with which any of your company's owners, officers or partners were associated, been debarred, disqualified, removed, business dealings banned or otherwise prevented from bidding ? (YES / NO)
	If yes, state the reference to customer and their orders and the basis for action.

5	Please provide any additional information, which will help you in securing registration with BDL.	
6 Declaration :		
	(This declaration should be completed by a Proprietor, Partner, Director, or other senior manager who has authority to do so)	
	I/We declare and confirm that: ii. The BDL conditions of registrations are acceptable. ii. All information and attachments submitted in this application are true and correct. iii. I/We are aware that any false information provided herein will result in the rejection of my/ our application and cancellation of any registration granted. i iv. I/We shall be bound by the acts of duly constituted attorney who has signed this application and any other person who in future shall be appointed by us in his place to carry business of the concern whether or not an intimation of such changes is given to BDL. v. I/We have read and understood BDL's General conditions of contract and agree to abide the same in all respects. vi. I/We undertake to communicate promptly to BDL any change in condition or working of the Firm.	
ii	I/We enclose herewith a pay order/ Banker's draft number _____ on Bank _____ on Date _____ for 200/- as processing fee,OR Tranfer vide NEFT to BDL current account which is non-refundable.	
	Details of Person holding the power of Attorney (If different from above) :	
	Name _____	



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ANNEXURE – X

Position	
Telephone number	
Email id	
Mobile number	
Note:	
1. All columns in this form may be filled up. If applicant has no information to give on a particular column, "Nil" may be mentioned. In case of columns not relevant in your case, "Not Applicable" may be mentioned. No column should be left blank.	
2. This registration is valid for 3 years and vendors have to renew the registration on or before the laps of the registration.	
Authorisation Letter For E-Payments :*	
Enclose e-payment copy.	

ELECTRONIC PAYMENT BY RTGS / NEFT / E-TRANSFER DETAILS:

BENEFICIARY NAME	BHARAT DYNAMICS LIMITED
NAME OF THE BANK	UNION BANK OF INDIA
BRANCH	BDL CAMPUS BRANCH
ADDRESS OF BANK	BDL CAMPUS BRANCH, KANCHANBAGH, HYDERABAD – 500058
CONTACT NUMBER OF BANK	040- 24587948, 7259
BANK ACCOUNT NUMBER	104531043010001
ACCOUNT TYPE	CURRENT ACCOUNT
MICR CODE	500026165
IFSC CODE	UBIN0810452
SWIFT CODE	UBININBBDL
BENEFICIARY ADDRESS (Corporate Office)	BHARAT DYNAMICS LIMITED, Corporate Office, Plot No.38-39, TSFC Building (Near ICICI Towers), Financial District, Gachibowli, Hyderabad, Telangana-500032



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**ANNEXURE – XI
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SECTION 1 - Applicant Profile	
Registration Category: Public sector unit, Defence PSU, Government organisation, Large scale industry, Medium Scale industry (MSME), Small Scale industry (MSME), Micro Scale Industry (MSME), NSIC, Ancillary / Others-Please Specify..	
Name of the Organisation :	
GeM Registration Number & Date	
Address for Registration :	
Door No.	
Street	
City	
State	
Country	
Telephone Number 1	
Mobile number-1	
Mobile number-2	
Email ID 1	
Email ID 2	
Contact Person Name :	
Address for Correspondence:	
Address of Factories: (if applicable)	
Company website:	
SECTION 2- Applicant Profile	
2.1	Type of Ownership :
Individual / Partnership / Ltd company (Pvt / Public) / PSU / Govt Undertaking / Research Institute / Trust / MSME / Joint Venture or other tie-up, technology, for equipment, financial backing and/or project management, others. *(Enclosed copies of income tax returns (incase of individual)/partnership Deed/Article & memorandum of Agreement /certificate of incorporation /certificate of registration etc.as applicable, duly Chartered Accountant)).	
2.2	Are you a Micro / Small / Medium Scale Industry registered with NISC? (If please enter registration details).
1	Are you MSME (if yes, please enclose copy of MSME certificate) MSME Certificate Number and date
	(YES/NO)
	MSME category (Micro / Small/ medium)
	MSME owner ship Gender WOMEN / MEN
	MSME owner ship Category SC / ST
	SC / ST



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2	Are you Registered with NSIC If yes, please enter registration details(NSIC)	(YES/NO)
(b)	Do you have ISO / AS9100 Certification Registration Number and date (If yes, please specify & indicate validity.)	

	Registration Number and date(ISO)	
(c)	In case of certification by other accredited institution, Please give details	
	Institution	
	Type of Certification	
	Valid up to (date)	
(d)	Give details of registration, if any, with BDL (Specify Unit)/ GeM / PSUs / Central / State Govt. / Major Private Institution / Others (Specify):	
	Company Name	
	Registration Number	
	Dated	
	Validity	
	Class / Type of Registration	
	GeM seller ID	
(e)	Whether Supplier/ Service provider is a Start-up Enterprise	(yes /no)
(f)	Is the company have valid Class 3B Digital Signature Certificate with Firm's Name issued by licensed Certifying Authorities for participation in e-tendering	Yes / No Login ID:
g)	Register of Companies (ROC) / SSI Certificate if applicable	
2.3	Have you undertaken any work on subcontract from BDL, or any of its Division / unit in the past 3 years or presently. (YES/NO)	
	S. No	
	Name of the Customer Office/factory	
	Items / Brief Description of Work value in Rs.	
	Upload front view of the Firm	
	GPS coordinates, latitude and longitude with interactive Maps	
2.4	Have you undertaken any work for customers other than BDL in the past 3 years. (Yes / NO) Please attach proof in the form of PO's ,Invoice etc	
	S. No	



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	Name of the Customer	
	Items/ Brief description of Work Value in Rs. /	
	Date of completion of Order	
	Please attach certificate of completion/proof Attach file.	
2.5	List the names of Owners / Partners / Promoters and Directors / Company Secretary / Holder of Power of Attorney, as applicable, in the format detailed below:	
	Names of Owners / Partners / Promoters and Directors / Company Secretary / Holder of Power of Attorney	
	Address	
	Whether Owner / Partner / Promoter / Director / Company Secretary / Holder of Power of Attorney Extent of share in the Firm /Company as the case may be	
2.6	List the names & addresses of all associated subsidiary & holding companies, including trusts:	

	Company Name	
	Address	
	Name of the Business Relationship with Applicant	
2.7	Qualifications and experience of key Technical personnel. Attach biographical data.	
	S. No	
	Position	
	Name	
	Qualifications	
	Assignment/ Duties	
	Year of experience in the position of assignment (Please attach biographical data)	
2.8	Company's Total Technical Personnel by Discipline:	
	Trade Discipline	
	Number of Personnel	
	Trade/ Discipline	
	Number of Personnel	
2.9	Give details of major equipment of Plant & Machinery and Inspection Equipments available, as per format detailed below:	
	S. No	
	Item of Equipment Machine	
	Model/ Make	
	Capacity	
	Nos	
	Accuracy achievable	



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	Year of Purchase	
2.10	Give a short write-up on Project Planning and Quality Control Procedures in practice in your organization or proposed to be adopted	
2.11	Please indicate availability of inspection Facilities including availability of equipments.	
	SECTION 3- Financial Details	

3.1	Annual Turnover in the past 3 years:			
	Year	20YY - 20YY	20YY - 20YY	20YY - 20YY
	Annual Turnover in lakhs			
	Profit in lakhs			
	Loss in lakhs			
3.2	Attach the following audited financial statements, as applicable, for the past three financial years and place a tick mark in appropriate column as confirmation of having enclosed the documents with application. Document is Mandatory			
	Year	20YY - 20YY	20YY - 20YY	20YY - 20YY
	Annual Turnover			
	Profit statement			
	Loss statement			

3.3	Tax Details:	
	PAN Number	
	GTIN Registration No	
	TAN Number	
	(Copies of the above documents to be enclosed)	
4.1	Give the floor area of your factory and offices. If you own more than one factory, please give separate details for each unit:* Covered and Un covered	
	Select	
	Factory or office	
	Location/Area in square meters	
4.2	Mark in the boxes below to specify THE TYPE OF OPERATIONS/ MANUFACTURING PROCESSES for which you seek registration and Capacity available for contracting. To be considered for registration for any type, the applicant must clearly demonstrate that all marked facilities are available.	
	1. Metal Removing Processes	8. Nickle Plating
	2. Cutting	9. Assembly /Joining
	3. Deformation Processes	10. Rubber Moulding
	4. Castings & Forgings	11. Moulding
	5. Plastics & Composites	12. Electronics Equipment
	6. Welding Facilities	13. Quality
	7. Heat Treatment facilities	14. Others



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4.2.1	Is the Metrology and Quality Control room is Air conditioned		
4.3	List total value of Sub-contract work performed in the last 3 years:		
	Year :	20YY - 20YY	20YY - 20YY
4.4	In the last 3 years your firm, or any firm with which any of your company's owners, officers or partners were associated, been debarred, disqualified, removed, business dealings banned or otherwise pre-vented from bidding?		
	(If yes, state the reference to customer and their orders and the basis for action.)		
5	Please provide any additional information, which will help you in securing registration with BDL.		
6	Important Note –Financial Assessment:		
	Before the assessment of this application completed, a representative from BDL may contact you concerning the financial and technical information that you have provided. Your co-operation is required to assist in the assessment process. Failure to co-operate may affect registration. The assessment report is specifically for use by BDL for the purpose of assessing Suppliers for Registration, and will be treated as strictly confidential.		
	In the last 3 years your firm, or any firm with which any of your company's owners, officers or partners were associated, been debarred, disqualified, removed, business dealings banned or otherwise prevented from bidding		(YES / NO)

	Declaration :
	This declaration should be completed by a Proprietor, Partner, Director, or other senior manager who has authority to do so)
	I/We declare and confirm that:
	<ul style="list-style-type: none"> a) The BDL conditions of registrations are acceptable. b) All information and attachments submitted in this application are true and correct. c) I/We are aware that any false information provided herein will result in the rejection of my/ our application and cancellation of any registration granted. d) I/We shall be bound by the acts of duly constituted attorney who has signed this application and any other person who in future shall be appointed by us in his place to carry business of the concern whether or not an intimation of such changes is given to BDL. e) I/We have read and understood BDL's General conditions of contract and agree to abide the same in all respects. f) I/We undertake to communicate promptly to BDL any change in condition or working of the Firm.
	I/We enclose herewith a pay order/ Banker's draft number on Bank Corporation Bank on Date for 200/- as processing fee, OR Tranfer vide NEFT to BDL current account which is non-refundable.
	Details of Person holding the power of Attorney (If different from above) :
	Name



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Position	
Telephone number	
Fax number	
Mobile number	
(attach attested copy)	
Note:	
1. All columns in this form may be filled up. If applicant has no information to give on a particular column, "Nil" may be mentioned. In case of columns not relevant in your case, "Not Applicable" may be mentioned. No column should be left blank.	
2. This registration is valid for 3 years and vendors have to renew the registration on or before the laps of the registration.	
Authorisation Letter For E-Payments :* Enclose e-payment copy.	

ELECTRONIC PAYMENT BY RTGS / NEFT / E-TRANSFER DETAILS:

BENEFICIARY NAME	BHARAT DYNAMICS LIMITED
NAME OF THE BANK	UNION BANK OF INDIA
BRANCH	BDL CAMPUS BRANCH
ADDRESS OF BANK	BDL CAMPUS BRANCH, KANCHANBAGH, HYDERABAD – 500058
CONTACT NUMBER OF BANK	040- 24587948, 7259
BANK ACCOUNT NUMBER	104531043010001
ACCOUNT TYPE	CURRENT ACCOUNT
MICR CODE	500026165
IFSC CODE	UBIN0810452
SWIFT CODE	UBININBBBDL
BENEFICIARY ADDRESS (Corporate Office)	BHARAT DYNAMICS LIMITED, Corporate Office, Plot No.38-39,TSFC Building (Near ICICI Towers), Financial District, Gachibowli, Hyderabad, Telangana-500032



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**ANNEXURE – XII
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SECTION 1 - Applicant Profile	
Registration Category: Public sector unit, Defence PSU, Government organisation, Large scale industry, Medium Scale industry (MSME), Small Scale industry (MSME), Micro Scale Industry (MSME), NSIC, Dealer / Distributor / Stockist, Agent..	
Name of the Organisation :	
GeM Registration Number & Date	
Address for Registration :	
Door No.	
Street	
City	
State	
Country	
Telephone Number 1	
Mobile number-1	
Mobile number-2	
Email ID 1	
Email ID 2	
Contact Person Name :	
Address for Correspondence:	
Address of Factories: (if applicable)	
Company website:	
SECTION 2- Applicant Profile	
2.1	Type of Ownership :
Individual / Partnership / Ltd company (Pvt / Public) / PSU / Govt Undertaking / Research Institute / Trust / MSME / Joint Venture or other tie up technology, equipment, financial backing and/or project management./ Others-Please Specify *Enclosed copies of Pan (In case of Individual)/Partnership Deed/Articles & Memorandum of Association/ JV Agreement/Certificate of Incorporation/Certificate of Registration etc as applicable, duly Chartered Accountant.	
2.2	(a)Are you a Micro / Small / Medium Scale Industry registered with NISC? (If please enter registration details).
1	Are you MSME (YES/NO)
a	MSME Certificate Number and date (If yes please enclose copy of MSME certificate)
b	MSME Type (Micro / Small/ medium)
	MSME owner ship Gender WOMEN / MEN
	MSME Reservation SC / ST



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2	Are you Registered with NSIC	(YES/NO)
	NSIC Certificate Number and date (if please enclose copy of NSIC, competency/ Capacity Certificate)	
(b)	Do you have ISO / AS9100 Certification Registration Number and date (If yes, please specify & indicate validity.)	
(c)	In case of certification by other accredited institution, please give details:	
	Institution	
	Type of Certification	
	Valid up to (date)	
(d)	Give details of registration, GeM / PSUs / Central / State Govt. / Major Private Institution / Others (Specify): (Attach necessary certificate from the registering authorities, Attach file.	
	Company Name	
	Registration Number	
	Dated	
	Validity	
	Class / Type of Registration	
	GeM Seller ID	
e)	Whether Supplier/ Service provider is a Start- up Enterprise Upload certificate issued by startupindia.gov.in	(yes /no)
f)	Is the company have valid Class 3B Digital Signature Certificate with Firm's Name issued by licensed Certifying Authorities for participation in e-tendering	Yes / No Login ID:
2.3	Give floor area of your factory and offices. If you own more than one factory please give separate details for each unit: Covered and Un covered area	
	S.No	
	Office/factory	
	Location	
	Area in Square meters	
	Upload front view of the Firm /company/shop	
	GPS coordinates, latitude and longitude with interactive Maps	
2.4	Give a list of your major products / services, you intend to offer as a supplier: (please enclose your company product catalogue)	
	S.No.	
	Major product / services	
	Are you OEM for listed Product	



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2.5	Give a list of your major customers to whom you have supplied in the past 3 years: (please attach proof in the form of purchase orders/invoices etc.)		
	S. No		
	Company name and address		
	Products /Services Provided		
2.6	List the names of Owners / Partners / Promoters and Directors / Company Secretary / Holder of Power of Attorney, as applicable, in the format detailed below:		
	Names of Owners / Partners Promoters and Directors Company Secretary Holder of Power of Attorney		
	Address		
	Whether Owner / Partner / Promoter / Director / Company Secretary / Holder of Power of Attorney Extent of share in the Firm / Company as the case may be		
2.7	List the names & addresses of all associated subsidiary & holding companies, including trusts:		
	Company Name		
	Address		
	Name of the Business		
	Relationship with Applicant		
	SECTION 3	Financial Details	
3.1	Annual Turnover in the past 3 years:		
	Year	20YY - 20YY	20YY - 20YY
	Annual Turnover in lakhs		
	Profit in lakhs		
	Loss in lakhs		
3.2	Attach the following audited financial statements, as applicable, for the past three financial years and place a tick mark in appropriate column as confirmation of having enclosed the documents with application. Document is mandatory		
	Year	20YY - 20YY	20YY - 20YY
	Annual Turnover		
	Profit statement		
	Loss statement		
3.3	Tax Details:		
	PAN Number		



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**ANNEXURE – XII
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	GSTIN Registration No. Service Tax No.	
	TAN Number	
	(copies of the above documents to be enclosed)	
	Important Note –Financial Assessment	
4	Before the assessment of this application completed, a representative from BDL may contact you concerning the financial and technical information that you have provided. Your co-operation is required to assist in the assessment process. Failure to co-operate may affect registration. The assessment report is specifically for use by BDL for the purpose of assessing Suppliers for Registration, and will be treated as strictly confidential.	
	In the last 3 years your firm, or any firm with which any of your company's owners, officers or partners were associated, been debarred, disqualified, removed, business dealings banned or otherwise prevented from bidding ?	(YES / NO)
	If yes, state the reference to customer and their orders and the basis for action.	
5	Please provide any additional information, which will help you in securing registration with BDL.	
6	Declaration :	
	(This declaration should be completed by a Proprietor, Partner, Director, or other senior manager who has authority to do so)	
i.	I/We declare and confirm that: <ul style="list-style-type: none"> i. The BDL conditions of registrations are acceptable. ii. All information and attachments submitted in this application are true and correct. iii. I/We are aware that any false information provided herein will result in the rejection of my/our application and cancellation of any registration granted. iv. I/We shall be bound by the acts of duly constituted attorney who has signed this application and any other person who in future shall be appointed by us in his place to carry business of the concern whether or not an intimation of such changes is given to BDL. v. I/We have read and understood BDL's General conditions of contract and agree to abide the same in all respects. vi. I/We undertake to communicate promptly to BDL any change in condition or working of the Firm. 	
ii	I/We enclose herewith a pay order/ Banker's draft number on Bank on Date for 200/- as processing fee, OR Transfer vide NEFT to BDL current account which is non-refundable.	
2.	Details of Person holding the power of Attorney (If different from above) : (attach attested copies)	
	Name	
	Position	
	Telephone number	



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ANNEXURE – XII

Mobile number	
Note :	
1. All columns in this form may be filled up. If applicant has no information to give on a particular column, "Nil" may be mentioned. In case of columns not relevant in your case, "Not Applicable" may be mentioned. No column should be left blank.	
2. This registration is valid for 3 years and vendors have to renew the registration on or before the laps of the registration.	
Authorisation Letter For E-Payments :*	
Enclose e-payment copy.	

ELECTRONIC PAYMENT BY RTGS / NEFT / E-TRANSFER DETAILS:

BENEFICIARY NAME	BHARAT DYNAMICS LIMITED
NAME OF THE BANK	UNION BANK OF INDIA
BRANCH	BDL CAMPUS BRANCH
ADDRESS OF BANK	BDL CAMPUS BRANCH, KANCHANBAGH, HYDERABAD – 500058
CONTACT NUMBER OF BANK	040- 24587948, 7259
BANK ACCOUNT NUMBER	104531043010001
ACCOUNT TYPE	CURRENT ACCOUNT
MICR CODE	500026165
IFSC CODE	UBIN0810452
SWIFT CODE	UBININBBBDL
BENEFICIARY ADDRESS (Corporate Office)	BHARAT DYNAMICS LIMITED, Corporate Office, Plot No.38-39, TSFC Building (Near ICICI Towers), Financial District, Gachibowli, Hyderabad, Telangana-500032



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**ANNEXURE – XIII
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Applicant Profile - Section 1	
Registration Category *	
(Example : Civil contractor)	
Name of the Company / Firm / Applicant name *	
Registration details of the company with Register of companies *	
Company Start Date *	Address for Registration Correspondence Address
City *	
Pin Code *	
State *	
Country *	
Telephone no 1 *	
Telephone no 2	
Fax no	
Mobile no *	
Email ID 1 *	
Email ID 2	
Contact Person Name and Designation *	
Do you have Digital Signature Certificate Class 3 *	
S.No.	Technical details - Section 2
2.1	Type of Ownership *
	Whether the firm is a private or public limited concern or individual or a partnership firm. (Attested copies of deeds or Articles of Association to be enclosed.)
2.2	Do you have ISO certification? * (YES / NO)
	If yes, please specify & indicate validity :
2.3	CRITERIA FOR ENROLMENT : *
	Please select the Type of class : (Drop down list)
	CLASS OF REGISTRATION TYPE & NO. OF TECHNICALLY
	(CIVIL CONTRACTORS) QUALIFIED ENGINEERS
a	Class 'A' more than Rs. 50 lakhs Atleast 10 years experienced two Graduate Civil Engrs. & three Diploma Civil Engrs.



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b	Class 'B' more than Rs. 25 lakhs & upto Rs. 50 lakhs.	Atleast 5 years experienced one Graduate Civil Engr. & two Diploma Civil Engrs
c	Class 'C' more than Rs. 10 lakhs upto Rs. 25 lakhs.	Atleast 3 years experienced two Diploma Civil Engrs
d	Class 'D' (upto Rs. 10 lakhs)	Atleast 2 years experienced one Diploma Civil Engr.
2.4	Name of the proprietor or partners in the firm	
	S.No	Name of the Person
	Age	Qualification
	(Enclose biodata)	
2.5	Enclose list of employees with qualification details	
2.6	List of Works executed in last three years *	
	i. Name of Work, ii. Year of execution, iii. Value of work iv. Authority under which carried out.	To be shown in a separate statement
	(Enclose Separate statement as per Proforma 1)	
2.7	Whether enlisted in any other organisation. If so, which class, showing amount qualified to tender & detail of registration. *	(YES / NO)
	S.No	Organisation name
	Class Type	Value of work
	Financial year	
	(Enclosed details)	



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2.8	<p>Has the applicant or any of his partners or share-holders been blacklisted or removed from the approved list of contractors or demoted to lower class or orders passed banning/suspending business with the applicant by any Govt. Department/Undertaking in the past?</p>	(YES / NO)
	<p>(The Company has the right not to issue tender form and also to suspend, remove, demote or blacklist a contractor/firm.)</p>	
2.9	<p>LIST OF PLANT & MACHINERY AND EQUIPMENT</p>	To be shown in a separate statement
	<p>(Enclose Separate statement as per Proforma - 2)</p>	
S.No	Financial details - Section 3	
3.1	Turnover for the Last three years	Profit Loss
	20YY – 20YY	
	20YY – 20YY	
	20YY – 20YY	
	(Enclosed Copies of Annual Audit Reports, Balance sheets)	



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**ANNEXURE – Xiii
Contd...**

3.2	Tax Registration Details	
	GSTIN Number	
	PAN Number *	
	Company / Firm Employees State Insurance (ESI) *	
	Company / firm own PF Code *	
	(Enclose proof of the document)	
3.3	Power of Attorney	
	Name of Person holding the Power of Attorney (POA)	
	Contact details :	
	Name of person holding the Power of Attorney (POA), and his present Nationality with their liabilities. (Attested copies of the Partnership Deed to be enclosed.) Name of Partners, together with age, their individual contribution to the capital, percentage of profit and their liabilities (Attested copy of Partnership Deed and Registration, if	
3.4	Name of Bankers of the applicant with full address *	
	(Banker's Certificate/Solvency certificate(Proforma 3) to be obtained from the Banker in sealed cover and to be attached with the hard copies)	
3.5	E-Payment Details *	
	(Enclose Appendix 'A')	
		Name of the Bank
		Bank Account Number
		Address of the Bank
		Type of Account
		IFSC Code
		MICR Code
3.6	DD Details *	
	I/We enclose herewith a pay order/ Banker's draft number : DD No:Bank name : DD Date : for 200/- as processing fee, OR Transfer vide NEFT to BDL current account which is non-refundable	
	BDL reserves the right to accept or reject any application without assigning any reasons thereof or enlistment in any class other than applied class.	
	Before the assessment of this application completed, a representative from BDL may contact you concerning the financial and technical information that you have provided. Your co-operation is required to assist in the assessment process. Failure to co-operate may affect registration. The assessment report is specifically for use by BDL for the purpose of assessing Suppliers for Registration, and will be treated as strictly confidential.	
	Declaration	
	(This declaration should be completed by a Proprietor, Partner, Director or other senior manager who has authority to do so)	



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1. I/We certify that I/We will not enlist myself/ourselves as Contractor(s) in the Undertaking under more than one name.

2. a) I certify that I did not retire as an employee of this Undertaking during the last two years. I also certify that I have neither such a person under my employment nor shall I employ any such person within two years of his retirement from this Undertaking. (For individual seeking enlistment in their own name).

b) We certify that none of the partners/Directors retired as an employee of the Company during the last two years. We also certify that we have neither under our employment any such person nor shall we employ any person within two years of his retirement except with the prior permission of the Company. (For Limited Companies /Partnership Firms).

The BDL conditions of registrations are acceptable.

a) All information and attachments submitted in this application are true and correct.

b) I/We are aware that any false information provided herein will result in the rejection of my/our application and cancellation of any registration granted.

c) I/We shall be bound by the acts of duly constituted attorney who has signed this application and any other person who in future shall be appointed by us in his place to carry business of the concern whether or not an intimation of such changes is given to BDL.

d) I/We have read and understood BDL's General conditions of contract and agree to abide the same in all respects.

e) I/We undertake to communicate promptly to BDL any change in condition or working of the Firm.

f) This registration is valid for 3 years and vendors have to renew the registration on or before the laps of the registration.

Final submission

ELECTRONIC PAYMENT BY RTGS / NEFT / E-TRANSFER DETAILS:

BENEFICIARY NAME	BHARAT DYNAMICS LIMITED
NAME OF THE BANK	UNION BANK OF INDIA
BRANCH	BDL CAMPUS BRANCH
ADDRESS OF BANK	BDL CAMPUS BRANCH, KANCHANBAGH, HYDERABAD – 500058
CONTACT NUMBER OF BANK	040- 24587948, 7259
BANK ACCOUNT NUMBER	104531043010001
ACCOUNT TYPE	CURRENT ACCOUNT
MICR CODE	500026165
IFSC CODE	UBIN0810452
SWIFT CODE	UBININBBBDL
BENEFICIARY ADDRESS (Corporate Office)	BHARAT DYNAMICS LIMITED, Corporate Office, Plot No.38-39, TSFC Building (Near ICICI Towers), Financial District, Gachibowli, Hyderabad, Telangana-500032



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VENDOR REGISTRATION FOR FOREIGN SUPPLIER

**ANNEXURE – XIV
Contd...**

Applicant Profile - Section 1	
Registration Category *	Original Equipment Manufacturer (OEM)
	Stockist / Dealer / Distributor
	Government Agency / Consortiums
	Agents
	Other please specify
Name of the Company / Firm (Parent Company) *	
	Address for Registration *
Complete Address *	
City *	
Pin Code / ZIP Code *	
State *	
Country *	
Telephone no 1 *	
Telephone no 2	
Fax no	
Mobile no *	
Website address	
Email ID 1 *	
Email ID 2	
Contact Person Name and Designation *	
Do you have Digital Signature Certificate Class 3 *	
Do you have Indian Agents *	
If yes Please specify Company Name and Address with Contact person, phone and email id.	
Company Address 1	
Company Address 2	

S.No	Technical and Financial details Section 2	
2.1	Type of Ownership / Company Type Whether the firm is a Limited Company / Partnership / Individual / Educational Research Institute / Trust. (Attested copies of deeds or Articles of Association to be enclosed.)	
	If others Please specify :	



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VENDOR REGISTRATION FOR FOREIGN SUPPLIER

**ANNEXURE – XIV
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2.2	Do you have ISO certification? *	(YES / NO)
	If yes, please specify & indicate validity :	
2.3	Give details of registration, if any, with Indian Companies / Central / State Govt. / Major Private Institution / Others (Specify): *	
	Sl.No.	Company
	Dated	Validity
	Registration No.	Class/ Type of Registration
	(Enclosed Documents)	
2.4	Give a list of your major products / services, you intend to offer: *	
	S.No	Major Products / Services
	Are you OEM for listed Product	
2.5	List of major customers in India to whom you have supplied	
	S.No	Customer Name and Address
	Products / Service provided	
2.6	Give no.of employees *	
	S.No	Total no. of Employees
2.7	List the names of Owners / Partners / Promoters and Directors / Company Secretary / Holder of Power of Attorney, as applicable, in the format detailed below:	
	Sl.No.	
	Names of Owners/Partners/Promoters and Directors / Company Secretary / Holder of Power of Attorney	
	Whether Owner / Partner / Promoter / Director / Company Secretary/Holder of Power of Attorney	
	Extent of share in the Firm / Company as the case may be	
	Address	
2.8	In case of certification by other accredited institution, please give details:	
	Sl. No.	Institution
	Valid up to (date)	Type of Certification

2.9	Turnover for the Last three years	Profit	Loss
	20YY – 20YY		
	20YY – 20YY		
	20YY – 20YY		
2.10	Tax Registration Details		
	Import Export (IEC) Registration number		



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**ANNEXURE – XIV
Contd...**

	If others Please specify :		
2.11	Name of Bankers of the applicant with full address (Enclosed Banker's Certificate)		
2.12	E-Payment Details		
	Name of the Bank		
	Branch		
	Bank Account Number		
	Address of the Bank		
	Type of Account		
	Swift Code		
BDL reserves the right to accept or reject any application without assigning any reasons			
Before the assessment of this application completed, a representative from BDL may contact you concerning the financial and technical information that you have provided. Your co-operation is required to assist in the assessment process. Failure to co-operate may affect registration. The assessment report is specifically for use by BDL for the purpose of assessing vendors for Registration, and will be treated as strictly confidential.			
Declaration			
1. I/We certify that I/We will not enlist myself/ourselves as vendor(s) in the Undertaking under more than one name.			
2. The BDL conditions of registrations are acceptable.			
a) All information and attachments submitted in this application are true and correct.			
b) I/We are aware that any false information provided herein will result in the rejection of my/our application and cancellation of any registration granted.			
c) I/We shall be bound by the acts of duly constituted attorney who has signed this application and any other person who in future shall be appointed by us in his place to carry business of the concern whether or not an intimation of such changes is given to BDL.			
d) I/We have read and understood BDL's General conditions of contract and agree to abide the same in all respects.			
e) I/We undertake to communicate promptly to BDL any change in condition or working of the Firm.			
Final Submission			



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ANNEXURE – XIV

NEW REQUIREMENT:

Tracking provision or Traceability for registered vendors may need to be incorporated like whether it is with Finance committee, Technical committee, Committee visit is pending & vendor code issued.

After login in BDL website, vendor should be able to see the status of their registration.

All the above requirements should be made available in BDL website. Earlier they were in abcprocure.com and being maintained by external service provider.



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PRODUCT CATEGORISATION

**ANNEXURE - XV
Contd...**

SUB-CONTRACT PRODUCT LIST:

Product Code	Description
101	Sub Assemblies
102	Major Assemblies and Sub systems
103	CNC Precision Components (turning & Milling)
104	CNC Turning Components
105	CNC Milling Components
106	Precision machining components
107	Simple Machining components
108	Automat and Small components
109	Flow forming components
110	Assemblies with small components
111	Molybdenum Components
112	Investment Castings
113	Pressure Die Castings
114	Gravity Die Castings
115	Sand Castings
116	Forging
117	Fasteners
118	Springs
119	Sheet metal works
120	Plastic components
121	Containers
122	Canvas items
123	Rubber Components
124	Glass Items – Lens etc..
125	Powder Technology / Sintered
126	Batteries
127	Vehicles with Equipment Mounting
128	Ingredients custom made: Adhesives, Chemicals etc
129	Tooling
130	Explosive & Pyrotechnics
131	Stensiles
132	FRP Products
133	Designer recommended source (Restricted for particular product/item)
134	Division recommended source (Restricted to particular enquiry)
135	Connector and Cable
136	Electronic control system & checkouts system
137	Microwave system
138	Electronic assembly
139	Electronic Components
140	EDM / Wire cut
141	Guidance wire



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PRODUCT CATEGORISATION

ANNEXURE - XV

SUB-CONTRACT PRODUCT LIST

Product Code	scription
142	Large size components
143	Surface Finishing
144	Optical Items
145	Gears
146	Fabrication General
147	Design and Development facility
148	R & D Facility
149	Wire harnessing
150	TIG Welding
151	Spot Welding
152	Laser Welding
153	CNC Grinding
154	Convension Machines
155	Special Purpose Machines
156	Welding
157	Forming - Sheet metal pressing
158	Fabrication Precisions
159	Sand Blasting
160	CMM (Coordinate Measuring Machine:2D & 3D)
161	Magnisium Alloy Products
162	Foam Fabrication (Inside Container)



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**COMMON INSTRUCTIONS APPLICABLE TO BOTH INDIGENOUS
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**ANNEXURE - XVI
Contd...**

1. Postal Details for quotation submission for offline tendering.
 - a) Your Quotation/Tender should invariably be addressed to the concerned Unit of BDL as given in tender enquiry full details as given below:
 - i) THE INCHARGE, GENERAL ADMINISTRATION DEPARTMENT, BHARAT DYNAMICS LIMITED, Corporate Office, Plot No 38-39, TSFC Building, Financial District, Gachibowli, Hyderabad 500032. T.S. Tel.No.040-23456169
 - ii) THE INCHARGE, GENERAL ADMINISTRATION DEPARTMENT, BHARAT DYNAMICS LIMITED, Kanchanbagh, Hyderabad 500058. T.S. Tel.No.040-24587029
 - iii) THE INCHARGE, GENERAL ADMINISTRATION DEPARTMENT, BHARAT DYNAMICS LIMITED, Bhanur, Medak (district) .T.S. PIN: 502305. Tel.No.040-23469121
 - iv) THE INCHARGE, GENERAL ADMINISTRATION DEPARTMENT, BHARAT DYNAMICS LIMITED, G BLOCK , APIIC-IALA-VSEZ POST, VISHAKAPATNAM, A.P.PIN:530049, Tel.No.0891-2821506

The bids are to be submitted to the addressee as said, only and not to any other Division / Department /Person for postal details. Quotation/Tender addressed to other than the specified addressee shall summarily be not considered without any correspondence.
 - b. Quotation/Tender must be submitted in sealed cover SUPERSCRIBING THE COMPLETE ENQUIRY NO.& DUE DATE. Failure to comply entails to rejection of Quotation. Please indicate your Vendor Registration No., if assigned by BDL, in your quotation.
 - c. If you intend to submit your offer personally in BDL, you can hand over the sealed cover in General Administration Department or drop it in tender box. No acknowledgement will be given by BDL.
 - d. Quotation/Tender received upto stipulated time on due date will only be considered as valid. Late or delayed quotations will be rejected.
2. Quotations must be firm and hold good for minimum stipulated period from the closing date of the enquiry.
3. If you are not quoting for any or all items to this enquiry, please reply stating as "REGRET' NOT QUOTING, ETC., and reason for regret if any.
4. BDL is not responsible for any delay in receipt or for non-receipt of quotation for whatever reason.
5. BDL reserves the right to :
 - i. Cancel the tender enquiry at any stage.
 - ii. Reject or accept any tender without giving any reason thereof financial & technical.
 - iii. Assess the capability and capacity of the bidders.
 - iv. Select more than one source.
 - v. Seek the breakup details of quote.
 - vi. Reject or accept any tender while or part of quotation / quantity offered.
6. In case the quotation is submitted by a sister/associate company of the firm to whom the tender is addressed, a letter to that effect from the addressee of the tender shall be furnished within the quotation, failing which the quotation will be summarily rejected treating as unsolicited.



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**ANNEXURE - XVI
Contd...**

7. The EMD shall be paid by the bidder in the form of Insurance Surety Bonds, Online Payment / Account Payee Demand Drafts / Banker Cheques from Commercial Bank or other Banks meeting the Capital Adequacy Norms and not placed under Prompt Corrective Action (PCA) framework by Reserve Bank of India (RBI), specified in the form tender documents. SWIFT transfer charges, if any, shall be to BDL's account. The Nationalized Commercial Banks are exempted from meeting the criteria of Capital Adequacy and PCA norms imposed by RBI.

This will be adjusted as security deposit in case of order arising out of your quotation. For unsuccessful tenderer the amount shall be refunded after finalization of the tender or within 180 days whichever is earlier. Quotations/Technical bids received without EMD will be summarily rejected and no correspondence will be entertained. The amount will be specified in the special conditions.

8. Where called for, Quotations must be submitted in two bid system i.e. Techno-commercial bid separately and price bid separately but simultaneously in sealed envelopes superscribing boldly enquiry No., due date/tender closing date, Technical Bid and Commercial Bid. The letter of declaration or EMD if sought shall be enclosed with the Technical Bid failing which the quotation will be rejected.
9. **TECHNO-COMMERCIAL BID:** The Technical Bid consists of only Techno-Commercial aspects except the price and contains the following details as applicable:
- Full & complete technical specifications.
 - Conformance and deviation statement with remarks in comparison with tender specifications.
 - Quote for free delivery at BDL stores. / FOR destination (Indigenous source of supply) / FOB nearest sea / FCA nearest airport including packing & forwarding charges. (Imported source of supply). Refer Annexure-1C.
 - Delivery period
 - Applicable taxes and duties (like GST) to be mentioned separately in the quotation
 - QA Plan/ Test certificates / CoC.
 - Any other relevant information you deemed to be fit to provide (this information will not be considered for evaluation of the bid).

Payment Terms:

- BDLs normal terms of payment for non-capital item are 100% within 30 days after receipt and acceptance of the goods and preference will be given for the same. If you want to offer counter terms, please specify. Unless, otherwise specified in enquiry, advance payment will not be given. BDL reserves its right to release GST only after supplier's invoice / debit note is reflected in GSTR-2B / 2A within the specified time limit mentioned in GST Law.
- BDL's terms of payment for Capital items are "90 % payment within 30 days after receipt & acceptance of the goods and balance 10% after installation & commissioning of the equipment against submission of performance bank guarantee for 10% value of order covering warranty period plus 3 months claim period".



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- However, where the performance of the equipment can only be verified on commissioning, then 70% of the payment may be made on receipt of installation certificate 70%, 20% on acceptance of the performance 20% and balance 10% is after submission of PBG / ePBG as stated in para above

Additional details required for CAPITAL items:

- a. List of all accessories & recommended spares for 5 years maintenance wherever applicable and/or as specified in the tender document.
 - b. Illustrated detailed specifications and Manual for equipment and accessories wherever applicable
 - c. A list of customers to whom similar equipment has been supplied in India to be furnished. The copies of the orders executed to be attached as a proof where ever applicable.
 - d. Details regarding foundation layout, electrical/mechanical installation requirements, inland transportation and pre-installation storage requirements, safety precautions during transport, storage and installation, gross and net weight and volume including package dimensions shall be provided wherever applicable.
10. TECHNO-COMMERCIAL bid shall not contain no reference to price (Note: no price is to be given in the Technical Bid).
 11. The Price Bid shall consist of Price only without any conditions attached. All the commercial aspects other than price to be indicated in techno commercial bid only.
 12. Where counter terms and conditions of business have been offered, BDL shall not deemed to be bound by these unless specific written acceptance thereof has been given by BDL.
 13. No conditions and terms in the enquiry notice of which has not been given by parties submitting quotations will be considered by BDL if put forward in subsequent correspondence, after acknowledgement of orders etc.
 14. The delivery of the stores is required as indicated in PO / SO. Please confirm the dates indicated, otherwise specify clearly, the date by which you can deliver.
 15. If price negotiations are considered necessary, the same will be held with the lowest acceptable tenderer only. However, technical clarification, if any, can always be sought before submission of quotation. Hence, you have to quote your most competitive prices with full details/ Brochures/ Leaflets etc. for the items quoted.
 16. Wherever called for MIL/BIS/JSS or other relevant test certificate shall be furnished doing with the supplies and this shall be confirmed in the quotation without which the quotation will be rejected.
 17. All goods or services supplied must conform to the MIL/BIS/JSS or such other standards quoted in the order and / or be strictly in accordance with approved samples or drawings. Where there is no specifications, sample or drawing, goods and services are to be the best of their kinds.
 18. Wherever required, samples should be supplied at your cost with due identification and indicating our reference (If the samples are consumed in testing or required as reference, BDL will not return the same else the vendor can collect from BDL on their own cost).



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In the event of order arising out of the enquiry with holding of payments/ LD will be imposed as under:

19. LD Clause: Time is the essence of the P.O and delivery should be strictly insisted upon according to the delivery schedule given in the SOs/POs. In the event the supplier fails to deliver the goods / service, within the stipulated delivery period, BDL reserves the right to recover from the supplier, LD and not by way of penalty an amount as detailed in terms and conditions. A sum of 0.5% of the price only of the stores (Including duties, taxes) which the supplier has failed to deliver as aforesaid for each week of delay or part thereof, subject to a maximum of 10%.

In case of extension of delivery period, increase in taxes shall not be borne by BDL, if delay is attributable to vendor.

20. Any Purchase Order arising out of the tender will be governed by the following.
- “General terms & conditions of the Purchase Order (PO) indigenous” placed at ANNEXURE-1B, and Special Terms & Conditions that will be incorporated in the PO as applicable.
 - “General terms & conditions of the Purchase (PO) imports” placed at ANNEXURE-1C and special terms & conditions that will be incorporated in the PO as applicable.

II. SPECIFIC INSTRUCTIONS FOR INDIGENOUS OFFERS

- Please quote for free delivery at BDL stores. /FOR Destination.
- In case you have registered with GeM, please quote the GeM reference and also send us a copy of registration along with your quotation.
- BDLs normal terms of payment for non-capital item are 100% within 30 days after receipt and acceptance of the goods and preference will be given for the same. If you want to offer counter terms, please specify. Unless, otherwise specified in enquiry, advance payment will not be given.
 - BDLs terms of payment are “90 % payment within 30 days after receipt & acceptance of the goods and balance 10% after installation & commissioning of the equipment against submission of performance bank guarantee for 10% value of order covering warranty period plus 3 months claim period”
 - However, where the performance of the equipment can only be verified on commissioning, then the payment is made on receipt of installation certificate 70%, acceptance 20% and balance 10% is after submission of PBG as stated in para above.
- PLEASE FURNISH YOUR GSTIN ON YOUR QUOTATION. IN ORDER TO CLAIM INPUT TAX CREDIT (ITC) OF THE GST PAID ON OUR PURCHASES, PLEASE SUBMIT GST INVOICE.
- If you are a MSME, please indicate your, number provided by Govt. of India, MSME and submit the photo copies of the same.
- PSUs, SMEs registered with Udyam number / other category of supplier notified by Government of India, Ancillary Industries to BDL are exempted from the tender fees /EMD. Bidders/ Vendors shall submit the Letter seeking exemption (along with proof) to the IMM officer for exemption of tender fee and EMD as indicated in NIT/ tender enquiry, within tender closing date and time.



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7. As per Government of India guidelines and amendments thereof, BDL will extend the benefits as stated in para 6 above or as stated in the special conditions.
8. Bidders should clearly specify price breakup with GST or any other applicable taxes etc. If no specific mention is made, price quoted shall be deemed to be inclusive of such taxes/levies.
9. Integrity Pact (IP): Wherever the IP is applicable, the bidder has to sign the IP in the format provided by BDL. For the details of Independent External Monitors (IEMs) please visit BDL website: www.bdl-india.in.
10. Non-Disclosure Agreement (NDA) to be signed by bidders wherever applicable. The format will be provided by BDL.
11. Fall Clause: The items / service being offered by bidders has been supplied contracted with any organization (Public / Private) in India, the details of the same may be furnished in the technical / commercial bids. The bidder is to provide written undertaking that they have not supplied / is supplying similar systems or sub-systems to a price lower than the subject tender. In case it is found the same item is priced lower than the subject enquiry in the tenure of execution, the same will be applicable for the subject contract.
12. Repeat Order: BDL has right to place repeat order for upto 100% of the quantity or the part of it within 12 months of its execution with the same terms of conditions.
(Or)
13. Option Clause: BDL has right to enhance the quantity to 100% or part of it. The order in its terms of execution with the same terms and conditions. (AS per Manual amendment).

III. SPECIFIC INSTRUCTIONS FOR IMPORT OFFERS:

- i. Price quoted shall be for FOB nearest sea / FCA nearest airport including packing & forwarding charges.
- ii. Other standard terms such as delivery period, terms of payment etc are to be included.
- iii. The quotation shall be in ENGLISH language only. All the necessary catalogues and leaflets are to be attached.
- iv. Where the prices indicated are EX- works, please indicate separately the packing & forwarding charges for FCA delivery to the nearest gateway Airport / FOB delivery to the nearest seaport. All the consignments either by Sea /Air shall be dispatched on freight to pay basis through BDL nominated freight forwarder.
- v. The necessary export license for the items shall be arranged by vendor. In case certificates, declarations etc. are needed from us, you should send us well in advance, all such requests, along with the necessary prescribed forms, drafts etc.
- vi. Vendor has to furnish a declaration confirming that they have no agent / representative in India. However if you have an agent or representative
 - a) You have to furnish the full name and address, with name of the contact person, phone number, fax no and email id etc to enable us to get the information about the firm.



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- b) You or your agent / representative can quote for the tender. Both you and your agent / representative cannot submit the quotation simultaneously for the tender.
- c) Your agent / representative cannot represent another organisation in this tender. Your agent / representative has to submit an undertaking that he quoted on your behalf only and is not representing any other firm / organisation or he is not directly participating in the tender (Refer Format 1).
- vii. Bidders should clearly specify price breakup with any other applicable taxes etc. If no specific mention is made, price quoted shall be deemed to be inclusive of such taxes/levies.
- viii. Any bidder from a country which shares a land border with India will be eligible to bid in this tender only if the bidder is registered with the competent authority (i.e. registration committee constituted by Department for Promotion of Industry and Internal Trade (DPIIT)). Origin of the item shall be mentioned in the technical bid.

IV. TENDER TERMS FOR CAPITAL ITEM

- 1. In the case of Capital goods like Machinery Equipment. You have to submit a performance Bank Guarantee for 10% value of the order, if placed, to cover the warranty period plus a claim period of 3 months.
- 2. WARRANTY: The supplier shall furnish warranty for period of 18 months from the date of shipment or 12 months from the date of commissioning of the equipment whichever is later or as specified in the tender. The Stores to be supplied (in the event of an order) shall be free from all defects & faults in materials, workmanship & manufacture and shall be in full conformity with the specifications. If any defects or mal performance occur during the guarantee period the vendor shall take all necessary alterations, repairs, replacements free of charge at BDL site. In case of defective Stores which need to be re-exported for repairs to the manufacturer's works, To & Fro freight & insurance charges have to be borne by the suppliers.
- 3. Post warranty AMC: In case item offered requires maintenance after the expiry of the warranty, please indicate approximate cost of annual maintenance / comprehensive maintenance and also availability of local service support.
- 4. Any optional(s) indicated in techno-commercial bids must be priced separately in price bid.
- 5. Charges for installation to be quoted separately otherwise Erection and Commissioning of the equipment to be undertaken by the supplier at BDL on free of Charge. GST, if applicable will be payable extra.
- 6. All consumables like first fill oils, lubricants etc are in Supplier scope.
- 7. (a) SECURITY DEPOSIT (SD): The successful bidder will have to deposit immediately on, placement of order, towards SD by way of Insurance Surety Bonds, Online Payment / Demand Draft / Bankers Cheque / Bank Guarantee from a Commercial Bank meeting the Capital Adequacy Norms and not placed under Prompt Corrective Action (PCA) framework by Reserve Bank of India (RBI), for 3% of the order value. However, Nationalized Commercial



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Banks are exempted from meeting the criteria of Capital Adequacy and PCA norms imposed by RBI. SD shall be included in all tenders where EMD is sought or other tenders wherever required. This condition shall be specifically mentioned in terms and conditions wherever applicable. The SD shall be included while procuring Capital items and other items where BDL wants to enforce performance of the bidder, which is also called as performance guarantee.

Where the successful bidder refuses / unable to furnish the Security Deposit within the time specified, the bidder not only loses the Order but also the EMD shall be forfeited. The EMD to the successful bidder will be refunded only after the Security Deposit is furnished / adjusted against SD required. SD will be released after successful completion of the order and against submission of Performance Bank Guarantee where ever applicable. SD carries no interest.

8. PRE INSPECTION: BDL reserves the right to depute Engineers to the works of the manufacturers for undertaking pre dispatch inspection of the equipment before shipment.
9. TRAINING: Wherever felt necessary, the manufacturer/supplier has to arrange and provide training in operation and maintenance to our staff.
10. NET WEIGHT & GROSS WEIGHT: The approximate net weight & gross Weight of the equipment shall be indicated to enable BDL to determine the mode of dispatch.

V. TENDER TERMS FOR SUBCONTRACTED ITEM

1. Wherever fabricated items to our Drawings are supplied with your raw material you have to furnish test specimens/test certificates from NABL accredited test labs or as specified in the tender with each batch of supplies. Drawings and any technical documents furnished along with the tender are the property of BDL should not be circulated shared or made copies of them in any manner to other industries and must be returned along with Quotation/regret letter. The electronic data provided to enable the bidder to quote is to be deleted in all forms after submission of bid.
2. BDL at its option may prescribe Quality check at your works (Stage wise/finished product) by BDL inspectors/third party agencies/DGQAA representatives etc.
3. BANK GUARANTEE FOR FREE ISSUE MATERIAL (FIM): Free issue material for carrying out the subject work at Contractor's premises/workshop, the raw materials, etc. shall be issued by BDL to the Contractor at free of any charges if specified in the special conditions of subject tender. Prior to collection of such Free Issue Material (FIM) from BDL premises, the Contractor shall furnish Bank Guarantee (BG) /Indemnity bond with insurance (with BDL as beneficiary) worth the value of such material issued to them. No delay in submission of BG/ Indemnity bond with insurance for FIM shall be permissible. The BG for FIM shall have the validity for the period from date of lifting of the FIM from BDL/nominated place till four weeks beyond the end of the contractual completion period .On bringing the processed/fabricated item inside BDL, the Contractor shall prepare a Material Reconciliation Statement with the following details of the issued material (BDL's property) & of the returned and leftover/balance/usable/scrap material. The statement shall show the following details and should be got certified from concerned BDL Officer and the certified statement should be enclosed with the invoice for enabling payment.



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- a. Quantity of material issued by BDL to the Contractor (Kg, etc.).
 - b. Quantity of (processed) material delivered by the Contractor to BDL.
 - c. Quantity of material consumed/lost as burning loss, etc.
 - d. Excess consumption if any
 - e. Quantity of leftover/balance material available with the Contractor.
 - f. Quantity of usable material returned by the Contractor to BDL.
4. INSPECTION
- a. Items should be supplied along with the Dimensional inspection report/ raw material consumption statement of each item.
 - b. When the items are made with party's raw material test certificate of the raw material is to be produced, which is issued either by the material manufacture or a NABL accredited laboratory or as specified in the PO.
 - c. Final inspection will be by BDL and/or Third party inspection.
 - d. While Inspection Authority will carry out inspection for the stages defined in QAP. BDL has the right to carry out random inspection by Inspection authority or Project executive independently to ensure that the vendor/ firm is adhering to laid down conditions in terms of quality of work, qualification of the personnel. The vendor/ firm shall provide free access to the BDL personnel for inspection.
 - e. The work shall not be deemed as completed until the Inspection Authority/Work Completion Certifying Authority is fully satisfied that the work completed meets the required standards as per Scope of Work & the quality requirements. The decision of the Inspection Authority/Work Completion Certifying Authority on any question of intent, meaning & scope of the work/ documents/specification/standards shall be final, conclusive & binding on the Contractor.
 - f. During this period, if any physical damage is found that is brought to firm's notice, the firm shall repair the same immediately on free of cost to BDL.
 - g. Quality requirements & stages of inspection, as specified in the Scope of Work, the approved QAP, drawings/other reference technical documents, Tender document, must be met to the exact standards.
 - h. As the safe delivery & transportation of the finished goods is under the Contractor's scope, there shall be a final receipt inspection & acceptance for items delivered at BDL. Any defects and damages occurred during transportation shall have to be made good and duly rectified and repaired by the Contractor at BDL to the satisfaction of the Inspection Authority (ies) as per BDL procedures at no extra cost to BDL. Any expenses, transportation, facilities, etc. for such rectification work shall have to be arranged by the Contractor at no cost to BDL. The completion of the work shall be deemed as delivery of undamaged receipt-inspection cleared items at BDL & the date of the delivery would count as the date of completion of work.
 - i. The Work Completion Certificate (WCC) shall be issued only after delivery of undamaged, defect-free and satisfactorily receipt of inspected items at BDL.



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5. The job involved is purely on Contract basis and persons engaged by the contractor shall not be / deemed to be an employee of the BDL.

VI. TENDER TERMS FOR PROCUREMENT OF SERVICES

1. SITE VISIT: Prior to submission of your quotation, you are requested to visit the site and if any technical clarification is required you may contact concerned purchase department head.
2. WORKING ON BDL HOLIDAYS: Intimation for working on Saturday / Sunday / holidays if required, should be submitted 2 working days prior to the date of holiday indicating names of personnel to Personnel Department and Security through concerned Department.
3. Procedure for Entry Passes for the Contractor's Employees: - As per the prevailing detailed procedure at Bharat Dynamics Limited is to be follow by successful bidder.
4. The work shall not be deemed as completed until the Inspection Authority/ Service Completion Certifying Authority is fully satisfied that the service completed meets the required standards as per Scope of service & the requirements. The decision of the Inspection Authority/ Service Completion Certifying Authority on any question of intent, meaning & scope of the documents/ specification/standards shall be final, conclusive & binding on the vendor/ service provider.
5. During this period, if any physical damage is found that is brought to firm's notice, the firm shall repair the same immediately on free of cost to BDL.

VII. OTHER TERMS AND CONDITIONS

1. For quoting capital item like CNC machines etc. bidder has to submit the details of make of sub-assemblies/ elements (like air compressor, motors, hydraulic/pneumatic components etc).
2. In case the service at BDL:
 - a. It shall be the responsibility of the Contractor to ensure the Labour Act, Minimum Wage Act, PF Act & scheme, ESI Act etc. for the staff on their company roles.
 - b. It shall be the responsibility of the Contractor to ensure compliance with all Labour law provisions, including the payment of minimum wages as declared by Central Government.
3. The condition of Prior turnover and Prior Experience will be relaxed for Start-ups(whether MSMEs or otherwise), which as per guidelines of Govt. of India are recognized as Start-ups, subject to meeting of quality and technical specifications as per clarification given by Ministry of Finance, Department of Expenditure (DoE).
4. Interest free advance will be paid to MSMEs and Start-ups against Bank Guarantee for 110% of order value.
5. MSEs are entitled for purchase preference as per the Government Order.
6. INTELLECTUAL PROPERTY:

The items which are specifically developed / manufactured as per requirement of BDL, where Tooling charges / Engineering Charges / Development Charges are paid by BDL, intellectual property lies with BDL. The vendor / service provider can supply these items to other, only after obtaining consent of BDL.



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7. Tender enquiry terms to comply purchase preference to Make in India (For bids < 200 Crore)

Introduction:

To encourage "Make in India" and promote manufacturing and production of goods and services by enhancing income and employment the preferential purchase clause has been implemented.

Procurement by the Company (BDL) is substantial in amount and can contribute towards "Make in India" objective, so the preferential purchase clause is being brought in.

(The preferential purchase based on local content can be increased through partnerships, cooperation with local companies by establishing production units in India or Joint ventures (JV) with Indian suppliers, increasing the participation of local employees in services and training them).

Definitions as per PPP-MII Order-2017

- "Local content" means the amount of value added in India which shall, unless otherwise prescribed by the Nodal Ministry, be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all custom duties) as a proportion of the total value, in percent.
- A supplier or service provider, whose goods, services or works offered for procurement, has local content:
 - a. Equal to or more than 50%: Class-I local supplier.
 - b. More than 20% but less than 50%: Class-II local supplier.
 - c. Less than or equal to 20%: Non-local supplier.
- Margin of purchase preference ' means the maximum extent to which the price quoted by a "Class-I local supplier" may be above the L1 for the purpose of purchase preference.
- The margin of Purchase Preference shall be upto 20%.
- 'L1' means the lowest technically accepted tender / bid / quotation (i.e. lowest landed cost including duties, taxes and freight & Insurance).
- 'Nodal Ministry' means the Ministry or Department identified pursuant to this order in respect of a particular item of goods or services or works.
- 'Procuring entity' means a Ministry or department or attached or subordinate office of, or autonomous body controlled by, the Government of India and includes Government companies as defined in the Companies Act.



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- 'Works ' means all works as per Rule 130 of GFR- 2017, and will also include Turnkey works'.

Preference shall be given to Class-I local supplier as defined in public procurement (Preference to Make in India), Order 2017 as amended from time to time and its subsequent Orders/Notifications issued by concerned Nodal Ministry for specific Goods/Products. The minimum local content to qualify as a Class-I local supplier is denoted in the bid document. If the bidder wants to avail the Purchase preference, the bidder must upload a certificate from the OEM regarding the percentage of the local content and the details of locations at which the local value addition is made along with their bid, failing which no purchase preference shall be granted.

Purchase preference in procurement of Goods and Services:

Purchase preference for all goods and services will be extended as per Govt norms. Subject to the provisions of this Order and to any specific instructions issued by the Nodal Ministry or in pursuance of this Order, purchase preference shall be given to 'Class-I local supplier' in procurements undertaken by procuring entities in the manner specified here under.

1. Goods and Services which are divisible in nature, the following procedure shall be followed.
 - a. Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract for full quantity will be awarded to L1.
 - b. If L1 bid is not from a local supplier 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the local supplier will be invited to match the L1 price for the remaining 50% quantity subject to the local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such local supplier subject to matching the L1 price. In case such lowest eligible local supplier fails to match the L1 price or accepts less than the offered quantity the next higher local supplier within the margin of purchase preference shall be invited to match the L1 price for remaining quantity and so on, and contract shall be awarded accordingly, in case some quantity is still left uncovered on local suppliers, then such balance quantity may also be ordered on the L1 bidder.
2. The procurement of goods which are not divisible and in procurement of services where the bid is evaluated on price alone, the following procedure shall be followed:
 - a. Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract will be awarded to L1.
 - b. If L1 is not from a local supplier, the lowest bidder among the local suppliers will be invited to match the L1 price subject to local supplier's quoted price falling within the margin of purchase preference and the contract shall be awarded to such local supplier subject to matching the L1 price.



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- c. In case such lowest eligible local supplier fails to match the L1 price, the local supplier with the next higher bid within the margin of purchase preference shall be invited to match the L1 price and so on and contract shall be awarded accordingly. In case none of the local suppliers within the margin of purchase preference matches the L1 price then the contract may be awarded to the L1 bidder.
- d. "Class-II local supplier" will not get purchase preference in any procurement, undertaken by procuring entities.
- iii. Exemption of small purchases : Procurements where the estimated value to be procured is less than Rs .5 Lakh shall be exempt from this Order. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this Order.

Manufacture under license/ technology collaboration agreements with phased indigenization:

While notifying the minimum local content, special provisions can be made for exempting suppliers from meeting the stipulated local content if the product is being manufactured in India under a license from a foreign manufacturer who holds intellectual property rights and where there is a technology collaboration agreement / transfer of technology agreement for indigenous manufacture of a product developed abroad with clear phasing of increasing in local content.

Verification of Local Content for Public Procurement (Preference to Make in India), Order 2017

- i. The local vendor at the time of tender, bidding or solicitation shall be required to provide self-certification that the item offered meets the minimum 50% local content and shall give details of the location(s) at which the local value addition is made. BDL has authority to verify the local content.
- ii. In case of procurement for a value in excess of Rs.10 crore, the local supplier shall be required to provide a certificate from the statutory auditor or cost auditor of the company (In the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.
- iii. False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.
- iv. A vendor who has been debarred by any procuring entity for violation of this Order shall not be eligible for preference under this Order for procurement by any other procuring entity for the duration of the debarment, The debarment for such other procuring entities shall take effect prospectively from the date on which it comes to the notice of other procurement entities.



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8. The vendors supplying the items should have certificate from DPIIT countries bordering India.
9. The vendor should submit a certification that the items supplied are not having any malware that effect the performance or security.
10. **North Atlantic Treaty Organization (NATO) Codification Clause:**

The vendor is to provide existing NATO Stock Numbers (NSNs) of OEM for each item supplied under the purchase order as per the part list (including Manufacturers Recommended List of Spares (MRLS)). In case the NSN are not available, the vendor is to codify using basic technical characteristics as required for codification in consultation with MoD / Directorate of Standardisation / BDL. In case of IPR issues, codification to be undertaken as type IV codification (where only the manufacturers details and part numbers are to be provided).



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Annexure-i

Verification of Local Content

- i. The local vendor at the time of tender, bidding or solicitation shall be required to provide self-certification that the item offered meets the minimum 50% local content and shall give details of the location(s) at which the local value addition is made. BDL has authority to verify the local content.
- ii. In case of procurement for a value in excess of Rs.10 crore, the local supplier shall be required to provide a certificate from the statutory auditor or cost auditor of the company (In the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.
- iii. Nodal Ministries may constitute committees with Internal and External experts for independent verification of self-declaration and auditor's / accountant's certificates on random basis and in the case of complaints.
- iv. False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules for which a bidden or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.
- v. A vendor who has been debarred by any procuring entity for violation of this Order shall not be eligible for preference under this Order for procurement by any other procuring entity for the duration of the debarment, The debarment for such other procuring entities shall take effect prospectively from the date on which it comes to the notice of other procurement entities.

CALCULATION OF LOCAL CONTENT – GOODS SUPPLY CONTRACTS:

Calculation of manufacturing cost per one unit of product				
Cost Component	Cost (Domestic Component)	Cost (Import Content)	Cost Total Rs./ USD	% Domestic Component
	a	b	c	d=a/c
I. Direct Material Cost				
II. Direct Labour Cost				
III. Factory overhead cost				
IV. Total production cost				



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ANNEXURE - 1B

GENERAL TERMS AND CONDITIONS OF THE PURCHASE ORDER (P.O) (INDIGENOUS)

I. ACKNOWLEDGEMENT:

- a. An acknowledgement of the Purchase Order(PO) should be sent to BDL by the vendor confirming their agreement regarding specifications, Qualification Test (QT) or Periodic Test (PT) / Acceptance Test (AT), quantity, prices, terms of payment and Delivery schedule including the General terms and conditions as indicated in Purchase Order within 15 days of its receipt by the vendor.
- b. The Purchase Order number and date should always be quoted in all correspondence, delivery challans, packing notes, invoices etc., all communications should be addressed to the designate officer of BDL who signed the Purchase Order or a nominee as indicated in the purchase order.

II. PRICES:

The prices indicated in PO are firm and not subject to alternation / variation on any account unless specified otherwise in the purchase order.

- III. All terms and conditions of subject enquiry will be a part of this PO and vendor shall abide with it.

IV. Invoicing & Payment

1. The Tax Invoice for supply of Goods & Services should be raised as per the provision of GST Act & Rules and must compulsorily mention the following: -
 - a. BDL GSTIN:
 - i. Telangana : 36AAACB7880N1Z5
 - ii. Andhra Pradesh: 37AAACB7880N1Z3
 - b. HSN Code or Service Accounting Code for supply of goods or services.
 - c. Name & address of vendor / service provider
 - d. GSTIN of Vendor / service provider
 - e. Consecutive Serial Number & date of issue
 - f. Description of goods or services
 - g. Total value of supply
 - h. Taxable value of supply
 - i. Tax Rate – Central Tax & State Tax or Integrated Tax, Cess, etc.,
 - j. Amount of Tax charged
 - k. Place of supply
 - l. Address of delivery if different from place of supply
 - m. Signature of authorized signatory
2. Reimbursement of GST to the vendor / service provider is contingent upon complying with the following condition by the vendor / service provider: -
 - a. Uploading the onward GST Return (GSTR-1) in GSTN Network portal within the statutory time period.
 - b. Discharging the GST tax liability to the Government.



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- c. Submission of Tax Invoice to BDL.
- d. Submission of proof of payment of GST to BDL.
- e. Availment of Input Tax Credit by BDL.
3. Payment will be processed after receipt of original GST invoice, acceptance of goods /service, eligibility to take ITC against Invoice if applicable, test reports if any, warranty certificate if any & other conditions complying to PO terms.
4. TDS under GST as and when applicable, shall be deducted at prevailing rates.

V. Input Tax Credit

1. GST at the applicable rates shall be payable extra. However, the same shall not be paid if the input credit thereof is not available to BDL due to any reason attributable to the vendor / service provider.
2. PAYMENT OF GST: The GST amount on gross value of each invoice shall be claimed by the vendor / service provider along with the first stage payment by submission of GST invoice as mentioned above. However, the amount of GST shall be paid only upon confirmation of the following:
 - a. The vendor / service provider declaring the invoice in his GSTR-1 and
 - b. Confirmation of payment of GST thereon by vendor / service provider on GSTN Portal.
3. In the event of any disallowance of input credit or applicability of interest or any other financial liability arises on BDL due to any default of vendor / service provider under GST, such implication shall be to vendor / service provider's account.
4. GST shall be levied on LD and the relevant tax invoice shall be provided to vendor / service providers for availing credit.

VI. QUALITY:

All goods or services supplied must conform to the MIL / BIS / JSS or other relevant standards quoted in the order & / or shall be strictly in accordance with approved samples or drawing or specification. Where there is no specifications, sample or drawing, goods and services are to be the best of their kind.

VII. SUPPLYING OF SAMPLES:

Wherever required, samples should be supplied at free of cost with due identification and indicating relevant BDL references and Purchase order number.

VIII. INSPECTION:

- a) All goods/ services are subject to inspection by BDL or where stipulated by BDL's client or as nominated either at supplier's works or after delivery. The decision of concerned officers-in-charge is final.
- b) The rejected material will lie in BDL factory premises at the risk and cost of the supplier, pending receipt of disposal instruction from them.
- c) If so desired by the vendor, the rejected materials, for which no payment made by BDL will be packed and returned for arranging replacement/ rectification on 'freight to pay' basis at your cost and risk and the dispatch documents will be forwarded to the address of the vendor directly by BDL IMM / Stores Department to enable him to arrange insurance and take delivery of the same. Wherever payment is already made by BDL, the rejected material



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will be returned to the supplier against refund of the amount already paid by BDL or adjusted against any other payments due from BDL.

- d) The packing, freight charges etc., on replacement of returned materials shall be borne by vendor irrespective of the terms in the purchase order (since such charges were already incurred and borne by BDL on the original consignment) which got rejected and returned to the vendor. In case the rejected materials are not required to be replaced, freight insurance charges etc., incurred by BDL on the original consignment shall be recovered from the vendor's bill.
- e) In case, no disposal instructions received from the vendor / service provider, regarding rejected stores, as contemplated at (b) above, or where the amount due from the vendor / service provider, cannot be recovered from the pending supplies & from the pending bills fully, as contemplated at Para XXII hereinafter, within One month, from the date of intimation to the vendor / service provider, regarding disposal action, BDL reserves the right to dispose the rejected stores, in the manner BDL deems fit. Under the given circumstances appropriate amount will be recovered from the vendor / service provider, along with cost of disposal as contemplated at para XXII. If any balance amount is receivable / refundable, the same will be recovered / refunded to the vendor / service provider.

IX. PACKING:

Materials should be securely packed by the supplier and a copy of packing note should be placed just below the lid of the package. In case one consolidated packing note is prepared for materials packed in more than one package, copies of same should be placed in all packages with a marking against the items packed in that particular package. The package should bear sender's and BDL full name and address on one side and BDL purchase order Number., case markings, gross weight etc., on the other side.

In case of Plant Machines and Equipment. The following documents in triplicate should be supplied (in English Language only):

- a) Foundation Plan
- b) Wiring diagram
- c) Operating Manual
- d) Maintenance Manual
- e) Detailed spare parts Catalogue
- f) Capacity diagram
- g) Erection instructions
- h) Makers certificate of accuracy & guarantee of performance
- i) Illustrated & descriptive catalogue
- j) Warranty Certificate
- k) Safety instructions / document & other relevant documents.

X. DISPATCH OF GOODS:

Wherever terms of dispatch are ex-works / FOR dispatch station. The stores shall be booked through BDL authorized transporter named in the Purchase Order on freight to pay basis or any other reputed transporter. The dispatch documents shall be clean and clearly legible.



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XI. CONSEQUENCE OF BREACH AND RECOVERY OF L.D:

LD Clause: Time is the essence of the P.O and delivery should be strictly insisted upon according to the delivery schedule given in the SOs/POs. In the event the supplier fails to deliver the goods / service, within the stipulated delivery period, BDL reserves the right to recover from the supplier, LD and not by way of penalty an amount as detailed in terms and conditions. A sum of 0.5% of the price only of the stores (Including duties, taxes) which the supplier has failed to deliver as aforesaid for each week of delay or part thereof, subject to a maximum of 10%.

In case of extension of delivery period, increase in taxes shall not be borne by BDL, if delay is attributable to vendor.

XII. RISK PURCHASE CLAUSE:

In the event the supplier fails to fulfil the Purchase Order obligations, BDL reserves the right: To purchase elsewhere without notice to the vendor, on account and at the risk of the vendor, the stores not delivered or other of similar description (Which in the opinion of BDL shall be readily procurable) without cancelling the Purchase Order in respect of consignment not yet due for delivery.

(OR)

To cancel the Purchase Order in the event action being taken as above the vendor shall be liable for any loss which BDL may sustain on that account by the vendor shall not be entitled to any gain on repurchase made against default.

XIII. CANCELLATION OF PURCHASE ORDER:

Non-compliance with any of the conditions may compel BDL to cancel the Purchase Order in part or in full at any time of its execution as deemed fit without legal repercussion on BDL end.

XIV. BDL MATERIALS:

Materials, tools and other equipment's supplied by BDL for processing or to aid processing shall be accounted fully by the Vendor. Necessary insurance shall be arranged by the Vendor for such materials at Vendor's cost. The Vendor shall also submit the Indemnity Bond for the value equivalent to the materials supplied. The material consumption certificate shall be furnished for every supply. The material tools and equipment should be preserved appropriately to avoid damage. The necessary traceability to be ensured.

XV. REPEAT ORDER:

BDL reserves the right to place repeat order with the same prices, terms & conditions on the supplier for an additional quantity up to 100% of the ordered quantity, within a period of 12 months from the date of completion of order.

XVI. OPTION CLAUSE:

The BDL retains the right to place orders for additional quantity up to a maximum of 100% of the originally contracted quantity at the same rate and terms of the contract before completion of the original PO deliveries at the convenience of BDL.

XVII. TEST CERTIFICATE / SHELF LIFE CERTIFICATE:

All certificates called for in the specification or Purchase Order must be sent to BDL, along with, supplies or a request for pre-dispatch inspection. BDL may test any goods supplied & its decision shall be final irrespective of the certificate furnished by the vendor. Vendor shall indicate the date



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of manufacture and the date of expiry for chemicals, ingredients etc. (all items with shelf life) in all the dispatch documents and on the containers. The supplies shall be within one month from the date of manufacture in particular in case of shelf life items.

All assemblies / products shall be manufactured with valid shelf life items only. In such cases, necessary certificates for individual items having valid shelf life shall be submitted to BDL where ever required.

Necessary test / inspection certificates, Certificate of Conformance (CoC), Country of Origin (wherever applicable) shall be submitted along with consignment.

XVIII. DRAWINGS, PATTERNS AND TOOLS:

All drawings, patterns and tools supplied by BDL, or made at BDL expenses are BDL's property and or only to be used in the execution of BDL order and shall be returned to BDL on demand. These should not be provided to others.

XIX. INTELLECTUAL PROPERTY:

The items which are specifically developed / manufactured as per requirement of BDL, where Tooling charges / Engineering Charges / Development Charges are paid by BDL, intellectual property lies with BDL. The vendor / service provider can supply these items to other, only after obtaining consent of BDL.

XX. DEMURRAGE AND WHARFAGE:

The vendor shall be responsible for all demurrage and wharf age charges due to late receipt of dispatch documents or non-receipt of dispatch documents or non-receipt of prior intimation or non-compliance of any other terms of Purchase Order. Any technical information provided by BDL, shall not be share without the consent of BDL, otherwise be used or copied, reproduced, transmitted or communicated to a third party.

Sub-contractor shall in no way share or use any intellectual property of BDL to promote his own business with others. BDL reserves the right to claim damages from the vendor / service provider, or take appropriate penal action as deemed fit against the vendor / service provider, for any infringement of the provisions contained herein.

XXI. INDEMNITY:

The vendor shall indemnify the BDL.

- a) Against any claim, in respect of infringement of letters of patent or registered design, by the use of sale of any article or material supplied to BDL by the supplier and against all costs and damages which BDL may incur in any action for such infringement or for which BDL may become liable in any such action.
- b) Against all claims for injury or damages caused by the Negligence of the vendor or his employees or arising from any defects in the goods supplied or on the work carried out by the vendor.
- c) Against all claims for injury to the vendor's employees or of his agent's whilst on the premises of the purchaser.

XXII. APPROPRIATION:

Whenever under this PO any sum of money is recoverable from & payable by the vendor, BDL shall be entitled to recover such sum by appropriating, in part or whole by deducting any sum due or which any time thereafter may become due to the vendor in this or any other PO should this



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sum be not sufficient to cover the full amount recoverable the vendor shall pay to BDL on demand the remaining balance due.

XXIII. WARRANTY:

Any stores supplied or service provided should be free from any defects arising from faulty material, design or workmanship & should be guaranteed for quality / satisfactory performance for a period of 12 calendar months from the date of commissioning or 18 months from the date of supply whichever is later. During the guarantee period, if any defects develop arising from faulty material, design or workmanship, the supplier should replace any defective portion of the goods or replace the material/equipment as a whole.

XXIII. PERFORMANCE BANK GUARANTEE (PBG)/ SECURITY DEPOSIT (SD): Bank Guarantee

wherever called for, shall be in the BDL prescribed format. In case the order is to be placed in foreign currency, the BG must normally be in Indian Currency from the Nationalized Banks / as specified in the specific Enquiry. Wherever the contract is for supply of Goods processed on sub-contract basis from BDL supplied materials, the materials shall be issued against a suitable security, preferably Bank guarantee.

XXIV. ARBITRATION:

All the disputes regarding this Purchase Order shall be referred to BDL Chairman & Managing Director or his nominee, who shall have the powers conferred by the Arbitration Act, 1940 or Arbitration and Conciliation Act 1996 or any statutory modifications thereof for the time being in force.

Disputes and governing law, in the event of any disputes or differences relating to are arising out of or in connection of PO / SO the same shall be mutually discussed and amicably settled. The unresolved disputes or difference shall be referred by either to Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD) for resolution and the dispute or difference shall be resolved in accordance with DPM OM number 4(1)/2013-DPE(GM)/FTS-1835 dated 22-05-2018 which is deemed to be a part of this PO. The language of the arbitration shall be in English.

XXV. JURISDICTION:

The Purchase Order shall be governed by the Laws of Indian Union in Force. The courts of Hyderabad, Telangana only shall have jurisdiction to deal with and decide any legal matter or dispute whatsoever arising out of this Purchase Order.

XXVI. BRIBES AND GIFTS:

Any bribes, commission, gifts or advantage given, promised or offered by the vendor to any employee of BDL shall, in addition to any criminal liability which the vendor may incur, subject the vendor to the cancellation of this & all other orders & also to payment of any loss or damage resulting from any such cancellation. He shall also be deregistered and black listed.

XXVII. In case of specific condition indicated in the Purchase Order or in variance with the above general conditions, the condition indicated in the Purchase Order shall be valid.

XXVIII. FORCE MAJEURE:

Force Majeure means an event beyond the control of the supplier and not involving the supplier's fault or negligence and which is not foreseeable. Such events may include, but are not restricted to, acts of the purchaser either in its sovereign or contractual capacity, wars or revolutions, hostility, acts of public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine



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restrictions, strikes, lockouts, and freight embargoes. Provided the acts of The Government or any state parties of the Vendor which may affect the discharge of the Vendor's obligation under the PO/contract shall not be treated as Force Majeure. If a Force Majeure situation arises, the supplier shall promptly notify the IMM in writing of such conditions and the cause thereof within twenty-one days of occurrence of such event. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event. If the performance in whole or in part or any obligation under this contract is prevented or delayed by any reason of Force Majeure for a period exceeding sixty days, either party may at its option terminate the contract without any financial repercussion on either side. There may be a Force Majeure situation affecting BDL only. In such a situation BDL shall take up with the supplier on similar lines as above for further necessary action.

XXIX. COMPLIANCE WITH LABOUR REGULATIONS:

During continuance of the PO / SO, the Vendor / Service Provider and his sub-Contractors shall abide at all times by all existing labour enactments and rules made there under, regulations, notifications and bye laws of the State or Central Government or local authority and any other labour law (including rules), regulations, bye laws that may be passed or notification that may be issued under any labour law in future either by the State or the Central Government or the local authority. Furthermore, the Vendor / Service Provider shall keep BDL indemnified in case any action is taken against the BDL by the competent authority on account of contravention of any of the provisions of any Act or rules made there under, regulations or notifications including amendments. If BDL is caused to pay or reimburse, such amounts as may be necessary to cause or observe, or for non-observance of the provisions stipulated in the notifications/bye laws/ Acts/Rules/regulations including amendments, if any, on the part of the Service Provider, BDL shall have the right to deduct any money due to the Service Provider including his amount of performance guarantee. The BDL shall also have right to recover from the Service Provider any sum required or estimated to be required for making good the loss or damage suffered by BDL. The Vendor / Service Provider shall require his employees to obey all applicable laws, including those concerning safety at work. The employees of the Vendor / Service Provider in no case shall be treated as the employees of the BDL at any point of time.

In respect of information and communication technology components / equipments the vendor / service provider has to self certify that the equipment / component will not anyway contain malware which in filters into the systems of BDL and he will be held responsible for such infiltrations because of the equipment supplied.



ANNEXURE-1C

GENERAL TERMS AND CONDITIONS OF THE PURCHASE ORDER (PO) (IMPORTS)

I. ACKNOWLEDGEMENT:

An acknowledgement of the Purchase Order(PO) should be sent to BDL by the Vendor confirming their agreement regarding specifications, Qualification Test (QT) or Periodic Test (PT)/ Acceptance Test (AT), quantity, prices, terms of payment and Delivery schedule including the General terms and conditions as indicated in Purchase Order within 15 days of its receipt by the Supplier.

II. PRICES:

Where the prices indicated are ex-supplier works, indicate separately the packing & forwarding charges for FCA delivery to the nearest gateway Airport/FOB delivery to the nearest seaport. All the consignments either by Sea/Air shall be dispatched on freight to pay basis only.

III. The terms and conditions of subject enquiry will be part of the purchase order and vendor shall comply with it.

IV. BDL Purchase Order number must be indicated correctly and completely on all documents and packages, to ensure customs clearance. BDL name & address only to be mentioned against consignees; No other name should be mentioned.

V. SHIPPING CLAUSE: (As per Incoterms-2022)

a) Shipments by Sea: Shipping arrangements will be made by forwarding agents M/s Balmer Lawrie Address less than six weeks about the readiness of cargo for shipment, should be given by the vendors from time to time for finalizing arrangements Cargo has to be made available for shipment at the port on the date specified by the forwarding agents /nominees & to whom prior intimation of the details of the cargo has to be given viz.

b) Shipping Document and Case Marking:

i. Shipper Name

ii. Consignee: M/s Bharat Dynamics Limited, Address as indicated in the PO.

iii. Purchase Order No.

iv. Description of material & Quantity

v. Port of Loading

vi. Port of Discharge Mumbai Port India or the port named in the Purchase order.

vii.No. of Cases with gross weight, net weight & case measurements.

Each case shall be marked with:

i. Purchase Order number

ii. Consignee name

iii. Serial Number of the case and total no. of cases.

(Example: Case no: 1 of 12, where total no. of cases are 12).

iv. Safety / Handling instructions.

v. Method of Marking: Red & White Band Printing of 1" width each on all sides at the corners for easy identification at the port of discharge.



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c) DISPATCH BY AIR:

In the case of FCA Purchase Orders, the consignment shall be handed over to BDL air cargo agent named in the Purchase Order at the designated Airport. If the terms of Purchase Order are ex-supplier works, please inform. BDL air cargo agents named in the PO for arranging pick up of the cargo. The air cargo agent will receive the cargo against house airway bill & arrange onward dispatch of the cargo to BDL. The house airway bill may be presented to supplier's bankers for payment. All the air consignments shall be dispatched to Hyderabad Airport, Telangana, India only on freight to pay basis, either by Air India or any other freight carrier airline. The case marking shall be as indicated at IV (b) above. Any change in destination will be indicated in the PO.

V) INSURANCE:

Insurance will be taken by BDL from the Sea/Airport of dispatch to BDL warehouse at BDL cost. Immediately on shipment, please send a communication to the insurance company mentioned in Purchase Order with a copy to BDL by Fax/email indicating the details of the items shipped, invoice number and date, value, dimensions and weight of the packages, Bill of Lading (B/L), Ship name or Air Way Bill (AWB) & flight details. A copy of this communication must also be submitted to supplier's bank, along with other documents, at the time of claiming the value under the Letter of Credit.

VI) PAYMENT:

Letter of Credit or Sight Draft can be negotiated with BDL's banker by submitting.

- a) Merchandise invoice for FOB/FCA/Ex-Works Value – 3 copies.
- b) Original copy of the negotiable Air Way Bill/House Air Way Bill/Bill of Lading.
- c) Certificate of Country of Origin – 3 copies.
- d) Packing sheet detailing measurement and weight of each case 4 copies.
- e) Freight Note Issued by the forwarding agents indicating the net freight payable in India after allowing rebate.
- f) Copy of the declaration letter/fax/telex addressed to BDL's insurance company.
- g) Supplier's Bankers may be informed to air mail the documents to: Union Bank of India, BDL Campus Branch, Kanchanbagh, Hyderabad -500 058 in case purchaser location is Hyderabad or Union Bank of India, Visakhapatnam in case the purchaser location is Visakhapatnam or Union Bank of India, Bhanur, Medak Dist, Telangana, - 502035 in case the purchaser location is Bhanur, Telangana, India.

NOTE: In case the period of letter of credit to be extended due to delay in shipping the material or for any other reason from supplier side, the Bank charges will be to supplier's account and the same will be recovered from supplier's bill.

VII. DOCUMENTATION:

- a) All documents duly signed by supplier in two copies consisting of Invoices, Packing Notes, Insurance declaration, Certificate of origin (if applicable) issued by an independent agency like chamber of commerce shall be handed over to the carriers or Freight Forwarders.
- b) Please send Airway Bill / Bill of Lading copies by courier to BDL to the Signatory of the Purchase Order in two copies by separate post.
- c) Through the Bank as per Payment terms: Two copies of all the above and the original Bill of Lading / House Airway Bill/ Air Way Bill.



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IMPORTANT: Please send to BDL a mail giving dispatch details immediately after shipment.

VIII. All bank charges in India to BDL account and outside India to vendor account.

IX. INSPECTION:

- a) The material supplied will be inspected at BDL on their arrival in BDL factory. The decision of acceptance / rejection of BDL shall be final and binding on both the parties.
- b) The vendor shall arrange to supply at free of cost for any shortage or any short shipment. The packing, freight & insurance expenses in this regard shall be borne by the vendor.
- c) In case of rejection / replacement/ warrantee replacement the vendor shall arrange free replacement and the cost of freight insurance shall be borne by the vendor. Where, the vendor wants the rejected/ defective part or item to be sent back, the same will be arranged by BDL at vendor's cost.
- d) Necessary test / inspection certificates, Certificate of Conformance, Country of Origin shall be submitted along with consignment.

X. PACKING:

The cargo is to be packed securely to withstand transit hazards by Road, Rail, Sea, Air so as to ensure them being free from loss or damage/injury on arrival at their destination at Hyderabad/ Vishakapatnam/ or the destination mentioned in PO.

In case of Plant, Machines and Equipment. The following documents in (in English Language only) triplicate should be supplied:

- a) Foundation Plan
 - b) Wiring diagram
 - c) Operational Manual
 - d) Maintenance Manual
 - e) Detailed spare parts Catalogue
 - f) Capacity diagram
 - g) Erection instructions
 - h) Makers certificate of accuracy & guarantee of performance
 - i) Illustrated & descriptive catalogue
 - j) Warranty Certificate
 - k) Safety instructions / document & any other relevant document.
- XI. The vendor shall also reimburse to BDL any extra amount of demurrage Wharf age incurred by BDL due to delay in clearance of the consignment owing to wrong/obliterate markings of cases / delay in receipt of dispatch documents.

XII. WARRANTY:

The equipment/ stores should be guaranteed for satisfactory performance for a period of 18 months from the date of shipment or 12 months form the date of commissioning, whichever is later. The guarantee also should cover any defects that may develop from faulty materials; design or workmanship and vendor should remedy such defects/replace free of any cost to BDL if such defects occur during the guarantee period.



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XIII. EXPORT LICENCE:

The necessary export license for the items shall be arranged by vendor. In case any certificates, declarations etc. are needed from BDL, vendor should send BDL well in advance, all such requests, along with necessary prescribed forms, drafts, etc.,

XIV. ARBITRATION:

All the disputes regarding the Purchase Order shall be referred to BDL Chairman & Managing Director or his nominee, who shall have the powers conferred by the Arbitration Act, 1940 or Arbitration and Conciliation Act 1996 or any statutory modifications thereof for the time being in force.

XV. JURISDICTION:

The order shall be governed by the laws of the India union, in force. Only the competent courts in Hyderabad, India shall have the jurisdiction as provided in the arbitration Act, 1940 or any statutory modifications thereof for the time being in force, for any matter arising out of the arbitration proceedings under the order.

XVI. GENERAL REFERENCE:

- a. The Purchase Order number & date must be quoted by the supplier in all correspondence, Acknowledgement of Purchase Order, Packing notes & Invoices etc. All correspondence should be addressed only to Bharat Dynamics Limited, to the address as indicated in purchase order.
- b. The description of goods as given in the Purchase Order shall be reproduced as it is in suppliers invoice to facilitate clearance of goods through the Indian customs.
- c. The Bill of Lading / Air Way Bill/ House Air Way Bill should be marked as "TO ORDER" OR "ORDER OF SHIPPER"; the consignee should be shown as BHARAT DYNAMICS LIMITED, to the address as indicated in Purchase Order.
- d. The Air Way Bill/ House Air Way Bill/ Bill of Lading should indicate only broad category of the stores ordered, such as Machinery, Spares, Equipment etc., & not the full & detailed nomenclature of the stores ordered.
- e. Air Way Bill number, Flight Number/ Bill of Lading number may please be furnished by Fax/ email as indicated in Purchase Order immediately after the consignment is dispatched.

XVII. CONSEQUENCE OF BREACH & RECOVERY OF LIQUIDATED DAMAGES (LD):

LD Clause: Time is the essence of the P.O and delivery should be strictly insisted upon according to the delivery schedule given in the SOs/POs. In the event the supplier fails to deliver the goods / service, within the stipulated delivery period, BDL reserves the right to recover from the supplier, LD and not by way of penalty an amount as detailed in terms and conditions. A sum of 0.5% of the price only of the stores (Including duties, taxes) which the supplier has failed to deliver as aforesaid for each week of delay or part thereof, subject to a maximum of 10%.

In case of extension of delivery period, increase in taxes shall not be borne by BDL, if delay is attributable to vendor.

XVIII. CANCELLATION OF CONTRACT:

Noncompliance with any of the conditions may compel BDL to cancel the order in part or in full without prejudice to the BDL's other rights & remedies under the law of land of purchaser & the contract.



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XIX. TEST CERTIFICATE / SHELF LIFE CERTIFICATE:

All certificates called for in the specification or Purchase Order must be sent to BDL, along with, supplies or a request for pre-dispatch inspection. BDL may test any goods supplied & its decision shall be final irrespective of the certificate furnished by the vendor. Vendor shall indicate the date of manufacture and the date of expiry for chemicals, ingredients etc. (all items with shelf life) in all the dispatch documents and on the containers. The supplies shall be within one month from the date of manufacture in particular in case of shelf life items.

All assemblies / products shall be manufactured with valid shelf life items only. In such cases, necessary certificates for individual items having valid shelf life shall be submitted to BDL wherever required.

XX. FORCE MAJEURE:

Force Majeure means an event beyond the control of the supplier and not involving the supplier's fault or negligence and which is not foreseeable. Such events may include, but are not restricted to, acts of the purchaser either in its sovereign or contractual capacity, wars or revolutions, hostility, acts of public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strikes, lockouts, and freight embargoes. Provided the acts of The Government or any state parties of the Vendor which may affect the discharge of the Vendor's obligation under the PO/contract shall not be treated as Force Majeure. If a Force Majeure situation arises, the supplier shall promptly notify the IMM in writing of such conditions and the cause thereof within twenty-one days of occurrence of such event. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event. If the performance in whole or in part or any obligation under this contract is prevented or delayed by any reason of Force Majeure for a period exceeding sixty days, either party may at its option terminate the contract without any financial repercussion on either side. There may be a Force Majeure situation affecting BDL only. In such a situation, BDL shall take up with the supplier on similar lines as above for further necessary action.



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(To be submitted on the Company letter head of Indian Agent/Representative)

FORMAT 1

Ref:

Date:

To,
General Manager (CC)
Bharat Dynamics Limited
Hyderabad - 500058
Telangana State, India.

Sir,

Sub: Tender for Supply of <Tender Details> -
Reg Ref: <Tender Number & Date of Tender>

We here by certify that M/s. <Company Name with Full Address (Indian Agent in India details to be given) > is representing M/s. <Company Name with Full Address (Foreign Vendor Company details to be given)> as an India agent/representative and submitting the quotation against the tender on behalf of our principals. We further certify that, our principals M/s. <Company Name> (Foreign / Principal Vendor Name) have not quoted directly against this tender and we are not representing any other firm / company / organisation for this tender.

Place :
Date : DD/M/YYYY

Signature :
Name :
Designation :
Name of the Organisation with Seal:



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E-TENDER TERMS AND CONDITIONS

**ANNEXURE - XVII
Contd...**

1. TENDER DETAILS (Please see NIT) in portal at respective Tender ID
2. The Bidders can view /download the Tender Documents from the Website. Viewing and downloading the tender documents is free of cost. Registration in the portal is required for viewing and downloading the tender documents.

In case of any change in Technical or Price bid envelopes, Specifications / Terms and conditions, Date extension are amended, corrigendum will be published in website only, it will not published in News Paper.

a) **TENDER – FEE & EARNEST MONEY DEPOSIT (EMD):**

The Tender Fees and EMD, wherever applicable shall be paid by way of NEFT/ RTGS /or other mode by DD (Scanned copy shall be uploaded)/Online transfer to BDL's bank account as per the details furnished in Tender Document. This will be adjusted as Security Deposit in case of order arising out of bidder's quotation. The EMD amount will be refunded by the way of NEFT/RTGS or any other mode after finalization of the tender for unsuccessful tenderer or 180 days after the due date whichever is early. The Tender Fee is non-refundable.

b) The tender FEE and EMD wherever applicable payment proof shall be uploaded into Technical envelope.

c) The Bids can be uploaded in "TWO BID System" i.e. Techno-commercial Bid and Price Bid.

3. **ELECTRONIC PAYMENT BY RTGS / NEFT / E-TRANSFER DETAILS:**

BENEFICIARY NAME	BHARAT DYNAMICS LIMITED
NAME OF THE BANK	UNION BANK OF INDIA
BRANCH	BDL CAMPUS BRANCH
ADDRESS OF BANK	BDL CAMPUS, KANCHANBAGH, HYDERABAD, TELANGANA – 500 058.
CONTACT NUMBER OF BANK	040 – 2458 7948 / 7259
BANK ACCOUNT NUMBER	104531043010001
ACCOUNT TYPE	CURRENT ACCOUNT
MICR CODE	500026165
IFSC CODE	UBIN0810452
SWIFT CODE	UBININBBBDL
BENEFICIARY ADDRESS (Corporate Office)	BHARAT DYNAMICS LIMITED, CORPORATE OFFICE, PLOT NO. 38-39, TSFC BUILDING (NEAR ICICI TOWERS), FINANCIAL DISTRICT, GACHIBOWLI, HYDERABAD, TEL- ANGANA - 500032.



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4. Quotations must be firm and hold good for minimum stipulated period from the closing date of the enquiry.
5. If you are not quoting for any or all items to this enquiry, please reply stating as "REGRET' NOT QUOTING, ETC., and reason for regret if any.
6. BDL is not responsible for any delay in receipt or for non-receipt of quotation for whatever reason.
7. BDL reserves the right to :
 - i. Cancel the tender enquiry at any stage.
 - ii. Reject or accept any tender whole or part of quotation /quantities offered.
 - iii. Assess the capability and capacity of the bidders.
 - iv. Select more than one source.
 - v. Seek the breakup details of quote.
8. In case the quotation is submitted by a sister/associate company of the firm to whom the tender is addressed, a letter to that effect from the addressee of the tender shall be furnished within the quotation, failing which the quotation will be summarily rejected treating as unsolicited.
 - a) The EMD shall be paid by the bidder in the form of Online Payment/ Account Payee Demand Drafts/ Banker Cheques from Nationalized Banks or other Banks specified in the form tender documents. This will be adjusted as security deposit in case of order arising out of your quotation. For unsuccessful tenderer the amount shall be refunded after finalization of the tender or within 180 days whichever is earlier. Quotations/Technical bids received without EMD will be summarily rejected and no correspondence will be entertained. The amount will be specified in the special conditions.
9. Where called for, Quotations must be submitted in two bid system i.e. Techno-commercial bid separately and price bid separately but simultaneously in sealed envelopes superscribing boldly enquiry No., due date/tender closing date, Technical Bid and Commercial Bid. The letter of declaration or EMD if sought shall be enclosed with the Technical Bid failing which the quotation will be rejected.
10. a. **TECHNO-COMMERCIAL BID:** The Technical Bid consists of only Techno-Commercial aspects except the price and contains the following details as applicable:
 - b. Full & complete technical specifications.
 - c. Conformance and deviation statement with remarks in comparison with tender specifications.
 - d. Quote for free delivery at BDL stores. / FOR destination (Indigenous source of supply) / FOB nearest sea / airport including packing & forwarding charges. (Imported source of supply). Refer Annexure-1C.



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- e. Delivery period
- f. Applicable taxes, price quoted and duties (like GST) to be mentioned separately in the quotation otherwise the bid will be treated as all inclusive FOR BDL
- g. QA Plan/ Test certificates
- h. Any other relevant information you deemed to be fit to provide (this information will not be considered for evaluation of the bid).

I. SPECIFIC INSTRUCTIONS FOR INDIGENOUS OFFERS

- i. Price quoted shall be for free delivery at BDL stores / FOR destination
- ii. In case bidder has registered with GeM, please provide seller registration number

Payment Terms:

- 1. BDLs normal terms of payment for non-capital item are 100% within 30 days after receipt and acceptance of the goods and preference will be given for the same. If you want to offer counter terms, please specify. Unless, otherwise specified in enquiry, advance payment will not be given. BDL reserves its right to release GST only after supplier's invoice / debit note is reflected in GSTR-2B / 2A within the specified time limit mentioned in GST Law.
- 2. BDL's terms of payment are "90 % payment within 30 days after receipt & acceptance of the goods and balance 10% after installation & commissioning of the equipment against submission of performance bank guarantee for 10% value of order covering warranty period plus 3 months claim period"
 - However, where the performance of the equipment can only be verified on commissioning, then the payment is made on receipt of installation certificate 70%, acceptance 20% and balance 10% is after submission of PBG as stated in para above.

Additional details required for CAPITAL items:

- a. List of all accessories & recommended spares for 5 years maintenance wherever applicable and as specified in the tender document.
- b. Illustrated detailed specifications and Manual for equipment and accessories wherever applicable
- c. A list of customers to whom similar equipment has been supplied in India to be furnished. The copies of the orders executed to be attached as a proof where ever applicable.
- d. Details regarding foundation layout, electrical/mechanical installation requirements, inland transportation and pre-installation storage requirements, safety precautions during transport, storage and installation, gross and net weight and volume including package dimensions shall be provided wherever applicable.



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11. TECHNO-COMMERCIAL bid shall not contain no reference to price (**Note:** no price is to be given in the Technical Bid).
12. The Price Bid shall consist of Price only without any conditions attached. All the commercial aspects other than price to be indicated in techno commercial bid only.
13. Where counter terms and conditions of business have been offered, BDL shall not deemed to be bound by these unless specific written acceptance thereof has been given by BDL.
14. No conditions and terms in the enquiry notice of which has not been given by parties submitting quotations will be considered by BDL if put forward in subsequent correspondence, after acknowledgement of orders etc.
15. The delivery of the stores is required as indicated. Please confirm the dates indicated, otherwise specify clearly, the date by which you can deliver.
16. If price negotiations are considered necessary, the same will be held with the lowest acceptable tenderer only. However, technical clarification, if any, can always be sought before submission of quotation. Hence, you have to quote your most competitive prices with full details/ Brochures/ Leaflets etc. for the items quoted.
17. Wherever called for compliance to MIL/BIS/JSS standard or other relevant test certificate shall be furnished with the supplies and this shall be confirmed in the quotation without which the quotation will be rejected.
18. All goods or services supplied must conform to the MIL/BIS/JSS or such other standards quoted in the order and / or be strictly in accordance with approved samples or drawings. Where there are no specifications, sample or drawing, goods and services are to be the best of their kinds.
19. Wherever required, samples should be supplied at your cost with due identification and indicating our reference (If the samples are consumed in testing are required as reference, BDL will not return the same else the vendor can collect from BDL on their own cost).

In the event of order arising out of the enquiry with holding of payments/ LD will be imposed as under:

20. LD Clause: Time is the essence of the P.O and delivery should be strictly insisted upon according to the delivery schedule given in the SOs/POs. In the event the supplier fails to deliver the goods / service, within the stipulated delivery period, BDL reserves the right to recover from the supplier, LD and not by way of penalty an amount as detailed in terms and conditions. A sum of 0.5% of the price only of the stores (Including duties, taxes) which the supplier has failed to deliver as aforesaid for each week of delay or part thereof, subject to a maximum of 10%.

In case of extension of delivery period, increase in taxes shall not be borne by BDL, if delay is attributed to vendor.

21. Any Purchase Order arising out of the tender will be governed by the following.



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- a. "Common Instructions Applicable to both Indigenous & Foreign Offers" placed at ANNEXURE-1A, and Special Terms & Conditions that will be incorporated in the PO as applicable.
 - b. "General terms & conditions of the Purchase Order (PO) indigenous" placed at ANNEXURE-1B, and Special Terms & Conditions that will be incorporated in the PO as applicable.
 - c. "General terms & conditions of the Purchase (PO) imports" placed at ANNEXURE-1C and special terms & conditions that will be incorporated in the PO as applicable.
22. PLEASE FURNISH YOUR GSTIN ON YOUR QUOTATION. IN ORDER TO CLAIM INPUT TAX CREDIT (ITC) OF THE GST PAID ON OUR PURCHASES, PLEASE SUBMIT GST INVOICE.
23. If you are a MSME, please indicate your number provided by Govt. of India, MSME and submit the photo copies of the same.
24. PSUs, SMEs registered with Udyam number / other category of supplier notified by Government of India, Ancillary Industries to BDL are exempted from the tender fees /EMD. Bidders/ Vendors shall submit the tender fee and EMD/ Letter seeking exemption (along with proof) to the IMM officer as indicated in NIT/ tender enquiry, within a week (not more than seven calendar days) of tender closing date and time.
25. As per Government of India guidelines and amendments thereof, BDL will extend the benefits as stated in para 6 above or as stated in the special conditions.
26. Bidders should clearly specify price breakup with GST or any other applicable taxes etc. If no specific mention is made, price quoted shall be deemed to be inclusive of such taxes/levies.
27. Integrity Pact (IP): Wherever the IP is applicable, the bidder has to sign the IP in the format provided by BDL. For the details of Independent External Monitors (IEMs) please visit BDL website: www.bdl-india.in.
28. Non-Disclosure Agreement (NDA) to be signed by bidders wherever applicable. The format will be provided by BDL.
29. Fall Clause: In case of RCs if the items / service being offered by bidders has been supplied contracted with any organization (Public / Private) in India, the details of the same may be furnished in the technical / commercial bids. The bidder is to provide written undertaking that they have not supplied / is supplying similar systems or sub-systems to a price lower than the subject tender. In case it is found the same item is priced lower than the subject enquiry in the tenure of execution, the same will be applicable for the subject contract.
30. Repeat Order: BDL has right to place repeat order for 100% of the quantity or the part of it within 12 months of its execution with the same terms of conditions.

(or)



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31. Option Clause: BDL has right to enhance the quantity to 100% or part of it. The order in its terms of execution with the same terms and conditions.

II. SPECIFIC INSTRUCTIONS FOR IMPORT OFFERS:

- i. Price quoted shall be for FOB nearest sea / airport including packing & forwarding charges.
- ii. Other standard terms such as delivery period, terms of payment etc are to be included.
- iii. The quotation shall be in ENGLISH language only. All the necessary catalogues and leaflets are to be attached.
- iv. Where the prices indicated are EX- works, please indicate separately the packing & forwarding charges for FCA delivery to the nearest gateway Airport / FOB delivery to the nearest seaport. All the consignments either by Sea /Air shall be dispatched on freight to pay basis only.
- v. The necessary export license for the items shall be arranged by vendor. In case certificates, declarations etc. are needed from us, you should send us well in advance, all such requests, along with the necessary prescribed forms, drafts etc.
- vi. Vendor has to furnish a declaration confirming that they have no agent / representative in India. However if you have an agent or representative
 - a) You have to furnish the full name and address, with name of the contact person, phone number, fax no and email id etc to enable us to get the information about the firm.
 - b) You or your agent / representative can quote for the tender. Both you and your agent / representative cannot submit the quotation simultaneously for the tender.
 - c) Your agent / representative cannot represent another organisation in this tender. Your agent / representative has to submit an undertaking that he quoted on your behalf only and is not representing any other firm / organisation or he is not directly participating in the tender (Refer Format 1).
- vii. Bidders should clearly specify price breakup with any other applicable taxes etc. If no specific mention is made, price quoted shall be deemed to be inclusive of such taxes/levies.

III. TENDER TERMS FOR CAPITAL ITEM

1. In the case of Capital goods like Machinery Equipment. You have to submit a performance Bank Guarantee for 10% value of the order, if placed, to cover the warranty period plus a claim period of 3 months.
2. **WARRANTY:** The supplier shall furnish warranty for period of 18 months from the date of shipment or 12 months from the date of commissioning of the equipment whichever is later. The Stores to be supplied (in the event of an order) shall be free from all defects & faults in materials, workmanship & manufacture and shall be in full conformity with the specifications. If any defects



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or mal functioning occurs during the guarantee period the vendor shall do necessary alterations, repairs, replacements and servicing free of charge at BDL site. In case of defective Stores which need to be re-exported for repairs to the manufacturer's works, To & Fro freight & insurance charges have to be borne by the suppliers.

3. Post warranty AMC: In case item offered requires maintenance after the expiry of the warranty, please indicate approximate cost of annual maintenance / comprehensive maintenance and also availability of local service support.
4. Any optional(s) indicated in techno-commercial bids must be priced separately in price bid.
5. Charges for installation to be quoted separately otherwise Erection and Commissioning of the equipment to be undertaken by the supplier at BDL on free of Charge. GST, if applicable will be payable extra.
6. All consumables like first fill oils, lubricants etc are in Supplier scope.
7. (a) SECURITY DEPOSIT (SD): The successful bidder will have to deposit immediately on, placement of order, towards SD by way of Insurance Surety Bonds, Online Payment / Demand Draft / Bankers Cheque / Bank Guarantee from a Commercial Bank meeting the Capital Adequacy Norms and not placed under Prompt Corrective Action (PCA) framework by Reserve Bank of India (RBI), for 3% - 10% of the order value. However, Nationalized Commercial Banks are exempted from meeting the criteria of Capital Adequacy and PCA norms imposed by RBI. SD shall be included in all tenders where EMD is sought or other tenders wherever required. This condition shall be specifically mentioned in terms and conditions wherever applicable. The SD shall be included while procuring Capital items and other items where BDL wants to enforce performance of the bidder, which is also called as performance guarantee.

Where the successful bidder refuses / unable to furnish the Security Deposit within the time specified, the bidder not only loses the Order but also the EMD shall be forfeited. The EMD to the successful bidder will be refunded only after the Security Deposit is furnished / adjusted against SD required. SD will be released after successful completion of the order and against submission of Performance Bank Guarantee where ever applicable. SD carries no interest.

- (b) Performance Bank Guarantee shall be for a period of warranty/ guarantee plus 3 months (for as a claim period).
8. PRE INSPECTION: BDL reserves the right to depute Engineers to the works of the manufacturers for undertaking pre dispatch inspection of the equipment before shipment.
9. TRAINING: Wherever felt necessary, the manufacturer/supplier has to arrange and provide training in operation and maintenance to our staff.
10. NET WEIGHT & GROSS WEIGHT: The approximate net weight & gross Weight of the equipment shall be indicated to enable BDL to determine the mode of dispatch.



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IV. TENDER TERMS FOR SUBCONTRACTED ITEM

1. Wherever fabricated items to our Drawings are supplied with your raw material you have to furnish test specimens/test certificates from NABL accredited test labs with each batch of supplies. Drawings and any technical documents furnished along with the tender are the property of BDL should not be circulated shared or made copies of them in any manner to other industries and must be returned along with Quotation/regret letter. The electronic data provided to enable the bidder to quote is to be deleted in all forms after submission of bid.
2. BDL at its option may prescribe Quality check at your works (Stage wise/finished product) by BDL inspectors/third party agencies/DGQAA representatives Etc.
3. **BANK GUARANTEE FOR FREE ISSUE MATERIAL (FIM):** Free issue material for carrying out the subject work at Contractor's premises/workshop, the raw materials, etc. shall be issued by BDL to the Contractor at free of any charges if specified in the special conditions of subject tender. Prior to collection of such Free Issue Material (FIM) from BDL premises, the Contractor shall furnish Bank Guarantee (BG) /Indemnity bond with insurance (with BDL as beneficiary) worth the value of such material issued to them. No delay in submission of BG/ Indemnity bond with insurance for FIM shall be permissible. The BG for FIM shall have the validity for the period from date of lifting of the FIM from BDL/nominated place till four weeks beyond the end of the contractual completion period .On bringing the processed/fabricated item inside BDL, the Contractor shall prepare a Material Reconciliation Statement with the following details of the issued material (BDL's property) & of the returned and leftover/balance/usable/scrap material. The statement shall show the following details and should be got certified from concerned BDL Officer and the certified statement should be enclosed with the invoice for enabling payment.
 - a. Quantity of material issued by BDL to the Contractor (Kg, Nos. etc.).
 - b. Quantity of (processed) material delivered by the Contractor to BDL.
 - c. Quantity of material consumed/lost as burning loss, etc.
 - d. Quantity of leftover/balance/usable/scrap material returned by the Contractor to BDL.
4. **INSPECTION**
 - a. Items should be supplied along with the Dimensional inspection report/ raw material consumption statement of each item.
 - b. When the items are made with party's raw material test certificate of the raw material is to be produced, which is issued either by the material manufacture or a NABL accredited laboratory.
 - c. Final inspection will be by BDL and/or Third party inspection.
 - d. While Inspection Authority will carry out inspection for the stages defined in QAP. BDL has the right to carry out random inspection by Inspection authority / Agencies (MSQA or equivalent)



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or Project executive independently to ensure that the vendor/ firm is adhering to laid down conditions in terms of quality of work, qualification of the personnel. The vendor/ firm shall provide free access to the BDL personnel for inspection.

- e. The work shall not be deemed as completed until the Inspection Authority/Work Completion Certifying Authority is fully satisfied that the work completed meets the required standards as per Scope of Work & the quality requirements. The decision of the Inspection Authority/Work Completion Certifying Authority on any question of intent, meaning & scope of the work/ documents/specification/standards shall be final, conclusive & binding on the Contractor.
 - f. During this period, if any physical damage is found that is brought to firm's notice, the firm shall repair the same immediately on free of cost to BDL.
 - g. Quality requirements & stages of inspection, as specified in the Scope of Work, the approved QAP, drawings/other reference technical documents, Tender document, must be met to the exact standards.
 - h. As the safe transportation & delivery of the finished goods is under the Contractor's scope, there shall be a final receipt inspection & acceptance for items delivered at BDL. Any defects and damages occurred during transportation shall have to be made good and duly rectified and repaired by the Contractor at BDL to the satisfaction of the Inspection Authority (ies) as per BDL procedures at no extra cost to BDL. Any expenses, transportation, facilities, etc. for such rectification work shall have to be arranged by the Contractor at no cost to BDL. The completion of the work shall be deemed as delivery of undamaged receipt-inspection cleared items at BDL & the date of the delivery would count as the date of completion of work.
 - i. The Work Completion Certificate (WCC) shall be issued only after delivery of undamaged, defect-free and satisfactorily receipt of inspected items at BDL.
5. The job involved is purely on Contract basis and persons engaged by the contractor shall not be / deemed to be an employee of the BDL.
6. Non-Competition Agreement: The vendor / manufacturer shall sign a Non-competition Agreement in the format provided by BDL.

V. TENDER TERMS FOR PROCUREMENT OF SERVICES

- 1. SITE VISIT: Prior to submission of your quotation, you are requested to visit the site and if any technical clarification is required you may contact concerned purchase department head.
- 2. WORKING ON BDL HOLIDAYS: Intimation for working on Saturday / Sunday / holidays if required, should be submitted 2 working days prior to the date of holiday indicating names of personnel to Personnel Department and Security through concerned Department.



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3. Procedure for Entry Passes for the Contractor's Employees: - As per the prevailing detailed procedure at Bharat Dynamics Limited is to be follow by successful bidder.
4. The work shall not be deemed as completed until the Inspection Authority/ Service Completion Certifying Authority is fully satisfied that the service completed meets the required standards as per Scope of service & the requirements. The decision of the Inspection Authority/ Service Completion Certifying Authority on any question of intent, meaning & scope of the documents/ specification/standards shall be final, conclusive & binding on the vendor/ service provider.
5. During this period, if any physical damage is found that is brought to firm's notice, the firm shall repair the same immediately on free of cost to BDL.

VI. OTHER TERMS AND CONDITIONS

1. For quoting capital item like CNC machines etc. bidder has to submit the details of make of sub-assemblies/ elements (like air compressor, motors, hydraulic/pneumatic components etc).
2. In case the service at BDL:
 - a. It shall be the responsibility of the Contractor to ensure the Labour Act, Minimum Wage Act, PF Act & scheme, ESI Act etc. for the staff on their company roles.
 - b. It shall be the responsibility of the Contractor to ensure compliance with all Labour law provisions, including the payment of minimum wages as declared by Central Government.
3. The condition of Prior turnover and Prior Experience will be relaxed for Start-ups(whether MSMEs or otherwise), which as per guidelines of Govt. of India are recognized as Start-ups, subject to meeting of quality and technical specifications as per clarification given by Ministry of Finance, Department of Expenditure (DoE).
4. Interest free advance will be paid to MSMEs and Start-ups against Bank Guarantee for 110% of order value.
5. MSEs are entitled for purchase preference as per the Government Order.
6. The Procuring Entity reserves its option to give purchase preference to MSEs compared to the non-MSE enterprises as per policies of the Government from time to time. This preference shall only apply to products produced and services rendered by Micro and Small Enterprises. If an MSE bidder quotes a price within the band of the lowest (L-1) +15 percent in a situation where the L-1 price is quoted by someone other than an MSE, the MSE bidders are eligible for being awarded up to 25 percent of the total quantity being procured if they agree to match the L-1 price. In case of more than one such eligible MSE, this 25 percent quantity shall be distributed proportionately among these bidders.



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7. INTELLECTUAL PROPERTY:

The items which are specifically developed / manufactured as per requirement of BDL, where Tooling charges / Engineering Charges / Development Charges are paid by BDL, intellectual property lies with BDL. The vendor / service provider can supply these items to other, only after obtaining consent of BDL.

8. Techno-Commercially qualified bidders will be informed to participate in "On-line e-Reverse Auction"
- BDL may choose the final supplier either by conducting 'e- reverse auction or price bid opening among the Techno- Commercially Qualified bidders.
 - In case of e-Reverse auction, the Price Bids (submitted initially), shall be opened prior to e-auction and L1 will be arrived and the same will be considered as reserve price.
 - Necessary Training / details for conducting "e-Reverse Auction" will be provided by BDL to all the qualified bidders.
 - Bidder shall give an acceptance clearly stating no objection to BDL opting for "e-Reverse Auction"
9. **Tender enquiry terms to comply purchase preference to Make in India (For bids < 200 Crore)**

Introduction:

To encourage "Make in India" and promote manufacturing and production of goods and services by enhancing income and employment the preferential purchase clause has been implemented.

Procurement by the Company (BDL) is substantial in amount and can contribute towards "Make in India" objective, so the preferential purchase clause is being brought in.

(The preferential purchase based on local content can be increased through partnerships, cooperation with local companies by establishing production units in India or Joint ventures (JV) with Indian suppliers, increasing the participation of local employees in services and training them).

Definitions as per PPP-MII Order-2017

- "Local content" means the amount of value added in India which shall, unless otherwise prescribed by the Nodal Ministry, be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all custom duties) as a proportion of the total value, in percent.



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- A supplier or service provider, whose goods, services or works offered for procurement, has local content:
 - a. Equal to or more than 50%: Class-I local supplier.
 - b. More than 20% but less than 50%: Class-II local supplier.
 - c. Less than or equal to 20%: Non-local supplier.
- Margin of purchase preference ' means the maximum extent to which the price quoted by a "Class-I local supplier" may be above the L1 for the purpose of purchase preference.
- The margin of Purchase Preference shall be upto 20%.
- 'L1' means the lowest technically accepted tender / bid / quotation (i.e. lowest landed cost including duties, taxes and freight & Insurance).
- 'Nodal Ministry' means the Ministry or Department identified pursuant to this order in respect of a particular item of goods or services or works.
- 'Procuring entity' means a Ministry or department or attached or subordinate office of, or autonomous body controlled by, the Government of India and includes Government companies as defined in the Companies Act.
- 'Works ' means all works as per Rule 130 of GFR- 2017, and will also include Turnkey works'.

Preference shall be given to Class-I local supplier as defined in public procurement (Preference to Make in India), Order 2017 as amended from time to time and its subsequent Orders/Notifications issued by concerned Nodal Ministry for specific Goods/Products. The minimum local content to qualify as a Class-I local supplier is denoted in the bid document. If the bidder wants to avail the Purchase preference, the bidder must upload a certificate from the OEM regarding the percentage of the local content and the details of locations at which the local value addition is made along with their bid, failing which no purchase preference shall be granted.

Purchase preference in procurement of Goods and Services:

Purchase preference for all goods and services will be extended as per Govt norms. Subject to the provisions of this Order and to any specific instructions issued by the Nodal Ministry or in pursuance of this Order, purchase preference shall be given to 'Class-I local supplier' in procurements undertaken by procuring entities in the manner specified here under.

1. Goods and Services which are divisible in nature, the following procedure shall be followed.
 - a. Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract for full quantity will be awarded to L1.



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- b. If L1 bid is not from a local supplier 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the local supplier will be invited to match the L1 price for the remaining 50% quantity subject to the local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such local supplier subject to matching the L1 price. In case such lowest eligible local supplier fails to match the L1 price or accepts less than the offered quantity the next higher local supplier within the margin of purchase preference shall be invited to match the L1 price for remaining quantity and so on, and contract shall be awarded accordingly, in case some quantity is still left uncovered on local suppliers, then such balance quantity may also be ordered on the L1 bidder.
2. The procurement of goods which are not divisible and in procurement of services where the bid is evaluated on price alone, the following procedure shall be followed:
 - a. Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract will be awarded to L1.
 - b. If L1 is not from a local supplier, the lowest bidder among the local suppliers will be invited to match the L1 price subject to local supplier's quoted price falling within the margin of purchase preference and the contract shall be awarded to such local supplier subject to matching the L1 price.
 - c. In case such lowest eligible local supplier fails to match the L1 price, the local supplier with the next higher bid within the margin of purchase preference shall be invited to match the L1 price and so on and contract shall be awarded accordingly. In case none of the local suppliers within the margin of purchase preference matches the L1 price then the contract may be awarded to the L1 bidder.
 - d. "Class-II local supplier" will not get purchase preference in any procurement, undertaken by procuring entities.
- iii. Exemption of small purchases : Procurements where the estimated value to be procured is less than Rs .5 Lakh shall be exempt from this Order. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this Order.

Manufacture under license/ technology collaboration agreements with phased indigenization:

While notifying the minimum local content, special provisions can be made for exempting suppliers from meeting the stipulated local content if the product is being manufactured in India under a license from a foreign manufacturer who holds intellectual property rights and where there is a technology collaboration agreement / transfer of technology agreement for indigenous manufacture of a product developed abroad with clear phasing of increasing in local content.



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Verification of Local Content for Public Procurement (Preference to Make in India), Order 2017

- i. The local vendor at the time of tender, bidding or solicitation shall be required to provide self-certification that the item offered meets the minimum 50% local content and shall give details of the location(s) at which the local value addition is made. BDL has authority to verify the local content.
- ii. In case of procurement for a value in excess of Rs.10 crore, the local supplier shall be required to provide a certificate from the statutory auditor or cost auditor of the company (In the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.
- iii. False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.
- iv. A vendor who has been debarred by any procuring entity for violation of this Order shall not be eligible for preference under this Order for procurement by any other procuring entity for the duration of the debarment, The debarment for such other procuring entities shall take effect prospectively from the date on which it comes to the notice of other procurement entities.



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E-TENDER TERMS AND CONDITIONS

**ANNEXURE - XVII
Contd...**

Annexure-i

Verification of Local Content

- i. The local vendor at the time of tender, bidding or solicitation shall be required to provide self-certification that the item offered meets the minimum 50% local content and shall give details of the location(s) at which the local value addition is made. BDL has authority to verify the local content.
- ii. In case of procurement for a value in excess of Rs.10 crore, the local supplier shall be required to provide a certificate from the statutory auditor or cost auditor of the company (In the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.
- iii. Nodal Ministries may constitute committees with Internal and External experts for independent verification of self-declaration and auditor's / accountant's certificates on random basis and in the case of complaints.
- iv. False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules for which a bidden or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.
- v. A vendor who has been debarred by any procuring entity for violation of this Order shall not be eligible for preference under this Order for procurement by any other procuring entity for the duration of the debarment, The debarment for such other procuring entities shall take effect prospectively from the date on which it comes to the notice of other procurement entities.

CALCULATION OF LOCAL CONTENT – GOODS SUPPLY CONTRACTS:

Calculation of manufacturing cost per one unit of product				
Cost Component	Cost (Domestic Component)	Cost (Import Content)	Cost Total Rs./ USD	% Domestic Component
	a	b	c	d=a/c
I. Direct Material Cost				
II. Direct Labour Cost				
III. Factory overhead cost				
IV. Total production cost				



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ANNEXURE - 1A

I. E-Tender COMMON INSTRUCTIONS APPLICABLE TO BOTH INDIGENOUS & FOREIGN OFFERS::

- i. The system requirements to participate in the e- tendering and e-auctioning are as under:
 - a) PC with Internet connection (Browser to be used - Internet Explorer 6 and above).
 - b) Valid Digital Signature Certificate Class-III of the respective firm/ authorised representative.
- ii. Quotation must be firm & hold good for a period as indicated in NIT / tender enquiry.
- iii. Corrigendum: BDL reserves the right to issue any corrigendum to the tender even up to 3 days prior to the due date of tender closing. Bidders are advised to check the website for the purpose of revising their bids, whether any such corrigendum to the tender has been issued or not.
- iv. Where counter terms & conditions of business have been offered, BDL shall not be deemed to be bound by these unless specific acceptance thereof has been given by BDL.
- v. The delivery of the stores is required as indicated in the tender document. Please confirm the dates indicated, otherwise specify clearly, the date by which bidder can deliver.
- vi. BDL is not bound to accept any quotation & reserves the right of accepting the whole or any part of quotation or part of quantity offered.
- vii. BDL reserves the right to :
 - a) Cancel the tender enquiry at any stage.
 - b) Reject or accept any quotation without giving any reason thereof financial & technical.
 - c) Assess the capability and capacity of the bidders of this site.
 - d) Select more than one source.
 - e) Ask for breakup details of quote.
- ix. Wherever items are supplied with supplier's raw material, as per drawings provided by BDL, supplier has to furnish test specimens / test certificates with each batch of supplies
- viii. All the drawings and documents downloaded are the property of BDL and shall not be circulated to others without prior written permission. The same shall be deleted from all the computers/ servers, flash drives etc. of the bidder. Bidder shall make necessary information security measures as per IT Act 2008 and the amendments thereof.
- ix. Wherever items are supplied with supplier's raw material, as per drawings provided by BDL, supplier has to furnish test specimens / test certificates with each batch of supplies

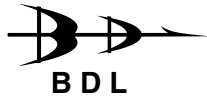


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- x. Wherever called for MIL / BIS / JSS or other relevant standards, test certificate shall be furnished with the supplies & shall be confirmed in the quotation, without which the quotation will be rejected.
- xi. BDL at its option may prescribe pre-dispatch inspection at supplier's works (Stage wise / finished) by BDL Inspectors / 3rd party agencies / DGQA representatives or others as deemed fit.
- xii. All goods or services supplied must conform to the MIL / BIS / JSS or other relevant standards quoted in the order & / or shall be strictly in accordance with approved samples or drawing or specification. Where there is no specifications, sample or drawing, goods and services are to be the best of their kind.
- xiii. Wherever required, samples shall be supplied at Supplier cost with due identification & indicating BDL reference.
- xiv. LD Clause: Time is the essence of the P.O and delivery should be strictly insisted upon according to the delivery schedule given in the SOs/POs. In the event the supplier fails to deliver the goods / service, within the stipulated delivery period, BDL reserves the right to recover from the supplier, LD and not by way of penalty an amount as detailed in terms and conditions. A sum of 0.5% of the price only of the stores (Including duties, taxes) which the supplier has failed to deliver as aforesaid for each week of delay or part thereof, subject to a maximum of 10%.

In case of extension of delivery period, increase in taxes shall not be borne by BDL, if delay is attributable to vendor.
- xv. In case the quotation is submitting by a sister/associate company of the firm to whom the tender is addressed, a letter to that effect from the addressee of the tender shall be furnished within the quotation, failing which the quotation will be summarily rejected treating as unsolicited.
- xvi. End user Certificate will be issued if requested in specific and clear justification of its requirement.
- xvii. Duty exemption certificate will not be issued unless specified in special terms and conditions.
- xviii. Our GSTIN registration no: 36AAACB7880N1Z5 (both KBU and BU) and 37AAACB7880N1Z3 for VU. And BDL PAN No: AAACB7880N.
- xix. Technical clarification, if any, can be sought before submission of quotation from concerned IMM department.
- xx. Price negotiation is held only if necessary. Hence you are requested to quote most competitive prices with full details/ brochures / Leaflets etc. requested for the items quote.
- xxi. Technical acceptance / rejection of the bid shall be intimated through e-procurement / email/ fax. Any grievance with respect to technical rejection shall be submitted within 10days of publishing in portal or intimation by email to the IMM officer specified in NIT / tender. The



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technical evaluation committee will give reply to the aggrieved bidders within 20 days from the date of receipt of query / complaint.

xxii. Management reserves the right to decide the incubation period.

II. SPECIFIC INSTRUCTIONS FOR INDIGENOUS OFFERS:

- i. Price quoted shall be for free delivery at BDL stores / FOR destination.
- ii. In case bidder has registered with GeM provide the registration number.
- iii. Payment Terms:
 - a) BDLs normal terms of payment for non-capital item are 100% within 30 days after receipt and acceptance of the goods and preference will be given for the same. If you want to offer counter terms, please specify. Unless, otherwise specified in enquiry, advance payment will not be given.
 - b) BDL's terms of payment are "90 % payment within 30 days after receipt & acceptance of the goods and balance 10% after installation & commissioning of the equipment against submission of performance bank guarantee for 10% value of order covering warranty period plus 3 months claim period".
 - However, where the performance of the equipment can only be verified on commissioning, then the payment is made on receipt of installation certificate 70%, acceptance 20% and balance 10% is after submission of PBG as stated in para above.

xxiii. Bidder to furnish GST details.

III. SPECIFIC INSTRUCTIONS FOR IMPORT OFFERS:

- i. Price quoted shall be for FOB nearest sea / airport including packing & forwarding charges. (Refer Annexure-1C).
- ii. Other standard terms such as delivery period, terms of payment etc are to be included in the bid.
- iii. The quotation and the necessary catalogues and leaflets attached shall be in ENGLISH language only.
- iv. Where the prices indicated are EX-works, please indicate separately the packing & forwarding charges for FCA delivery to the nearest gateway Airport / FOB delivery to the nearest seaport. All the consignments either by Sea /Air shall be dispatched on freight to pay basis only.
- v. The necessary export license for the items shall be arranged by vendor. In case certificates, declarations etc. are needed from us, you should send us well in advance, all such requests, along with the necessary prescribed forms, drafts etc.
- vi. Supplier has to furnish a declaration confirming that they have no agent / representative in India. However, if you have an agent or representative.



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- a) You have to furnish the full name and address, with name of the contact person, phone number, fax no and email ID etc to enable us to get the information about the firm.
 - b) You or your agent / representative can quote for the tender. Both you and your agent / representative cannot submit the quotation simultaneously for the tender.
 - c) Your agent / representative cannot represent another organisation in this tender. Your agent / representative has to submit an undertaking that he quoted on your behalf only and is not representing any other firm / organisation or he is not directly participating in the tender (Refer Format 1 as given below).
- vii Non competition agreement format will be provided by BDL.
- viii. **North Atlantic Treaty Organization (NATO) Codification Clause:**

The vendor is to provide existing NATO Stock Numbers (NSNs) of OEM for each item supplied under the purchase order as per the part list (including Manufacturers Recommended List of Spares (MRLS)). In case the NSN are not available, the vendor is to codify using basic technical characteristics as required for codification in consultation with MoD / Directorate of Standardisation / BDL. In case of IPR issues, codification to be undertaken as type IV codification (where only the manufacturers details and part numbers are to be provided).



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(To be submitted on the Company letter head of Indian Agent/Representative)

FORMAT 1

Ref:

Date:

To,
General Manager (CC)
Bharat Dynamics Limited
Hyderabad - 500058
Telangana, India.

Sir,

Sub: Tender for Supply of <Tender Details> - Reg
Ref: <Tender Number & Date of Tender>

We here by certify that M/s. <Company Name with Full Address (Indian Agent in India details to be given) > is representing M/s. <Company Name with Full Address (Foreign Vendor Company details to be given)> as an India agent/representative and submitting the quotation against the tender on behalf of our principals. We further certify that, our principals M/s. <Company Name> (Foreign / Principal Vendor Name) have not quoted directly against this tender and we are not representing any other firm / company / organisation for this tender.

Place :
Date : DD/M/YYYY

Signature :
Name :
Designation :
Name of the Organisation with Seal:



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ANNEXURE - 1B

GENERAL TERMS AND CONDITIONS OF THE PURCHASE ORDER (P.O) (INDIGENOUS)

I. ACKNOWLEDGEMENT:

- a. An acknowledgement of the Purchase Order(PO) should be sent to BDL by the vendor confirming their agreement regarding specifications, Qualification Test (QT) or Periodic Test (PT) / Acceptance Test (AT), quantity, prices, terms of payment and Delivery schedule including the General terms and conditions as indicated in Purchase Order within 15 days of its receipt by the vendor.
- b. The Purchase Order number and date should always be quoted in all correspondence, delivery challans, packing notes, invoices etc., all communications should be addressed to the designate officer of BDL who signed the Purchase Order or a nominee as indicated in the purchase order.

II. PRICES:

The prices indicated in PO are firm and not subject to alternation / variation on any account unless specified otherwise in the purchase order.

III. All terms and conditions of subject enquiry will be a part of this PO and vendor shall abide with it.

IV. Invoicing & Payment

1. The Tax Invoice for supply of Goods & Services should be raised as per the provision of GST Act & Rules and must compulsorily mention the following: -
 - a. BDL GSTIN:
 - i. Telangana : 36AAACB7880N1Z5
 - ii. Andhra Pradesh: 37AAACB7880N1Z3
 - b. HSN Code or Service Accounting Code for supply of goods or services.
 - c. Name & address of vendor / service provider
 - d. GSTIN of Vendor / service provider
 - e. Consecutive Serial Number & date of issue
 - f. Description of goods or services
 - g. Total value of supply
 - h. Taxable value of supply
 - i. Tax Rate – Central Tax & State Tax or Integrated Tax, Cess, etc.,
 - j. Amount of Tax charged



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- k. Place of supply
 - l. Address of delivery if different from place of supply
 - m. Signature of authorized signatory
2. Reimbursement of GST to the vendor / service provider is contingent upon complying with the following condition by the vendor / service provider: -
 - a. Uploading the onward GST Return (**GSTR-1**) in GSTN Network portal within the statutory time period.
 - b. Discharging the GST tax liability to the Government.
 - c. Submission of Tax Invoice to BDL.
 - d. Submission of proof of payment of GST to BDL.
 - e. Availment of Input Tax Credit by BDL.
 3. Payment will be processed after receipt of original GST invoice, acceptance of goods /service, eligibility to take ITC against Invoice if applicable, test reports if any, warranty certificate if any & other conditions complying to PO terms.
 4. TDS under GST as and when applicable, shall be deducted at prevailing rates.

V. Input Tax Credit

1. GST at the applicable rates shall be payable extra. However, the same shall not be paid if the input credit thereof is not available to BDL due to any reason attributable to the vendor / service provider.
2. PAYMENT OF GST: The GST amount on gross value of each invoice shall be claimed by the vendor / service provider along with the first stage payment by submission of GST invoice as mentioned above. However, the amount of GST shall be paid only upon confirmation of the following.
 - a. The vendor / service provider declaring the invoice in his GSTR-1 and
 - b. Confirmation of payment of GST thereon by vendor / service provider on GSTN Portal..
3. In the event of any disallowance of input credit or applicability of interest or any other financial liability arises on BDL due to any default of vendor / service provider under GST, such implication shall be to vendor / service provider's account.
4. GST shall be levied on LD and the relevant tax invoice shall be provided to vendor / service providers for availing credit.

VI. QUALITY:

All goods or services supplied must conform to the MIL / BIS / JSS or other relevant standards quoted in the order & / or shall be strictly in accordance with approved samples or drawing or



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specification. Where there is no specifications, sample or drawing, goods and services are to be the best of their kind.

VII. SUPPLYING OF SAMPLES:

Wherever required, samples should be supplied at free of cost with due identification and indicating relevant BDL references and Purchase order number.

VIII. INSPECTION:

- a) All goods/ services are subject to inspection by BDL or where stipulated by BDL's client or as nominated either at supplier's works or after delivery. The decision of concerned officers-in-charge is final and abiding.
- b) It is desired that rejected material will to be collected by suppliers as soon as possible. The rejected material will lie in BDL factory premises at the risk and cost of the supplier, pending receipt of disposal instruction from them.
- c) If so desired by the vendor, the rejected materials, for which no payment made by BDL will be packed and returned for arranging replacement/ rectification on 'freight to pay' basis at your cost and risk and the dispatch documents will be forwarded to the address of the vendor directly by BDL IMM / Stores Department to enable him to arrange insurance and take delivery of the same. Wherever payment is already made by BDL, the rejected material will be returned to the supplier against refund of the amount already paid by BDL or adjusted against any other payments due from BDL.
- d) The packing, freight charges etc., on replacement of returned materials shall be borne by vendor irrespective of the terms in the purchase order (since such charges were already incurred and borne by BDL on the original consignment) which got rejected and returned to the vendor. In case the rejected materials are not required to be replaced, freight insurance charges etc., incurred by BDL on the original consignment shall be recovered from the vendor's bill.
- e) In case, no disposal instructions received from the vendor / service provider, regarding rejected stores, as contemplated at (b) above, or where the amount due from the vendor / service provider, cannot be recovered from the pending supplies & from the pending bills fully, as contemplated at Para XIX hereinafter, within One month, from the date of intimation to the vendor / service provider, regarding disposal action, BDL reserves the right to dispose the rejected stores, in the manner BDL deems fit. Under the given circumstances appropriate amount will be recovered from the vendor / service provider, along with cost of disposal as contemplated at para XIX. If any balance amount is receivable / refundable, the same will be recovered / refunded to the vendor / service provider.

IX. PACKING:

Materials should be securely packed by the supplier and a copy of packing note should be placed just below the lid of the package. In case one consolidated packing note is prepared for materials packed in more than one package, copies of same should be placed in all packages with a marking against the items packed in that particular package. The package should bear sender's and BDL full name and address on one side and BDL purchase order Number., case markings,



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gross weight etc., on the other side

In case of Plant Machines and Equipment. The following documents in triplicate should be supplied (in English Language only):

- a) Foundation Plan
- b) Wiring diagram
- c) Operating Manual
- d) Maintenance Manual
- e) Detailed spare parts Catalogue
- f) Capacity diagram
- g) Erection instructions
- h) Makers certificate of accuracy & guarantee of performance
- i) Illustrated & descriptive catalogue
- j) Warranty Certificate
- k) Safety instructions / document & other relevant documents.

X. DISPATCH OF GOODS:

Wherever terms of dispatch are ex-works / FOR dispatch station. The stores shall be booked through BDL authorized transporter named in the Purchase Order on freight to pay basis or any other reputed transporter. The dispatch documents shall be clean and clearly legible.

XI. CONSEQUENCE OF BREACH AND RECOVERY OF L.D:

LD Clause: Time is the essence of the P.O and delivery should be strictly insisted upon according to the delivery schedule given in the SOs/POs. In the event the supplier fails to deliver the goods / service, within the stipulated delivery period, BDL reserves the right to recover from the supplier, LD and not by way of penalty an amount as detailed in terms and conditions. A sum of 0.5% of the price only of the stores (Including duties, taxes) which the supplier has failed to deliver as aforesaid for each week of delay or part thereof, subject to a maximum of 10%.

In case of extension of delivery period, increase in taxes shall not be borne by BDL, if delay is attributable to vendor.

XII. RISK PURCHASE CLAUSE:

In the event the supplier fails to fulfil the Purchase Order obligations, BDL reserves the right: To purchase elsewhere without notice to the vendor, on account and at the risk of the vendor, the stores not delivered or other of similar description (Which in the opinion of BDL shall be readily procurable) without cancelling the Purchase Order in respect of consignment not yet due for



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delivery.

(OR)

To cancel the Purchase Order in the event action being taken as above the vendor shall be liable for any loss which BDL may sustain on that account by the vendor shall not be entitled to any gain on repurchase made against default.

XIII. CANCELLATION OF PURCHASE ORDER:

Non-compliance with any of the conditions may compel BDL to cancel the Purchase Order in part or in full at any time of its execution as deemed fit without legal repercussion on BDL end.

XIV. BDL MATERIALS:

Materials, tools and other equipment's supplied by BDL for processing or to aid processing shall be accounted fully by the Vendor. Necessary insurance shall be arranged by the Vendor for such materials at Vendor's cost. The Vendor shall also submit the Indemnity Bond for the value equivalent to the materials supplied. The material consumption certificate shall be furnished for every supply. The material tools and equipment should be preserved appropriately to avoid damage. The necessary traceability to be ensured.

XV. REPEAT ORDER:

BDL reserves the right to place repeat order with the same prices, terms & conditions on the supplier for an additional quantity up to 100% of the ordered quantity, within a period of 12 months from the date of completion of order.

XVI. OPTION CLAUSE:

The BDL retains the right to place orders for additional quantity up to a maximum of 100% of the originally contracted quantity at the same rate and terms of the contract before completion of the original PO deliveries at the convenience of BDL.

XVII. TEST CERTIFICATE / SHELF LIFE CERTIFICATE:

All certificates called for in the specification or Purchase Order must be sent to BDL, along with, supplies or a request for pre-dispatch inspection. BDL may test any goods supplied & its decision shall be final irrespective of the certificate furnished by the vendor. Vendor shall indicate the date of manufacture and the date of expiry for chemicals, ingredients etc. (all items with shelf life) in all the dispatch documents and on the containers. The supplies shall be within one month from the date of manufacture in particular in case of shelf life items.

All assemblies / products shall be manufactured with valid shelf life items only. In such cases, necessary certificates for individual items having valid shelf life shall be submitted to BDL where ever required.

Necessary test / inspection certificates, Certificate of Conformance, Country of Origin (wherever applicable) shall be submitted along with consignment.



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XVIII. DRAWINGS, PATTERNS AND TOOLS:

All drawings, patterns and tools supplied by BDL, or made at BDL expenses are BDL's property and or only to be used in the execution of BDL order and shall be returned to BDL on demand. These should not be provided to others.

XIX. INTELLECTUAL PROPERTY:

The items which are specifically developed / manufactured as per requirement of BDL, where Tooling charges / Engineering Charges / Development Charges are paid by BDL, intellectual property lies with BDL. The vendor / service provider can supply these items to other, only after obtaining consent of BDL..

XX. DEMURRAGE AND WHARFAGE:

The vendor shall be responsible for all demurrage and wharf age charges due to late receipt of dispatch documents or non-receipt of dispatch documents or non-receipt of prior intimation or non-compliance of any other terms of Purchase Order. Any technical information provided by BDL, shall not be share without the consent of BDL, otherwise be used or copied, reproduced, transmitted or communicated to a third party.

Sub-contractor shall in no way share or use any intellectual property of BDL to promote his own business with others. BDL reserves the right to claim damages from the vendor / service provider, or take appropriate penal action as deemed fit against the vendor / service provider, for any infringement of the provisions contained herein.

XXI. INDEMNITY:

The vendor shall indemnify the BDL.

- a) Against any claim, in respect of infringement of letters of patent or registered design, by the use of sale of any article or material supplied to BDL by the supplier and against all costs and damages which BDL may incur in any action for such infringement or for which BDL may become liable in any such action.
- b) Against all claims for injury or damages caused by the Negligence of the vendor or his employees or arising from any defects in the goods supplied or on the work carried out by the vendor.
- c) Against all claims for injury to the vendor's employees or of his agent's whilst on the premises of the purchaser.

XXII. APPROPRIATION:

Whenever under this PO any sum of money is recoverable from & payable by the vendor, BDL shall be entitled to recover such sum by appropriating, in part or whole by deducting any sum due or which any time thereafter may become due to the vendor in this or any other PO should this sum be not sufficient to cover the full amount recoverable the vendor shall pay to BDL on demand



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the remaining balance due.

XXIII. WARRANTY:

Any stores supplied or service provided should be free from any defects arising from faulty material, design or workmanship & should be guaranteed for quality / satisfactory performance for a period of 12 calendar months from the date of commissioning or 18 months from the date of supply whichever is later. During the guarantee period, if any defects develop arising from faulty material, design or workmanship, the supplier should replace any defective portion of the goods or replace the material/equipment as a whole.

XXIII. PERFORMANCE BANK GUARANTEE (PBG)/ SECURITY DEPOSIT (SD):

Bank Guarantee wherever called for, shall be in the BDL prescribed format. In case the order is to be placed in foreign currency, the BG must normally be in Indian Currency from the Nationalized Banks / as specified in the specific Enquiry. Wherever the contract is for supply of Goods processed on sub-contract basis from BDL supplied materials, the materials shall be issued against a suitable security, preferably Bank guarantee.

XXIV. ARBITRATION:

All the disputes regarding this Purchase Order shall be referred to BDL Chairman & Managing Director or his nominee, who shall have the powers conferred by the Arbitration Act, 1940 or Arbitration and Conciliation Act 1996 or any statutory modifications thereof for the time being in force.

Disputes and governing law, in the event of any disputes or differences relating to are arising out of or in connection of PO / SO the same shall be mutually discussed and amicably settled. The unresolved disputes or difference shall be referred by either to Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD) for resolution and the dispute or difference shall be resolved in accordance with DPM OM number 4(1)/2013-DPE(GM)/FTS-1835 dated 22-05-2018 which is deemed to be a part of this PO. The language of the arbitration shall be in English.

XXV. JURISDICTION:

The Purchase Order shall be governed by the Laws of Indian Union in Force. The courts of Hyderabad, Telangana only shall have jurisdiction to deal with and decide any legal matter or dispute whatsoever arising out of this Purchase Order.

XXVI. BRIBES AND GIFTS:

Any bribes, commission, gifts or advantage given, promised or offered by the vendor to any employee of BDL shall, in addition to any criminal liability which the vendor may incur, subject the vendor to the cancellation of this & all other orders & also to payment of any loss or damage resulting from any such cancellation. He shall also be deregistered and black listed.

XXVII In case of specific condition indicated in the Purchase Order or in variance with the above



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general conditions, the condition indicated in the Purchase Order shall be valid.

XXVIII. FORCE MAJEURE:

Force Majeure means an event beyond the control of the supplier and not involving the supplier's fault or negligence and which is not foreseeable. Such events may include, but are not restricted to, acts of the purchaser either in its sovereign or contractual capacity, wars or revolutions, hostility, acts of public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strikes, lockouts, and freight embargoes. Provided the acts of The Government or any state parties of the Vendor which may affect the discharge of the Vendor's obligation under the PO/contract shall not be treated as Force Majeure. If a Force Majeure situation arises, the supplier shall promptly notify the IMM in writing of such conditions and the cause thereof within twenty-one days of occurrence of such event. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event. If the performance in whole or in part or any obligation under this contract is prevented or delayed by any reason of Force Majeure for a period exceeding sixty days, either party may at its option terminate the contract without any financial repercussion on either side. There may be a Force Majeure situation affecting BDL only. In such a situation BDL shall take up with the supplier on similar lines as above for further necessary action.

XXIX. COMPLIANCE WITH LABOUR REGULATIONS:

During continuance of the PO / SO, the Vendor / Service Provider and his sub-Contractors shall abide at all times by all existing labour enactments and rules made there under, regulations, notifications and bye laws of the State or Central Government or local authority and any other labour law (including rules), regulations, bye laws that may be passed or notification that may be issued under any labour law in future either by the State or the Central Government or the local authority. Furthermore, the Vendor / Service Provider shall keep BDL indemnified in case any action is taken against the BDL by the competent authority on account of contravention of any of the provisions of any Act or rules made there under, regulations or notifications including amendments. If BDL is caused to pay or reimburse, such amounts as may be necessary to cause or observe, or for non-observance of the provisions stipulated in the notifications/bye laws/ Acts/Rules/regulations including amendments, if any, on the part of the Service Provider, BDL shall have the right to deduct any money due to the Service Provider including his amount of performance guarantee. The BDL shall also have right to recover from the Service Provider any sum required or estimated to be required for making good the loss or damage suffered by BDL. The Vendor / Service Provider shall require his employees to obey all applicable laws, including those concerning safety at work. The employees of the Vendor / Service Provider in no case shall be treated as the employees of the BDL at any point of time.

In respect of information and communication technology components / equipments the vendor / service provider has to self certify that the equipment / component will not anyway contain malware which in filters into the systems of BDL and he will be held responsible for such infiltrations because of the equipment supplied.



ANNEXURE-1C

GENERAL TERMS AND CONDITIONS OF THE PURCHASE ORDER (PO) (IMPORTS)

I. ACKNOWLEDGEMENT:

An acknowledgement of the Purchase Order(PO) should be sent to BDL by the Vendor confirming their agreement regarding specifications, Qualification Test (QT) or Periodic Test (PT)/ Acceptance Test (AT), quantity, prices, terms of payment and Delivery schedule including the General terms and conditions as indicated in Purchase Order within 15 days of its receipt by the Supplier.

II. PRICES:

Where the prices indicated are ex-supplier works, indicate separately the packing & forwarding charges for FCA delivery to the nearest gateway Airport/FOB delivery to the nearest seaport. All the consignments either by Sea/Air shall be dispatched on freight to pay basis only.

III. The terms and conditions of subject enquiry will be part of the purchase order and vendor shall comply with it.

IV. BDL Purchase Order number must be indicated correctly and completely on all documents and packages, to ensure customs clearance. BDL name & address only to be mentioned against consignees; No other name should be mentioned.

V. SHIPPING CLAUSE: (As per Incoterms-2022)

a) **Shipments by Sea:** Shipping arrangements will be made by forwarding agents M/s Balmer Lawrie / as mentioned in PO terms, to whom adequate notices of not less than six weeks about the readiness of cargo for shipment, should be given by the vendors from time to time for finalizing arrangements Cargo has to be made available for shipment at the port on the date specified by the forwarding agents /nominees & to whom prior intimation of the details of the cargo has to be given viz.

b) Shipping Document and Case Marking:

- i. Shipper Name
- ii. Consignee: M/s Bharat Dynamics Limited, Address as indicated in the PO.
- iii. Purchase Order No.
- iv. Description of material & Quantity
- v. Port of Loading
- vi. Port of Discharge Mumbai Port India or the port named in the Purchase order.
- vii. No. of Cases with gross weight, net weight & case measurements.

Each case shall be marked with:

- i. Purchase Order number



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- ii. Consignee name
- iii. Serial Number of the case and total no. of cases.
(Example: Case no: 1 of 12, where total no. of cases are 12).
- iv. Safety / Handling instructions.
- v. Method of Marking: Red & White Band Printing of 1" width each on all sides at the corners for easy identification at the port of discharge.

c) DISPATCH BY AIR:

In the case of FCA Purchase Orders, the consignment shall be handed over to BDL air cargo agent named in the Purchase Order at the designated Airport. If the terms of Purchase Order are ex-supplier works, please inform. BDL air cargo agents named in the PO for arranging pick up of the cargo. The air cargo agent will receive the cargo against house airway bill & arrange onward dispatch of the cargo to BDL. The house airway bill may be presented to supplier's bankers for payment. All the air consignments shall be dispatched to Hyderabad Airport, Telangana. India only on freight to pay basis, either by Air India or any other freight carrier airline. The case marking shall be as indicated at IV (b) above. Any change in destination will be indicated in the PO.

V) INSURANCE:

Insurance will be taken by BDL from the Sea/Airport of dispatch to BDL warehouse at BDL cost. Immediately on shipment, please send a communication to the insurance company mentioned in Purchase Order with a copy to BDL by Fax/email indicating the details of the items shipped, invoice number and date, value, dimensions and weight of the packages, Bill of Lading (B/L), Ship name or Air Way Bill (AWB) & flight details. A copy of this communication must also be submitted to supplier's bank, along with other documents, at the time of claiming the value under the Letter of Credit.

VI) PAYMENT:

Letter of Credit or Sight Draft can be negotiated with BDL's banker by submitting.

- a) Merchandise invoice for FOB/FCA/Ex-Works Value – 3 copies.
- b) Original copy of the negotiable Air Way Bill/House Air Way Bill/Bill of Lading.
- c) Certificate of Country of Origin – 3 copies.
- d) Packing sheet detailing measurement and weight of each case 4 copies.
- e) Freight Note Issued by the forwarding agents indicating the net freight payable in India after allowing rebate.
- f) Copy of the declaration letter/fax/telex addressed to BDL's insurance company.



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- g) Supplier's Bankers may be informed to air mail the documents to: Union Bank of India, BDL Campus Branch, Kanchanbagh, Hyderabad -500 058 in case purchaser location is Hyderabad or Union Bank of India, Visakhapatnam in case the purchaser location is Visakhapatnam or Union Bank of India, Bhanur, Medak Dist, Telangana, - 502035 in case the purchaser location is Bhanur, Telangana, India.

NOTE: In case the period of letter of credit to be extended due to delay in shipping the material or for any other reason from supplier side, the Bank charges will be to supplier's account and the same will be recovered from supplier's bill.

VII. DOCUMENTATION:

- a) All documents duly signed by supplier in two copies consisting of Invoices, Packing Notes, Insurance declaration, Certificate of origin (if applicable) issued by an independent agency like chamber of commerce shall be handed over to the carriers or Freight Forwarders.
- b) Please send Airway Bill / Bill of Landing copies by courier to BDL to the Signatory of the Purchase Order in two copies by separate post.
- c) Through the Bank as per Payment terms: Two copies of all the above and the original Bill of Lading / House Airway Bill/ Air Way Bill.

IMPORTANT: Please send to BDL a mail giving dispatch details immediately after shipment.

VIII. All bank charges in India to BDL account and outside India to vendor account.

IX. INSPECTION:

- a) The material supplied will be inspected at BDL on their arrival in BDL factory. The decision of acceptance / rejection of BDL shall be final and binding on both the parties.
- b) The vendor shall arrange to supply at free of cost for any shortage or any short shipment. The packing, freight & insurance expenses in this regard shall be borne by the vendor.
- c) In case of rejection / replacement/ warrantee replacement the vendor shall arrange free replacement and the cost of freight insurance shall be borne by the vendor. Where, the vendor wants the rejected/ defective part or item to be sent back, the same will be arranged by BDL at vendor's cost.
- d) Necessary test / inspection certificates, Certificate of Conformance, Country of Origin shall be submitted along with consignment.

X. PACKING:

The cargo is to be packed securely to withstand transit hazards by Road, Rail, Sea, Air so as to ensure them being free from loss or damage/injury on arrival at their destination at Hyderabad/ Vishakapatnam/ or the destination mentioned in PO

In case of Plant, Machines and Equipment. The following documents in (in English Language only) triplicate should be supplied:



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- a) Foundation Plan
- b) Wiring diagram
- c) Operational Manual
- d) Maintenance Manual
- e) Detailed spare parts Catalogue
- f) Capacity diagram
- g) Erection instructions
- h) Makers certificate of accuracy & guarantee of performance
- l) Illustrated & descriptive catalogue
- j) Warranty Certificate
- k) Safety instructions / document & any other relevant document.

XI. The vendor shall also reimburse to BDL any extra amount of demurrage Wharf age incurred by BDL due to delay in clearance of the consignment owing to wrong/obliterate markings of cases / delay in receipt of dispatch documents.

XII. WARRANTY:

The equipment/ stores should be guaranteed for satisfactory performance for a period of 18 months from the date of shipment or 12 months from the date of commissioning, whichever is later. The guarantee also should cover any defects that may develop from faulty materials; design or workmanship and vendor should remedy such defects/replace free of any cost to BDL if such defects occur during the guarantee period.

XIII. EXPORT LICENCE:

The necessary export license for the items shall be arranged by vendor. In case any certificates, declarations etc. are needed from BDL, vendor should send BDL well in advance, all such requests, along with necessary prescribed forms, drafts, etc.,

XIV. ARBITRATION:

All the disputes regarding the Purchase Order shall be referred to BDL Chairman & Managing Director or his nominee, who shall have the powers conferred by the Arbitration Act, 1940 or Arbitration and Conciliation Act 1996 or any statutory modifications thereof for the time being in force.

XV. JURISDICTION:

The order shall be governed by the laws of the India union, in force. Only the competent courts in Hyderabad, India shall have the jurisdiction as provided in the arbitration Act, 1940 or any



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statutory modifications thereof for the time being in force, for any matter arising out of the arbitration proceedings under the order.

XVI. GENERAL REFERENCE:

- a. The Purchase Order number & date must be quoted by the supplier in all correspondence, Acknowledgement of Purchase Order, Packing notes & Invoices etc. All correspondence should be addressed only to Bharat Dynamics Limited, to the address as indicated in purchase order.
- b. The description of goods as given in the Purchase Order shall be reproduced as it is in suppliers invoice to facilitate clearance of goods through the Indian customs.
- c. The Bill of Lading / Air Way Bill/ House Air Way Bill should be marked as "TO ORDER" OR "ORDER OF SHIPPER"; the consignee should be shown as BHARAT DYNAMICS LIMITED, to the address as indicated in Purchase Order.
- d. The Air Way Bill/ House Air Way Bill/ Bill of Lading should indicate only broad category of the stores ordered, such as Machinery, Spares, Equipment etc., & not the full & detailed nomenclature of the stores ordered.
- e. Air Way Bill number, Flight Number/ Bill of Lading number may please be furnished by Fax/ email as indicated in Purchase Order immediately after the consignment is dispatched.

XVII. CONSEQUENCE OF BREACH & RECOVERY OF LIQUIDATED DAMAGES (LD):

LD Clause: Time is the essence of the P.O and delivery should be strictly insisted upon according to the delivery schedule given in the SOs/POs. In the event the supplier fails to deliver the goods / service, within the stipulated delivery period, BDL reserves the right to recover from the supplier, LD and not by way of penalty an amount as detailed in terms and conditions. A sum of 0.5% of the price only of the stores (Including duties, taxes) which the supplier has failed to deliver as aforesaid for each week of delay or part thereof, subject to a maximum of 10%.

In case of extension of delivery period, increase in taxes shall not be borne by BDL, if delay is attributable to vendor.

XVIII. CANCELLATION OF CONTRACT:

Noncompliance with any of the conditions may compel BDL to cancel the order in part or in full without prejudice to the BDL's other rights & remedies under the law of land of purchaser & the contract.

XIX. TEST CERTIFICATE / SHELF LIFE CERTIFICATE:

All certificates called for in the specification or Purchase Order must be sent to BDL, along with, supplies or a request for pre-dispatch inspection. BDL may test any goods supplied & its decision shall be final irrespective of the certificate furnished by the vendor. Vendor shall indicate the date of manufacture and the date of expiry for chemicals, ingredients etc. (all items with shelf life) in all



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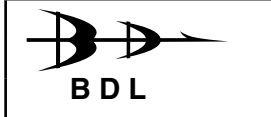
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the dispatch documents and on the containers. The supplies shall be within one month from the date of manufacture in particular in case of shelf life items.

All assemblies / products shall be manufactured with valid shelf life items only. In such cases, necessary certificates for individual items having valid shelf life shall be submitted to BDL wherever required.

XX. FORCE MAJEURE:

Force Majeure means an event beyond the control of the supplier and not involving the supplier's fault or negligence and which is not foreseeable. Such events may include, but are not restricted to, acts of the purchaser either in its sovereign or contractual capacity, wars or revolutions, hostility, acts of public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strikes, lockouts, and freight embargoes. Provided the acts of The Government or any state parties of the Vendor which may affect the discharge of the Vendor's obligation under the PO/contract shall not be treated as Force Majeure. If a Force Majeure situation arises, the supplier shall promptly notify the IMM in writing of such conditions and the cause thereof within twenty-one days of occurrence of such event. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event. If the performance in whole or in part or any obligation under this contract is prevented or delayed by any reason of Force Majeure for a period exceeding sixty days, either party may at its option terminate the contract without any financial repercussion on either side. There may be a Force Majeure situation affecting BDL only. In such a situation, BDL shall take up with the supplier on similar lines as above for further necessary action.



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(To be submitted on the Company letter head of Indian Agent/Representative)

FORMAT 1

Ref:

Date:

To,
General Manager (CC)
Bharat Dynamics Limited
Hyderabad - 500058
Telangana, India.

Sir,

Sub: Tender for Supply of <Tender Details> - Reg

Ref: <Tender Number & Date of Tender>

We here by certify that M/s. <Company Name with Full Address (Indian Agent in India details to be given) > is representing M/s. <Company Name with Full Address (Foreign Vendor Company details to be given)> as an India agent/representative and submitting the quotation against the tender on behalf of our principals. We further certify that, our principals M/s. <Company Name> (Foreign / Principal Vendor Name) have not quoted directly against this tender and we are not representing any other firm / company / organisation for this tender.

Place :

Date : DD/M/YYYY

Signature :

Name :

Designation :

Name of the Organisation with Seal:



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INTEGRITY PACT
Between

Bharat Dynamics Limited (BDL) 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, contracts for.....
.....The 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(s)(IEM), who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

Clause 1-Commitmentsof 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.

Clause 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



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**ANNEXURE - XVIII
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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 cartelization 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 (page no.5)
 - 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.
 - f. A person signing IP shall not approach the courts while representing the matters to IEMs and he/she will await their decision in the matter.
- 2) The Bidder(s)/ Contractor(s) will not instigate third persons to commit offences outlined above or be an accessory to such offences.

Clause 3 - Disqualification from tender process and exclusion from future contracts

If the Bidder(s)/Contractor(s) , before award or during execution has committed a transgression through a violation of Clause 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 placed at (as per **Annexure A** below).

Clause 4 - Compensation for Damages

- (1) If the Principal has disqualified the Bidder(s) /Contractor(s) from the tender process prior to the award according to Clause 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 Clause 3, or if the Principal is entitled to terminate the contract according to Clause 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.



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Clause 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 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".

Clause 6 - Equal treatment of all Bidder(s)/ Contractor(s)/ Subcontractors.

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

Clause 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.

Clause 8 - Independent External Monitor/ Monitors(IEM)

- (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.

IEMs appointed and currently holding office are:

- (a) _____, (IEM Name)
Email: _____; Mobile: _____
- (b) _____, (IEM Name)
Email: _____; Mobile: _____

- (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) /Contractor(s) as confidential. He reports to the Chairman, BDL.
- (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/operational 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.



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- (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(s) 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 non-binding 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(s) will submit a written report to the CMD, BDL 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(s) has reported to the CMDBDL, a substantiated suspicion of an offence under relevant IPC/ PC Act, and the CMDBDL has not, within the reasonable time taken visible action to proceed against such offence or reported it to the Chief Vigilance Officer, the Monitor(s) may also transmit this information directly to the Central Vigilance Commissioner.
- (8) The word 'Monitor' would include both singular and plural.

Clause 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, 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 BDL.

Clause 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. Hyderabad.
- (2) Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.
- (3) If the Contractor 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.
- (5) 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)



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Annexure-A

GUIDELINES FOR INDIAN AGENTS OF FOREIGN SUPPLIERS

- 1.1) There shall be compulsory registration of agents for all Global /Open Tender and Limited Tender. An agent who is not registered with BDL shall apply for registration.
- 1.2) Registered agents will file an authenticated Photostat copy duly attested by a Notary Public/ Original certificate of the principal confirming the agency agreement 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 BDL.
- 1.3) Wherever the 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.

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

2.1) Tenderers of Foreign nationality shall furnish the following details in their offer:

- 1.1.1) 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 agent/ representative be a foreign Company, it shall be confirmed whether it is real substantial Company and details of the same shall be furnished.
- 1.1.2) The amount of commission/remuneration included in the quoted price(s) for such agents/ representatives in India.
- 1.1.3) Confirmation of the Tenderer that the commission/ remuneration if any, payable to his agents/ representatives in India, may be paid by BDL in Indian Rupees only.

2.2) Tenderers of Indian Nationality shall furnish the following details in their offers;

- 2.2.1) 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.
- 2.2.2) The amount of commission/remuneration included in the price (s) quoted by the Tenderer for himself.
- 2.2.3) Confirmation of the foreign principals of the Tenderer that the commission/ remuneration, if any, reserved for the Tenderer in the quoted price (s), may be paid by BDL in India in equivalent Indian Rupee on satisfactory completion of the Project or supplies of Stores and Spares in case of operation items.
- 2.3) In either case, in the event of contract materializing, the term 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.
- 2.4) 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 BDL. Besides this there would be a penalty of banning business dealings with BDL or damage or payment of a named sum.



GUIDELINES ON BANNING OF BUSINESS DEALINGS

Debarment

Rule 151 of GFR, 2017 deals with debarment which is as under:

- i) A bidder shall be debarred if he has been convicted of an offence
 - a) under the Prevention of Corruption Act, 1988; or
 - b) the Indian Penal Code or any other law for the time being in force, for causing any loss of life or property or causing a threat to public health as part of execution of a public procurement contract.
- ii) A bidder debarred under sub-section (i) or any successor of the bidder shall not be eligible to participate in a procurement process of any procuring entity for a period not exceeding three years commencing from the date of debarment. Department of Commerce (DGS&D) will maintain such list which will also be displayed on the website of DGS&D as well as Central Public Procurement Portal.
- iii) A procuring entity may debar a bidder or any of its successors, from participating in any procurement process undertaken by it, for a period not exceeding two years, if it determines that the bidder has breached the code of integrity. The Ministry/ Department will maintain such list which will also be displayed on their website.
- iv) The bidder shall not be debarred unless such bidder has been given a reasonable opportunity to represent against such debarment.

Guidelines on Debarment of firms from Bidding

1. The guidelines are classified under following two types:-
 - i. In cases where debarment is proposed to be limited to a single Ministry, the appropriate Orders can be issued by that Ministry itself, thereby banning all its business dealing with the debarred firm.
 - ii. Where it is proposed to extend the debarment beyond the jurisdiction of the particular Ministry i.e. covering to all central Ministries/ Departments, the requisite Orders shall be issued by Department of Expenditure (DoE), Ministry of Finance (MoF).

1. Definitions

- i. Firm: The term 'firm' or 'bidder" has the same meaning for the purpose of these Guidelines, which includes an individual or person, a company, a cooperative society, a Hindu undivided family and an association or body of persons, whether incorporated or not, engaged in trade or business.



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- ii. Allied firm: All concerns which come within the sphere of effective influence of the debarred firms shall be treated as allied firms. In determining this, the following factors may be taken into consideration:
- a) Whether the management is common;
 - b) Majority interest in the management is held by the partners or directors of banned/ suspended firm;
 - c) Substantial or majority shares are owned by the banned/ suspended firm and by virtue of this it has a controlling voice.
 - d) Directly or indirectly controls, or is controlled by or is under common control with another bidder.
 - e) All successor firms will also be considered as allied firms.

The terms "banning of firm," 'suspension,' 'Black-Listing' etc. convey the same meaning as of "Debarment".

2. Debarment by a Single Ministry/ Department

Orders for Debarment of a firm(s) shall be passed by a Ministry/ Department/organizations, keeping in view of the following:

- i. A bidder or any of its successors may be debarred from participating in any procurement process for a period not exceeding two years
- ii. Firms will be debarred if it is determined that the bidder has breached the code of integrity as per Rule 175 of GFRs 2017. (Refer to para 7.2 of this Manual for further reading on Code of Integrity).
- iii. A bidder can also be debarred for any actions or omissions by the bidder other than violation of code of integrity, which in the opinion of the Ministry/Department, warrants debarment, for the reasons like supply of sub-standard material, non-supply of material, abandonment of works, sub-standard quality of works, failure to abide "Bid Securing Declaration" etc.
- iv. It shall not be circulated to other Ministries/ Departments. It will only be applicable to all the attached/ subordinate offices, Autonomous bodies, Central Public Sector Undertakings (CPSUs) etc. of the Ministry/ Department issuing the debarment Order.
- v. The concerned Ministry/ Department before issuing the debarment order against a firm must ensure that reasonable opportunity has been given to the concerned firm to represent against such debarment (including personal hearing, if requested by firm).



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- vi. Secretary of Ministry/Department may nominate an officer at the rank of Joint Secretary/ Additional Secretary as competent authority to debar the firms.
 - vii. Ministry/ Department that issued the order of debarment can also issue an Order for revocation of debarment before the period of debarment is over, if there is adequate justification for the same. Ordinarily, the revocation of the Order before expiry of debarred period should be done with the approval of Secretary concerned of Ministry/Department.
 - viii. The Ministry/Department will maintain list of debarred firms, which will also be displayed on its website.
 - ix. Debarment is an executive function and should not be allocated to Vigilance Department.
- 3.** It is possible that the firm may be debarred concurrently by more than one Ministry/ Department. Ministries/ Departments at their option may also delegate powers to debar bidders to their CPSUs, Attached Offices/ Autonomous Bodies etc. In such cases, broad principles for debarment in para 2 as above are to be kept in mind. Debarment by such bodies like CPSUs etc. shall be applicable only for the procurements made by such bodies. Similarly, Government e-Marketplace (GeM) can also debar bidders up to two years on its portal. In case of debarments done by CPSUs, revocation of the debarment orders before expiry of debarred period should be done only with the approval of Chief Executive Officer of concerned CPSUs etc.
- 4.** Debarment across All Ministries/ Departments
- i. Where a Ministry/ Department is of the view that business dealings with a particular firm should be banned across all the Ministries/ Departments by debarring the firm from taking part in any bidding procedure floated by the Central Government Ministries/ Departments, the Ministry/ Department concerned, should after obtaining the approval of the Secretary concerned, forward to DoE a self-contained note setting out all the facts of the case and the justification for the proposed debarment, along with all the relevant papers and documents. DoE will issue the necessary orders after satisfying itself that proposed debarment across all the Ministries/ Departments is in accordance with Rule 151 of GFRs, 2017. This scrutiny is intended to ensure uniformity of treatment in all cases.
 - ii. The firm will remain in suspension mode (i.e. debarred) during the interim period till the final decision taken by DoE, only in the Ministry/ Department forwarding such proposal.
 - iii. Ministry/ Department before forwarding the proposal to DoE must ensure that reasonable opportunity has been given to the concerned firm to represent against such debarment (including personal hearing, if requested by firm). If DoE realizes that sufficient opportunity has not be given to the firm to represent against the debarment, such debarment requests received from Ministries/ Departments shall be rejected.
 - iv. DoE can also give additional opportunity, at their option, to firm to represent against proposed debarment. DoE can also take suo-moto action to debar the firms in certain circumstances.



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- v. No contract of any kind whatsoever shall be placed on the debarred firm, including its allied firms by any Ministries/ Departments/ Attached/Subordinate offices of the Government of India including autonomous body, CPSUs etc. after the issue of a debarment order.
- vi. DoE will maintain list of such debarred firms, which will be displayed on Central Public Procurement Portal.

5. Revocation of Orders

- i. An order for debarment passed shall be deemed to have been automatically revoked on the expiry of that specified period and it will not be necessary to issue a specific formal order of revocation.
- ii. A debarment order may be revoked before the expiry of the Order, by the competent authority, if it is of the opinion that the disability already suffered is adequate in the circumstances of the case or for any other reason.

6. Other Provisions (common to both types of debarment)

- i. No contract of any kind whatsoever shall be placed to debarred firm including its allied firms after the issue of a debarment order by the Ministry/ Department. Bids from only such firms shall be considered for placement of contract, which are neither debarred on the date of opening of tender (first bid, normally called as technical bid, in case of two packet/two stage bidding) nor debarred on the date of contract. Even in the cases of risk purchase, no contract should be placed on such debarred firms.
- ii. If case, any debar firms has submitted the bid, the same will be ignored. In case such firm is lowest (L-1), next lowest firm shall be considered as L-1. Bid security submitted by such debarred firms shall be returned to them
- iii. Contracts concluded before the issue of the debarment order shall, not be affected by the debarment Orders.
- iv. The Debarment shall be automatically extended to all its allied firms. In case of joint venture/ consortium is debarred all partners will also stand debarred for the period specified in Debarment Order. The names of partners should be clearly specified in the "Debarment Order".
- v. Debarment in any manner does not impact any other contractual or other legal rights of the procuring entities.
- vi. The period of debarment shall start from the date of issue of debarment order.
- vii. The Order of debarment will indicate the reason(s) in brief that lead to debarment of the firm.
- viii. Ordinarily, the period of debarment should not be less than six months.



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- ix. In case of shortage of suppliers in a particular group, such debarments may also hurt the interest of procuring entities. In such cases, endeavor should be to pragmatically analyze the circumstances, try to reform the supplier and may get a written commitment from the supplier that its performance will improve.
- x. All Ministries/ Departments must align their existing Debarment Guidelines in conformity with these Guidelines. Further, bidding documents must also be suitably amended, if required.

7. Levy of Financial Penalties:

Financial Penalties may be levied as provided in the pre contract Integrity pact or based on the contractual terms.

- a) Cases involving non-performance or under performance of contract or PO terms the performance bank guarantee / security deposit shall be revoked. Apart from other actions including cancellation of contract/PO.
- b) Cases involving violations of pre-contract integrity pact, apart from cancellation of concerned or all contracts/PO on the party, the following actions can be taken towards levying the financial penalties.
 - i. Forfeiture of performance bank guarantees either fully or partially.
 - ii. Recovery of all amount paid with interest there on at 2% higher than the prevailing base rate of SBI, in case of foreign vendor 2% higher than the London interbank offered rate. If any outstanding payment is due from BDL in connection with any other Contract/PO it can be utilized for the aforesaid amount and interest for recovery.
 - iii. If BDL is in the position of Performance cum Warranty Bond furnished by the party, it can be encashed or invoked to cover the payments already made along with interest.
 - iv. BDL can recover such an amount if party any agent or broker with a view to secure the Contract/PO in violation of Contract/PO Terms.
- c) If the party violates Contract / PO Standard Terms related to Agents / Agency Commission, apart from putting hold or cancellation of Contract / PO entirely or in part, one or all of the following actions can be taken for levying financial penalty in case of foreign vendors.
 - i. To deduct such amount paid as Gift, Reward, Fees, Commission or consideration at the rate of 2% per annum above London Interbank offered rate.
 - ii. Recovery of all the payments made in terms of the Contract / PO along with interest @ 2% per annum above London Interbank offered rate.
 - iii. Recovery of any such amount referred in (i) and (ii) above from other Contracts/PO of the firm with BDL.



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- d) The Levy of Financial Penalty shall be laid under the specific clauses of Contract / PO by way of issuing show-cause notice (if required)- Order Letters for revoking Bank Guarantees etc. to the firm by the concerned IMM Head.
- e) The levy of Financial Penalty shall be initiated by the concerned IMM Head. The Order of levying Financial Penalty will be made only after issuing the show-cause notice explaining the grounds for the proposed action by providing an opportunity to the party for explaining its case.
- f) The show-cause notice should contain reasons for the proposed action and the grounds relied upon. The party is to be given 15 days to submit their response in writing after receipt of the notice.
- g) The Financial Penalty will be levied on the approval of CFA. The CFA is Functional Director/CMD.

Data of debarred vendors shall be maintained by Corporate Commercial and is placed in BDL website for the benefit of vendors. BDL Vendors are advised not to outsource any job to the debarred vendors.

On receipt of the orders from Government of India, CC shall put up the case to concerned Functional Director and with necessary approval, debar the firm and communicate the same to the vendor if it happens to be a registered vendor of BDL.

The details of all debarred vendors are hosted in the BDL website and accordingly marked in vendor master in case of a BDL registered vendor and no further enquiries are floated on them.



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NON DISCLOSURE AGREEMENT

THIS NONDISCLOSURE AGREEMENT (the "Agreement") is made and entered into as this ____day, ____month, _____, year at Hyderabad, Telangana, India (the "Effective Date")

BY AND BETWEEN:

1. Bharat Dynamics Limited ("BDL"), is a government of India enterprise under the ministry of defence incorporated under the Companies Act, 1956 with CIN number: L24292AP1970GOI001353, having its registered office situated at Kanchanbagh, Hyderabad - 500 058, India (**THE "BDL/ DISCLOSING PARTY/ FIRST PARTY"**) which expression shall, unless be repugnant to the context or meaning thereof, mean and be deemed to include its permitted successors and assigns;

AND

2. -----, (details of supplier/ contractor) ("**RECEIVING PARTY**" / "**RECIPIENT PARTY**" OR "**SECOND PARTY**") which expression shall, unless be repugnant to the context or meaning thereof, mean and be deemed to include its permitted successors and assigns;

(Hereinafter individually referred to as "**a Party**" and collectively referred to as "**Parties**")

WHERE AS

- i) The First party is in the business of,

BDL is in the Business of Manufacturing of guided Weapons systems consisting of SAM's, Torpedos, Anti tank guided Missiles , Test equipments, Launchers, Decoys and counter measure dispensing systems and allied defence products Including refurbishment of Vintage missiles. Having In-house R&D and backed by class of its own manufacturing infrastructure and eco system. Including refurbishment of Vintage missiles.

- ii) Second party is in the business

WHEREAS BDL is intended to procure the material / services which may be used in developing or manufacturing its products and the recipient party intends to enter into a contract for supply of goods / rendering of services / execution of works with BDL vide purchase order / service contract / works contract number ----- Dated ----- and on entering into a contract / placing order. BDL is required to provide certain confidential information provided herein to the contractor or supplier and the receiving party or second party shall maintain the confidentiality of such information.

HENCE THIS AGREEMENT IS NOW MADE AND THE PARTIES HERETO AGREES AS FOLLOWS:

1. **Purpose:** This agreement being entered by the recipient party with the disclosing party during the process of tendering or at the time of placing the order/contract on sanction of tender/bid. BDL may disclose the recipient party confidential, technical and business information that the disclosing party desires the receiving party to treat as confidential.



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2. **“Confidential Information”** means any information disclosed by the disclosing party to the recipient party, directly in writing, orally including, without limitation, contract or any provision, specification, plan, designs documents, drawings, ideas, processes, products, product plans, pattern, sample or any other information which is designated as “confidential”, “proprietary” or some similar designation (collectively, the “Disclosed Materials”). Information disclosed orally shall be considered Confidential Information unless such information is confirmed in writing as not being Confidential Information within a reasonable time, not exceeding 15 days, after the initial disclosure. Confidential Information shall not, however, include any information that (i) was publicly known and made generally available in the public domain prior to the time of disclosure by the disclosing party; (ii) becomes publicly known and made generally available after disclosure by the disclosing party to the receiving party through no action or inaction of the receiving party; (iii) is already in the possession of the receiving party at the time of disclosure by the disclosing party as shown by the receiving party’s files and records immediately prior to the time of disclosure (this shall not include the details provided in any previous contract/ order or during tendering process); (iv) is obtained by the receiving party from a third party lawfully in possession of such information and without a breach of such third party’s obligations of confidentiality; or (v) is independently developed by the receiving party without use of or reference to the disclosing party’s Confidential Information, as shown by documents and other competent evidence in the receiving party’s possession.
3. **Non-use and Non-disclosure:** The recipient party agrees not to use any Confidential Information except with the written consent of the disclosing party:
 - (i) the confidential information to any person other than a person employed by the recipient party for executing the contract. Any disclosure to any person permitted under this clause shall be made in confidence and shall extend so far as may be necessary for the purpose of contract.
 - (ii) shall not make use of any information supplied by the disclosing party for the purposes of the recipient party or any specifications or other details of the confidential information otherwise than for the purpose of manufacturing the articles and the recipient party shall not use any such information to make any similar article or part thereof for any other purpose.
4. **Maintenance of Confidentiality:** The recipient party agrees that it shall take reasonable measures to protect the secrecy of and avoid disclosure and unauthorized use of the Confidential Information of the disclosing party. Without limiting the foregoing, the recipient party shall take at least those measures that it takes to protect its own confidential information of a similar nature, but in no case less than reasonable care (including, without limitation, all precautions the receiving party employs with respect to its confidential materials). The recipient party shall ensure that its employees who have access to the disclosing party’s Confidential Information have signed a non-use and non-disclosure agreement in content similar to the provisions of this Agreement or are otherwise legally obligated not to disclose such Confidential Information, prior to any disclosure of Confidential Information to such employees. The recipient party shall not make any copies of the disclosing party’s Confidential Information except upon the prior written approval of the disclosing party except for communicating with each others team members.



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The recipient party shall reproduce the disclosing party's proprietary rights notices on any such authorized copies, in the same manner in which such notices were set forth in or on the original. The recipient party receiving Confidential Information shall promptly notify the disclosing party such Confidential Information of any use or disclosure of such Confidential Information in violation of this Agreement of which the recipient party becomes aware.

5. **Return of Materials:** All documents and other tangible objects containing or representing Confidential Information that have been disclosed by either party to the other party, and all copies or extracts thereof that are in the possession of the other party, shall be and remain the property of the disclosing party and shall be promptly returned to the disclosing party upon the disclosing party's written request. Notwithstanding the foregoing, a receiving party may retain in the offices of its legal advisor a single archival copy of any written or photographic Confidential Information provided by the other party under this Agreement, which copy shall only be used by the receiving party and its legal advisors in connection with the review of its obligations under this Agreement.
6. **No License:** Nothing in this Agreement is intended to grant any rights to the recipient party under any patent, mask work right, copyright, trade secret or other intellectual property right of the disclosing party, nor shall this Agreement grant the recipient party any rights of the disclosing party's Confidential Information.
7. **Non-Circumvent:** Signatories to this Agreement hereby agree not to circumvent or attempt to circumvent each other or to circumvent any Party who is, or may be associated directly or indirectly with the Contract and Transaction, and agree not to alter the initial Codes attached to the Transaction and Contract.
8. **Term:** The obligations of receiving party under this Agreement shall survive until such time as all Confidential Information of the other party disclosed hereunder becomes publicly known and made generally available through no action or inaction of the receiving party. The effective date of this Agreement shall be from the date of receipt of confidential information.
9. **Availability of Equitable Relief:** the recipient party understands and agrees that its breach or threatened breach of this Agreement will cause irreparable injury to the disclosing party and that money damages will not provide an adequate remedy for such breach or threatened breach, and the recipient party hereby agrees that, in the event of such a breach or threatened breach, the non-breaching party will also be entitled, to equitable relief, including injunctive relief. The parties' rights under this Agreement are cumulative, and a party's exercise of one right shall not waive the party's right to assert any other legal remedy.
10. **Severability:** If any provision of this Agreement is found to be illegal or unenforceable, the other provisions shall remain effective and enforceable to the greatest extent permitted by law.
11. **Counterparts and Facsimiles:** The parties may execute this Agreement in counterparts, each of which is deemed an original, but all of which together constitute one and the same agreement. This Agreement may be delivered by facsimile transmission, and facsimile copies of executed signature pages shall be binding as originals.
12. **Disputes and governing law:** For DPSUs/ OFB :In the event of any Dispute or Claim arising out of or difference relating to or in connection with the agreement, the same shall be mutually



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discussed and amicably settled. The unsolved dispute or difference shall be resolved Referred by either party to Administration Mechanism for Resolution of CPSE's Disputes i,e (AMRCD), For resolution and the dispute of difference shall be resolved in with DPE,OM 4(1)2013-DPE(GM)/ FTS -1835.dated 22-05-2018.which is deemed to a part of the agreement .The language to be used in the Arbitration proceedings shall be in "ENGLISH"

For Others: Any dispute, controversy or claim arising out of, or in connection with, this Agreement, or the breach, termination or invalidity thereof, shall be finally settled by arbitration in accordance with the Rules of the Arbitration of the International Centre for Alternative Dispute Resolution (ICADR). The arbitration proceedings shall be at Hyderabad, India. The language to be used in the arbitration proceedings shall be English. Without prejudice to the other provisions of this Agreement, all arbitral proceedings conducted pursuant to Clause 14, all information disclosed and all documents submitted or issued by or on behalf of any of the Parties or the arbitrators in any such proceedings as well as all decisions and awards made or declared in the course of any such proceedings shall be kept strictly confidential and may not be used for any other purpose other than these proceedings nor be disclosed to any third party without the prior written consent of the Party to which the information relates to or, as regards a decision or award, the prior written consent of both Parties is required.

This Agreement (including Clause 14) shall be governed by and construed in accordance with the laws of Republic of India.

13. **Jurisdiction:** This Agreement will be governed by the laws of India on all substantive aspects, and both parties consent to the jurisdiction of the courts in Hyderabad, India.
14. **Miscellaneous:** This Agreement shall benefit and bind the parties and their respective successors, heirs, legal representatives and permitted assigns. This Agreement shall be governed by the laws of India. This Agreement constitutes the entire agreement between the parties with respect to the Opportunity and supersedes all prior written and oral agreements between the parties regarding the subject matter of this Agreement, and neither party shall have any obligation, express or implied by law, with respect to trade secret or proprietary information of the other party except as set forth in this Agreement. No provision of this Agreement may be waived except by a writing executed by the party against whom the waiver is to be effective. A party's failure to enforce any provision of this Agreement shall neither be construed as a waiver of the provision nor prevent the party from enforcing any other provision of this Agreement. No provision of this Agreement may be amended or otherwise modified except by a writing signed by the parties to this Agreement.

BHARAT DYNAMICS LIMITED

SELLER / CONTRACTOR

By:

By:

Title:

Title:



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1.	AAC/and ACSR Conductor upto 19 strands
2.	Agricultural Implements
	a) Hand Operated tools and implements
	b) Animal driven implements
3.	Air/Room Coolers
4.	Aluminum builder's hardware
5.	Ambulance stretcher
6.	Ammeters/ohm meter/Volt meter (Electro magnetic upto Class I accuracy)
7.	Anklets Web Khaki
8.	Augur (Carpenters)
9.	Automobile Head lights Assembly
10.	Badges cloth embroidered and metals
11.	Bags of all types i.e. made of leather, cotton, canvas and jute etc. including kit bags, mail bags, sleeping bags and water-proof bag.
12.	Bandage cloth
13.	Barbed Wire
14.	Basket cane (Procurement can also be made from State Forest Corpn. and State Handicrafts Corporation)
15.	Bath tubs
16.	Battery Charger
17.	Battery Eliminator
18.	Beam Scales (upto 1.5 tons)
19.	Belt leather and straps
20.	Bench Vices
21.	Bituminous Paints
22.	Blotting Paper
23.	Bolts and Nuts
24.	Bolts Sliding
25.	Bone Meal
26.	Boot Polish
27.	Boots and Shoes of all types including canvas shoes
28.	Bowls
29.	Boxes Leather
30.	Boxes made of metal
31.	Braces
32.	Brackets other than those used in Railways
33.	Brass Wire
34.	Brief Cases (other than moulded luggage)



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35.	Brooms
36.	Brushes of all types
37.	Buckets of all types
38.	Button of all types
39.	Candle Wax Carriage
40.	Cane Valves/stock valves (for water fittings only)
41.	Cans metallic (for milk and measuring)
42.	Canvas Products :
	a) Water Proof Deliver, Bags to spec. No. IS - 1422/70
	b) Bonnet Covers and Radiators Muff. to spec. Drg. Lv 7/NSN/IA/130295
43.	Capes Cotton and Woollen
44.	Capes Waterproof
45.	Castor Oil
46.	Ceiling roses upto 15 amps
47.	Centrifugal steel plate blowers
48.	Centrifugal Pumps suction and delivery 150 mm. x 150 mm
49.	Chaff Cutter Blade
50.	Chains lashing
51.	Chappals and sandals
52.	Chamois Leather
53.	Chokes for light fitting
54.	Chrome Tanned leather (Semi-finished Buffalo and Cow)
55.	Circlips
56.	Claw Bars and Wires
57.	Cleaning Powder
58.	Clinical Thermometers
59.	Cloth Covers
60.	Cloth Jaconet
61.	Cloth Sponge
62.	Coir fibre and Coir yarn
63.	Coir mattress cushions and matting
64.	Coir Rope hawserlaid
65.	Community Radio Receivers
66.	Conduit pipes
67.	Copper nail
68.	Copper Napthenate
69.	Copper sulphate
70.	Cord Twine Maker



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71.	Cordage Others
72.	Corrugated Paper Board and Boxes
73.	Cotton Absorbent
74.	Cotton Belts
75.	Cotton Carriers
76.	Cotton Cases
77.	Cotton Cord Twine
78.	Cotton Hosiery
79.	Cotton Packs
80.	Cotton Pouches
81.	Cotton Ropes
82.	Cotton Singlets
83.	Cotton Sling
84.	Cotton Straps
85.	Cotton tapes and laces
86.	Cotton Wool (Non absorbent)
87.	Crates Wooden and plastic
88.	a) Crucibles upto No. 200 (b) Crucibles Graphite upto No. 500 (c) Other Crucibles upto 30 kgs.
89.	Cumblies and blankets
90.	Curtains mosquito
91.	Cutters
92.	Dibutyl phthalate
93.	Diesel engines upto 15 H.P
94.	Dimethyl Phthalate
95.	Disinfectant Fluids
96.	Distribution Board upto 15 amps
97.	Domestic Electric appliances as per BIS Specifications:- - Toaster Electric, Elect. Iron, Hot Plates, Elect. Mixer, Grinders, Room heaters and convectors and ovens
98.	Domestic (House Wiring) P.V.C. Cables and Wires (Aluminum) Conforming to the prescribed BIS Specifications and upto 10.00 mm sq. nominal cross section
99.	Drawing and Mathematical Instruments
100.	Drums and Barrels
101.	Dust Bins
102.	Dust Shield leather
103.	Dusters Cotton all types except the items required in Khadi
104.	Dyes :
	(a) Azo Dyes (Direct and Acid)
	(b) Basic Dyes



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105.	Electric Call bells/buzzers/door bells
106.	Electric Soldering Iron
107.	Electric Transmission Line Hardware items like steel cross bars, cross arms clamps arching horn, brackets, etc
108.	Electronic door bell
109.	Emergency Light (Rechargeable type)
110.	Enamel Wares and Enamel Utensils
111.	Equipment camouflage Bamboo support
112.	Exhaust Muffler
113.	Expanded Metal
114.	Eyelets
115.	Film Polythene - including wide width film
116.	Film spools and cans
117.	Fire Extinguishers (wall type)
118.	Foot Powder
119.	French polish
120.	Funnels
121.	Fuse Cut outs
122.	Fuse Unit
123.	Garments (excluding supply from Indian Ordnance Factories)
124.	Gas mantels
125.	Gauze cloth
126.	Gauze surgical all types
127.	Ghamellas (Tasllas)
128.	Glass Ampules
129.	Glass and Pressed Wares
130.	Glue
131.	Grease Nipples and Grease guns
132.	Gun cases
133.	Gun Metal Bushes
134.	Gumtape
135.	Hand drawn carts of all types
136.	Hand gloves of all types
137.	Hand Lamps Railways
138.	Hand numbering machine
139.	Hand pounded Rice (polished and unpolished)
140.	Hand presses
141.	Hand Pump



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142.	Hand Tools of all types
143.	Handles wooden and bamboo (Procurement can also be made from State Forest Corpn. and State Handicrafts Corporation)
144.	Harness Leather
145.	Hasps and Staples
146.	Haver Sacks
147.	Helmet Non-Metallic
148.	Hide and country leather of all types
149.	Hinges
150.	Hob nails
151.	Holdall
152.	Honey
153.	Horse and Mule Shoes
154.	Hydraulic Jacks below 30 ton capacity
155.	Insecticides Dust and Sprayers (Manual only)
156.	Invalid wheeled chairs.
157.	Invertor domestic type upto 5 KVA
158.	Iron (dhobi)
159.	Key board wooden
160.	Kit Boxes
161.	Kodali
162.	Lace leather
163.	Lamp holders
164.	Lamp signal
165.	Lanterns Posts and bodies
167.	Latex foam sponge
168.	Lathies
169.	Letter Boxes
170.	Lighting Arresters - upto 22 kv
171.	Link Clip
172.	Linseed Oil
173.	Lint Plain
174.	Lockers
175.	Lubricators
176.	L.T. Porcelain KITKAT and Fuse Grips
177.	Machine Screws
178.	Magnesium Sulphate
179.	Mallet Wooden



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180.	Manhole covers
181.	Measuring Tapes and Sticks
182.	Metal clad switches (upto 30 Amps)
183.	Metal Polish
184.	Metallic containers and drums other than N.E.C. (Not elsewhere classified)
185.	Metric weights
186.	Microscope for normal medical use
187.	Miniature bulbs (for torches only)
188.	M.S. Tie Bars
189.	Nail Cutters
190.	Naphthalene Balls
191.	Newar
192.	Nickel Sulphate
193.	Nylon Stocking
194.	Nylon Tapes and Laces
195.	Oil Bound Distemper
196.	Oil Stoves (Wick stoves only)
197.	Pad locks of all types
198.	Paint remover
199.	Palma Rosa Oil
200.	Palmgur
201.	Pans Lavatory Flush
202.	Paper conversion products- paper bags, envelopes, Ice-cream cup, paper cup and saucers and paper Plates
203.	Paper Tapes (Gummed)
204.	Pappads
205.	Pickles and Chutney
206.	Piles fabric
207.	Pillows
208.	Plaster of Paris
209.	Plastic Blow Moulded Containers upto 20 litre excluding Poly Ethylene Terphthalate (PET) Containers
210.	Plastic cane
211.	Playing Cards
212.	Plugs and Sockets electric upto 15 Amp
213.	Polythene bags
214.	Polythene Pipes
215.	Post Picket (Wooden)
216.	Postal Lead seals
217.	Potassium Nitrate



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218.	Pouches
219.	Pressure Die Casting upto 0.75 kg
220.	Privy Pans
221.	Pulley Wire
222.	PVC footwears
223.	PVC pipes upto 110 mm
224.	PVC Insulated Aluminium Cables (upto 120 sq. mm) (ISS:694)
225.	Quilts, Razais
226.	Rags
227.	Railway Carriage light fittings
228.	Rakes Ballast
229.	Razors
230.	RCC Pipes upto 1200 mm. dia
231.	RCC Poles Prestressed
232.	Rivets of all types
233.	Rolling Shutters
234.	Roof light Fittings
235.	Rubber Balloons
236.	Rubber Cord
237.	Rubber Hoses (Unbranded)
238.	Rubber Tubing (Excluding braided tubing)
239.	Rubberised Garments Cap and Caps etc
240.	Rust/Scale Removing composition
241.	Safe meat and milk
242.	Safety matches
243.	Safety Pins (and other similar products like paper pins, staples pins etc.)
244.	Sanitary Plumbing fittings
245.	Sanitary Towels
246.	Scientific Laboratory glass wares (Barring sophisticated items)
247.	Scissors cutting (ordinary)
248.	Screws of all types including High Tensile
249.	Sheep skin all types
250.	Shellac
251.	Shoe laces
252.	Shovels
253.	Sign Boards painted
254.	Silk ribbon
255.	Silk Webbing
256.	Skiboats and shoes
257.	Sluice Valves



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258.	Snapfastner (Excluding 4 pcs. ones)
259.	Soap Carbolic
260.	Soap Curd
261.	Soap Liquid
262.	Soap Soft
263.	Soap washing or laundry soap
264.	Soap Yellow
265.	Socket/pipes
266.	Sodium Nitrate
267.	Sodium Silicate
268.	Sole leather
269.	Spectacle frames
270.	Spiked boot
271.	Sports shoes made out of leather (for all Sports games)
272.	Squirrel Cage Induction Motors upto and including 100 KW440 volts 3 phase
273.	Stapling machine
274.	Steel Almirah
275.	Steel beds stead
276.	Steel Chair
277.	Steel desks
278.	Steel racks/shelf
279.	Steel stools
280.	Steel trunks
281.	Steel wool
282.	Steel and aluminium windows and ventilators
283.	Stockinet
284.	Stone and stone quarry rollers
285.	Stoneware jars
286.	Stranded Wire
287.	Street light fittings
288.	Student Microscope
289.	Studs (excluding high tensile)
290.	Surgical Gloves (Except Plastic)
291.	Table knives (Excluding Cutlery)
292.	Tack Metallic
293.	Taps
294.	Tarpaulins
295.	Teak fabricated round blocks
296.	Tent Poles
297.	Tentage Civil/Military and Salitah Jute for Tentage



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298.	Textiles manufactures other than N.E.C. (not elsewhere classified)
299.	Tiles
300.	Tin Boxes for postage stamp
301.	Tin can unprinted upto 4 gallons capacity (other than can O.T.S.)
302.	Tin Mess
303.	Tip Boots
304.	Toggle Switches
305.	Toilet Rolls
306.	Transformer type welding sets conforming to IS:1291/75 (upto 600 amps)
307.	Transistor Radio upto 3 band
308.	Transistorised Insulation - Testers
309.	Trays
310.	Trays for postal use
311.	Trolley
312.	Trollies - drinking water
313.	Tubular Poles
314.	Tyres and Tubes (Cycles)
315.	Umbrellas
316.	Utensils all types
317.	Valves Metallic
318.	Varnish Black Japan
319.	Voltage Stablisers including C.V.T's
320.	Washers all types
321.	Water Proof Covers
322.	Water Proof paper
323.	Water tanks upto 15,000 litres capacity
324.	Wax sealing
325.	Waxed paper
326.	Weighing Scale
327.	Welded Wire mash
328.	Wheel barrows
329.	Whistle
330.	Wicks cotton
331.	Wing Shield Wipers (Arms and Blades only)
332.	Wire brushes and Fibre Brushes
333.	Wire Fencing and Fittings
334.	Wire nails and Horse shoe nails
335.	Wire nettings of gauze thicker than 100 mesh size
336.	Wood Wool
337.	Wooden ammunition boxes



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338.	Wooden Boards
339.	Wooden Box for Stamps
340.	Wooden Boxes and Cases N.E.C. (Not elsewhere classified)
341.	Wooden Chairs
342.	Wooden Flush Door Shutters
343.	Wooden packing cases all sizes
344.	Wooden pins
345.	Wooden plugs
346.	Wooden shelves
347.	Wooden veneers
348.	Woolen hosiery
349.	Zinc Sulphate
350.	Zip Fasteners

HAN DICRAFT ITEMS:

351	Cane furniture Handlooms	North Eastern Handicrafts and Development Corporation Assam Govt. Marketing Corpn. Craft Society of Manipur Nagaland Handicrafts and Handlooms Development Corpn.
352	Bamboo file tray, Baskets, Pencil stand, side racks etc.	North Eastern Handicrafts and Development Corporation Assam Govt. Marketing Corpn. Craft Society of Manipur Nagaland Handicrafts and Handlooms Development Corpn.
353	Artistic Wooden Furniture	Rajasthan Small Industries Corpn., U.P. Export Corporation.
354	Wooden paper weight, racks etc.	Rajasthan Small Industries Corpn., U.P. Export Corporation.
355	Glass covers made of wood and grass jute	Rajasthan Small Industries Corpn., U.P. Export Corporation.
356	Jute furniture	West Bengal Handicrafts Dev. Corpn. Jute Mfg. Development Corporation Orissa State Handicrafts Dev. Corpn
357	Jute bags, file cover	West Bengal Handicrafts Dev. Corpn. Jute Mfg. Development Corporation Orissa State Handicrafts Dev. Corpn
358	Woolen and silk carpets	U.P. Export Corporation J and K Sale and Export Corporation



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THRESHOLD VALUES FOR e-PROCUREMENT AND IP

ANNEXURE - XXI

THRESHOLD VALUES FOR E-PROCUREMENT AND INTEGRITY PACT

e-PROCUREMENT:

1. Rs. 5 L and above Capital Items
2. Rs 5 L and above Revenue items
3. Rs. 10 L and above for Civil Contracts
4. Rs. 5 L and above for Service Contracts

INTEGRITY PACT:

All the bidders, wherever the estimated procurement cost exceeds the threshold value are required to enter into an Integrity Pact (IP) agreement with BDL, which shall be specified in the tender document. The threshold values applicable are:

For All Categories, Rs. 2 Crore and above



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PURCHASE APPROVAL / PROPOSAL

ANNEXURE - XXII

PURCHASE PROPOSAL

1. PR NO:..... Dated:Page.....
2. PROJECT.....
3. CST Page (),
4. Quotation (Pages)
5. CAPITAL / REVENUE
6. Mode of Tender 7. Indentors.....
8. Indentor's Recommendations (Page)
9. Proposed Order as recommended by the Indentor

Item no.of

The PR	Party Name	Total Value	Status of the tender	Remarks

10. Draft purchase order at Pages
11. Total value of the order proposed Rs.....
12. Estimated value as per PR Rs.....
13. Extra financial commitments.. Rs.....
14. Extra expenditure in ignoring the lowest offer(s), if any ...Rs. Budget head
15. Competent authority as per Delegation of power.....
16. Remarks if any, of the IMM section



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e-REVERSE AUCTION TERMS AND CONDITIONS

**ANNEXURE - XXIII
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INSTRUCTIONS FOR E-REVERSE AUCTION (AS AN EXAMPLE)

REF:

Date:

1. Technically qualified bidders only will be eligible to participate for the proposed e-reverse auction.
2. M/s E-Procurement Technologies Ltd. (ETL) is the service provider who will provide all necessary mock training and assistance to the technically qualified bidders.
3. BDL and ETL are not responsible for any problems like internet connectivity problems, system problems, power failures, virus, typographical errors/mistakes in bidding values etc., during the auction. Bidders shall make alternate arrangements for continuous internet connectivity to cater to the exigency conditions.
4. The techno commercial terms are as informed to bidders by BDL.
5. BDL as a policy will not make any advance payment against supplies.
6. The participating bidders must have Digital Signature Certificate for participation in the e-reverse auction and shall use the Digital Signature for login.
7. Bidders will be assigned with a unique user name and password by ETL for login purpose and requested to change the password after first login.
8. The auction date is on _____
9. The normal auction timings are 2.00 PM to 3.00PM. The auction has an auto extension with an interval of 5 minutes after 3.00PM, subject to an active bid in the last 5 minutes i.e. auction will be extended up to 03.03 PM in case there is an active bid at 2.58 PM i.e. from 02.56 PM to 03.00 PM. The extensions will continue until the point where there are no active bids in the last 5 mins.
10. Bids once made cannot be cancelled / withdrawn.
11. Bharat Dynamics Limited (BDL) reserves the right to change auction date, auction timing, auction duration and also to cancel the e-reverse auction at any point of time (i.e. before, after or during the auction event) without assigning any reason. BDL also reserves the right to conduct the auction with available technically qualified trained bidders on the day of auction and to deny the request of bidder/s to post-pone/ pre-pone auction event due to pre-occupation of the bidder/s on the day of the auction event.
12. The issues with the bidding form if any during the auction event shall be brought to the notice of BDL with in fifteen minutes from the auction start time. The issues with bidding form if any, will not be considered after fifteen minutes from the start of auction time. The decision of BDL will be final in concluding the result of e-reverse auction. Example: The auction Start time is 2 PM the issues to be brought to the notice of BDL before 2.15 PM.
13. In the event of cancellation of auction event at any point of time, BDL may continue the auction event with revised timings, revised start and decrement values etc., with intimation to the bidders and may not await acceptance of bidders for re-conducting the event.



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e-REVERSE AUCTION TERMS AND CONDITIONS

ANNEXURE - XXIII

14. If no bid is received within the specified time, BDL at its discretion may decide to proceed with conventional mode of tendering or re-conducting the event.
15. The start price and decrement value is for Unit Quantity / Set / Package which will be indicated at the beginning of auction and will be visible to the bidders on the screen.
16. The Bidder to quote less than the auction's start price or L1 bid amount which ever is less by one decrement value or multiples of decrement value
For Example: Start price = Rs. 50000 and decrement value= Rs. 500
The acceptable bids will be Rs. 49500, 49000, 48000, 44500 and the rejected bids will be Rs. 50000, 49600, 49700, 49800, and 44400
(Please note this point carefully during the mock training and in the live auction.)
17. Bidder can opt for auto bid only once during entire event. In case the value of the auction comes below the limit given in auto bid, manual mode to be used to continue participation in the auction. The software is designed for award of L1 status in the stipulated time and strictly on the value of the bid made at the instant of time.
18. The Successful Bidder (L1) of the event shall fax/e-mail a letter to BDL, on the Letter Head of the Organisation confirming the price quoted & readiness to execute the order as per agreed terms and conditions, immediately after completion of auction event.
19. Purchase Order/Work order will be placed on L1 bidder to execute the work.
20. Bidders are required to submit acceptance to the terms and conditions\modality given above before participating in the reverse auction.
21. The compliance form in the prescribed format provided by service provider shall be sent by fax and e- mail to M/s ETL and BDL. The bidders will not be eligible to participate in the e-reverse auction in the event of non-receipt of duly signed compliance form even though the bidders are technically qualified.
22. In case of any clarifications, bidders may contact ETL representative (Name) and phone number, BDL officer name and phone number for Techno-commercial queries.
23. Special Instructions:



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INCOTERMS - 2022

**ANNEXURE - XXIV
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IN INCOTERMS 2022, THE DELIVERY AND TRANSPORTATION OF GOODS ARE GROUPED INTO FOUR CATEGORIES AS UNDER:

- (a) “E” – TERMS** - Implies Ex-works, where under, the seller only makes the goods available to the buyer at the seller’s own premises. The responsibility of providing the carrier is that of the buyer.
- (b) “F”-TERMS**- FCA, FAS and FOB are various clauses of “F” terms under which the seller is called upon to deliver the goods to a carrier appointed by the buyer. The responsibility of providing the carrier is that of the buyer.
- (c) “C”-TERMS**- CFR, CIF, CPT and CIP are various clauses of “C” terms under which the seller has to contract for carriage, but without assuming the risk of loss of or damage the goods or additional costs due to events occurring after shipment and dispatch.
- (d) “D”- TERMS**- DAF, DES, DEQ, DDU and DDP are various clauses of “D” terms under which the seller has to bear costs and risks needed to bring the goods to the placed of destination.

2. EX-WORKS (EXW):

“Ex-Works” means that the seller delivers when he places the goods at the disposal of the buyer at the seller’s premises or another named place (i.e., works, factory, warehouse, etc.) not cleared for export and not loaded on any collecting vehicle. This term thus represents the minimum obligation for the seller, and the buyer has to bear all costs and risks involved in taking the goods from the seller’s premises.

3. However, if the parties wish the seller to be responsible for loading of the goods on departure and to bear the risks and all the costs of such loading, this should be made clear by adding explicit wording to this effect in the contract of sale. This term should not be used when the buyer cannot carry out the export formalities directly or indirectly. In such circumstances, the FCA term should be used provided the seller agrees that he will load at his cost and risk.

4. FREE CARRIER (FCA):

“Free Carrier” means that the seller delivers the goods, cleared for export, to the carrier nominated by the buyer at the named place. This terms may be used irrespective of the mode of transport, including multi- modal transport. “Carrier” means any person who, in a contract of carriage, undertakes to perform or to procure the performance of transport by rail, road, air, sea, inland waterway or by a combination of such modes. If the buyer nominates a person other than a carrier to receive the goods, the seller is deemed to have fulfilled his obligation to deliver the goods when they are delivered to that person.

5. FREE ALONGSIDE SHIP (FAS):

“Free Alongside Ship” means that the seller delivers when the goods are placed alongside the vessel at the named port of shipment. This means that the buyer has to bear all costs and risks of loss of or damage to the goods from that moment. The FAS term requires the buyer to clear the goods for export. However, if parties wish the buyer to clear goods for export, this should be made clear by adding explicit wording to this effect in contract of sale. This term can only be used for sea or inland waterway transport.



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6. FREE ON BOARD (FOB):

“Free on Board” means that the seller delivers when the goods pass the ship’s rail at the named port of shipment. This means that the buyer has to bear all costs and risks of loss of or damage to the goods from the point. The FOB term requires the seller to clear the goods for export. This term can be used only for sea or inland waterway transport. If the parties do not intend to deliver the goods across the ship’s rail, the FCA term should be used.

7. COST AND FREIGHT (CFR):

“Cost and Freight” means that the seller has delivered when the goods pass the ship’s rail in the port of shipment. The seller must pay the cost and freight necessary to bring the goods to the named port of destination but the risk of loss of or damage to the goods, or any additional costs due to events occurring after the time of delivery, are transferred from the seller to the buyer. The CFR term requires the seller to clear the goods for export. This term can be used only for sea and inland waterway transport.

8. COST, INSURANCE AND FREIGHT (CIF):

“Cost, Insurance and Freight” (CIF) means that the seller delivers when the goods pass the ship’s rail in the port of shipment. The seller must pay the costs and freight necessary to bring the goods to the named port of destination. In case of CIF term, the seller also has to procure marine insurance against the buyer’s risk of loss of or damage to the goods during the carriage. Consequently, the seller contracts for insurance and pays the insurance premium. The CIF term requires the seller to clear the goods for export. This term can be used only for sea and inland waterway transport. If the parties do not intend to deliver the goods across the ship’s rail, the CIP term should be used.

9. CARRIAGE PAID TO (CPT):

“Carriage Paid to (CPT)” means that the seller delivers the goods to the carrier nominated by him but the seller must in addition pay the cost of carriage necessary to bring the goods to be named destination. This means that the buyer bears all risks and any other cost occurring after the goods have been so delivered. The CPT term requires the seller to clear the goods for export. The term may be used irrespective of the mode of transport including multi-modal transport.

10. CARRIAGE AND INSURANCE PAID TO (CIP):

“Carriage and Insurance Paid To (CIP)” means that the seller delivers goods to the carrier nominated by him, but the seller must in addition pay cost of carriage necessary to bring goods to be named destination. This means that the buyer bears all risks and any additional cost occurring after the goods have been so delivered. However, in CIP, the seller also has to procure insurance against the buyer’s risk of loss of or damage to the goods during the carriage. Consequently, the seller contracts for insurance and pays the insurance premium.

11. The buyer should note that under the CIP term, the seller is required to obtain insurance only on minimum cover. Should the buyer wish to have the protection of greater cover, he would either need to agree as much expressly with the seller or to make his own extra insurance arrangements. “Carrier” means any person who, in a contract of carriage, undertakes to perform or to procure the performance



of transport by rail, road, air sea, inland waterway or by a combination of such modes. If subsequent carriers are used for the carriage to the agreed destination, the risk passes when the goods have been delivered to the first carrier. The CIP requires the seller to clear the goods for export. This term may be used irrespective of the mode of transport including multi-modal transport.

12. DELIVERED AT TERMINAL (DAT):

Seller delivers when the goods, once unloaded from the arriving means of transport, are placed at the disposal of the buyer at a named terminal at the named port or place of destination. "Terminal" includes quay, warehouse, container yard or road, rail or air terminal. Both parties should agree the terminal and if possible a point within the terminal at which point the risks will transfer from the seller to the buyer of the goods. If it is intended that the seller is to bear all the costs and responsibilities from the terminal to another point, DAP or DDP may apply.

Responsibilities

- Seller is responsible for the costs and risks to bring the goods to the point specified in the contract
- Seller should ensure that their forwarding contract mirrors the contract of sale
- Seller is responsible for the export clearance procedures
- Importer is responsible to clear the goods for import, arrange import customs formalities, and pay import duty
- If the parties intend the seller to bear the risks and costs of taking the goods from the terminal to another place then the DAP term may apply

13. DELIVERED AT PLACE (DEP):

Seller delivers the goods when they are placed at the disposal of the buyer on the arriving means of transport ready for unloading at the named place of destination. Parties are advised to specify as clearly as possible the point within the agreed place of destination, because risks transfer at this point from seller to buyer. If the seller is responsible for clearing the goods, paying duties etc., consideration should be given to using the DDP term.

Responsibilities

- Seller bears the responsibility and risks to deliver the goods to the named place
- Seller is advised to obtain contracts of carriage that match the contract of sale
- Seller is required to clear the goods for export
- If the seller incurs unloading costs at place of destination, unless previously agreed they are not entitled to recover any such costs
- Importer is responsible for effecting customs clearance, and paying any customs duties

14. DELIVERED DUTY PAID (DDP):

The seller is responsible for delivering the goods to the named place in the country of importation, including all costs and risks in bringing the goods to import destination. This includes duties, taxes and customs formalities. This term may be used irrespective of the mode of transport.



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ANNEXURE - XXIV

15. DOCUMENTS:

In all cases of foreign contracts, the suppliers should forward to the purchaser copies of all documents concerning delivery and payment, by speed post, courier or other fastest means of dispatch. This should be in addition to the documents dispatched to the bank for payment through Letter of Credit. The supplier should give at least six weeks notice, with regard to the readiness of the consignment, to the purchaser and his agent. The date of bill of lading or airway bill will be considered as the actual date of delivery with reference to the stipulated date of delivery in the contract.

16. CONSIGNEE'S RIGHT OF REJECTION:

Notwithstanding the fact that an item may have been inspected prior to dispatch, the consignee will have the right to reject it, in whole or part, if it is observed that the item supplied does not conform to the specifications or has been damaged. Such rejection will be communicated to the supplier within 90 days of the item reaching the consignee's premise. If an item is rejected, the supplier is required to replace the item within a period determined by the supplier, which should not be less than 45 days, failing which he shall make financial restitution base don't he order value. However, in all such cases the provisions contained in the International Chamber of Commerce Publication, INCOTERM 2000, including that regarding change of the right of property, as amended from time to time, will be considered as foreign contracts are governed by international laws.



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ARBITRATION CLAUSE

ANNEXURE - XXV

- i. All disputes or differences arising out of or in connection with the present contract including the one connected with the validity of the present contract or any part thereof, should be settled by bilateral discussions.
- ii. Any dispute, disagreement or question arising out of or relating to this contract or relating to construction or performance (except as to any matter the decision or determination whereof is provided for by these conditions), which cannot be settled amicably, shall within sixty (60) days or such longer period as may be mutually agreed upon, from the date on which either party informs the other in writing by a notice that such dispute, disagreement or question exists, will be referred to a sole Arbitrator.
- iii. Within sixty (60) days of the receipt of the said notice, an arbitrator shall be nominated in writing by the authority agreed upon by the parties.
- iv. The sole Arbitrator shall have its seat in New Delhi or such other place in India as may be mutually agreed to between the parties.
- v. The arbitration proceedings shall be conducted under the Indian Arbitration and Conciliation Act, 1996 and the award of such Arbitration Tribunal shall be enforceable in Indian Courts only.
- vi. Each party shall bear its own cost of preparing and presenting its case. The cost of arbitration including the fees and expenses shall be shared equally by the parties, unless otherwise awarded by the sole arbitrator.
- vii. The parties shall continue to perform their respective obligations under this contract during the pendency of the arbitration proceedings except in so far as such obligations are the subject matter of the said arbitration proceedings.

(Note - In the event of the parties deciding to refer the dispute/s for adjudication to an Arbitral Tribunal then one arbitrator each will be appointed by each party and the case will be referred to the Indian Council of Arbitration (ICADR) for nomination of the third arbitrator. The fees of the arbitrator appointed by the parties shall be borne by each party and the fees of the third arbitrator, if appointed, shall be equally shared by the buyer and seller).

ARBITRATION CLAUSE – FOREIGN BIDDERS:

- i. All disputes or differences arising out of or in connection with the present contract including the one connected with the validity of the present contract or any part thereof, should be settled by bilateral discussions.
- ii. Any dispute, disagreement or question arising out of or relating to this contract or relating to construction or performance (except as to any matter the decision or determination whereof is provided for by these conditions), which cannot be settled amicably, shall within sixty (60) days or such longer period as may be mutually agreed upon, from the date on which either party informs the other in writing by a notice that such dispute, disagreement or question exists, will be referred to the Arbitration Tribunal consisting of three arbitrators.
- iii. Within sixty (60) days of the receipt of the said notice, one arbitrator shall be nominated in writing by the SELLER and one arbitrator shall be nominated by the BUYER.



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- iv. The third arbitrator, who shall not be a citizen or domicile of the country of either of the parties or of any other country unacceptable to any of the parties, the said arbitration shall be nominated by the parties within (90) days of the receipt of the notice mentioned above, failing which the third arbitrator may be nominated under the provisions of UNCITRAL by the International Chamber of Commerce, Paris at the request of either party. However the said nomination would be after consultation with both the parties and shall preclude any citizen or domicile of any country as mentioned above. The arbitrator nominated under this clause shall not be regarded nor act as an umpire.
- v. The Arbitration Tribunal shall have its seat in New Delhi or such other place in India as may be mutually agreed to between the parties.
- vi. The arbitration proceedings shall be conducted in India under the Indian Arbitration and Conciliation Act, 1996 and the award of such Arbitration Tribunal shall be enforceable in Indian Courts or as may be mutually agreed between the parties.
- vii. The decision of the majority of the arbitrators shall be final and binding on the parties to the contract.
- viii. Each party shall bear its own cost of preparing and presenting its case. The cost of arbitration including the fees and expenses of the third arbitrator shall be shared equally by the Seller and the Buyer, unless otherwise awarded by the Arbitration Tribunal.
- ix. In the event of a vacancy caused in the office of the arbitrators, the party which nominated such arbitrator shall be entitled to nominate another in his place and the arbitration proceedings shall continue from the stage they were left by the outgoing arbitrator.
- x. In the event of one of the parties failing to nominate its arbitrator within 60 days as above or if any of the parties does not nominate another arbitrator within 60 days of the place of arbitrator falling vacant, then the other party shall be entitled after due notice of at least 30 days to request the International Chamber of Commerce to nominate another arbitrator as above.
- xi. If the place of the third arbitrator falls vacant, his substitute shall be nominated according to the provisions herein above stipulated.
- xii. The parties shall continue to perform their respective obligations under this contract during the pendency of the arbitration proceedings except in so far as such obligations are the subject matter of the said arbitration proceedings.

(Note - The provisions with regard to appointment of an Arbitrator by the International Chamber of Commerce, Paris shall only be resorted to in cases of International Commercial Arbitration. Similarly, the UNCITRAL provisions will only apply with regard to appointment of Arbitrator, fixation of fees of the Arbitrator when it is a foreign arbitration. The procedure to be adopted during arbitration will be as provided in the Indian Arbitration & Conciliation Act, 1996.

ARBITRATION CLAUSE – CPSUS/DPSUS:

In the event of any dispute or difference relating to the interpretation and application of the provisions of the contract, such dispute or difference shall be referred by either party to the Arbitration Machinery set up in the Department of Public Enterprises and that if the Department of Public Enterprises fails to settle the dispute, the same will be referred to the Committee constituted by the Cabinet Secretariat.



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INDEMNITY BOND

**ANNEXURE - XXVI
Contd...**

INDEMNITY BOND IN LIEU OF BANK GUARANTEE FOR FREE ISSUE MATERIAL

To M/s.

We, M/s. _____ have entered into a contract with you in accordance with the terms and conditions of the P.O. No. _____ DATE:(here in after referred to as "The said Contract")

Whereas, under the said contract you have agreed to issue material to us on our furnishing an indemnity Bond.

We M/s. _____ hereby undertake as follows.

1. In consideration of your agreeing to issue FIM in accordance with the said contract on our furnishing indemnity Bond, we hereby undertake to indemnify you and keep you indemnified from time to time to the extent of Rs. _____ being the material value Rs. _____ in accordance with said contract against any loss or damage caused to or suffered by you by reason of a any breach or breaches on our part of any of the terms and conditions contained in the said contract and in the event we shall make any defaults in carrying out any of the works under the said contract, we shall forthwith on demand pay to you such sum of Rs. _____ as may be claimed by you as your losses and damages, costs, charges or expenses by reason of such default or defaults on our part.
2. Notwithstanding anything to the contrary in these presents or in the said contract your decision as to whether we have made any default or faults or committed any breach of the contract or the amount or amounts to which you are entitled by reasons there of will be binding on us for the purposes of this indemnity and we will pay the same on demand without demur. This will be without prejudice to your other rights under the contract and/or this indemnity.
3. The indemnity shall continue and hold good until the receipt of the equipment at site when the indemnity bond shall get progressively reduce and finally on completion of supplies, automatically cease to continue and same shall be released to us.
4. You shall have the fullest liberty from time to time to enforce or forebear or enforce any of the terms and condition of the said contract and we shall not be released from our liability under the indemnity by the exercise of your liberty with reference to the matter aforesaid.
Or by reason of any time being given to us or any forbearer act of commission on your part or any indulgence by you to us or by any variations or modifications of the said contract or any other act, matter or thing what so ever on your part.
5. This indemnity bond and the powers and herein contained are in addition to and not by way of limitation or substitute for any other guarantees, indemnities hereto before given to you by us and this indemnity does not revoke or limit such indemnities or guarantees.

Witness
1
2

Yours faithfully,
(_____)
Name and Seal of Contractor



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UNDER TAKING BY THE MEMBERS

ANNEXURE - XXVII

This is to certify that none of us has any close relative / relatives, has / have participated in the tender vide Tender ID..... dated....., where-in we are the members for Technical Evaluation Committee / Price Bid Opening / Price Negotiation Committee. Otherwise, also we are not interested in doing any favour to any particular bidder.

Name	Staff No	Designation	Department	Signature



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NON-COMPETITION AGREEMENT

**ANNEXURE - XXVIII
Contd...**

NON-COMPETITION AGREEMENT

This AGREEMENT is entered into as on _____ day, _____ month, _____ year _____ at _____ (place)

BY AND BETWEEN

Bharat Dynamics Limited (“BDL”), an Indian government company incorporated under the Companies Act. 1956/2013 with CIN: L24292TG1970GO1001353, having its registered office situated at Kanchanbagh, Hyderabad – 500 058, India (**THE “BDL/FIRST PARTY”**) which expression shall, unless be repugnant to the context or meaning thereof, mean and be deemed to include its permitted successors and assigns

AND

(*Name of the company*) a company incorporated under the laws of the (*name of the country of origin of the Company*) _____ and having its registered office situated at _____ and principal place of business at address: _____ (“_____/ **SECOND PARTY**”) which expression shall, unless be repugnant to the context or meaning thereof, mean and be deemed to include its permitted successors and assigns

Each Party which may be hereinafter referred to as the “Parties” or individually as the “Party”

WHEREAS,

BDL is established with the prime objective of setting up _____

And

SECOND PARTY is into the business of _____

AND WHEREAS as part of the Contract/order it was specifically agreed between the Parties that it is an essential and integral term that a separate non-compete agreement would be executed between the Parties;

NOW THEREFORE this Agreement is executed by the Parties hereto mentioned above of their own free will and volition and without any undue influence, coercion or the like in the following terms:

SECTION - 1

DEFINITIONS

For the purpose of this Agreement, the following expressions shall have the meaning specified hereunder:

‘Agreement’ shall mean this Non Competition Agreement or any modifications or amendment thereto;



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'Affiliate' shall mean, when referring to the Parties, any individual, partnership, joint venture, company or any legal entity or person which:

- (i) is directly or indirectly under the control of either Party, or;
- (ii) is directly or indirectly under common control with either Party, or
- (iii) Ultimately controls either Party.

For the purpose of this Agreement, "control" with respect to a company means (i) ownership of 50% or more of the voting rights of the company or (ii) the power to direct the management of the company, or to appoint a majority of the directors of the company, whether such power results from ownership of shares, or from a contract or otherwise.

"FIRST PARTY" shall mean _____, a Company incorporated under the Companies Act, 1956 / 2013 with its office at _____ including its successors and assigns.

"SECOND PARTY" shall mean and refer to

SECTION - 2

NON COMPETITION

2.1 The SECOND PARTY undertakes to the FIRST PARTY that he/she shall not and shall ensure that none of his/her Affiliates shall, either on his/her own account or in association with others engage or participate directly or indirectly, whether as shareholder, director, partner, proprietor, member, agent, distributor, SECOND PARTY or otherwise, within India or outside India, during the period of engagement in whatever capacity with the FIRST PARTY and for a further period of 5 (Five) Years from the date of ceasing to be in such engagement, for whatever reasons:

- (a) In any business which, involves, relates to or competes with the FIRST PARTY's Business;
- (b) Establish, develop, carry on or assist in carrying on or be engaged, concerned, interested or employed in any business enterprise or venture competing with the FIRST PARTY's Business;
- (c) solicit, canvas or entice away (or Endeavour to solicit, canvass or entice away) from the FIRST PARTY's Business, or from any Affiliate of the FIRST PARTY, any person, firm or company who was at any time during the period of one year immediately preceding the date of cessation of employment, a client of the FIRST PARTY's Business, for the purpose of offering to such client or customer, goods or services similar to or competing with those of the FIRST PARTY's Business;
- (d) solicit, canvass or entice away (or endeavour to solicit, canvass or entice away) any of the SECOND PARTYs including the senior SECOND PARTYs and/or technical or sales and marketing staff from the FIRST PARTY or from any of its Affiliates, for the purpose of employment in an enterprise or venture competing with the FIRST PARTY's Business, whether or not such person would commit a breach of contract by reason of leaving service with the FIRST PARTY;



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NON-COMPETITION AGREEMENT

**ANNEXURE - XXVIII
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- (e) solicit, canvass, or entice away (or endeavor to solicit canvass or entice away) any supplier of the FIRST PARTY or of any of its Affiliates or use its knowledge of or influence over any such supplier to or for its benefit or for the benefit of any other person carrying on business competing with the FIRST PARTY's business or with any business of the FIRST PARTY's Affiliates;
 - (f) act as an advisor, consultant, trustee or agent for any third person who is engaged or proposes to start any business which directly or indirectly relates to the FIRST PARTY's business or promote, start, engage in or do any business that directly or indirectly relates to the FIRST PARTY's Business;
 - (g) Establish after the execution hereof at any future point of time any business or trade under a name that is identical or similar to ' _____ ' or which in any way suggests any connection with ' _____ ' without written consent of the FIRST PARTY. For the purposes of clarification, it is agreed by the Parties that the obligation, not to use a name which is identical or similar to " _____ " shall not be limited to the term/ period referred to in Section 2.1 above, in which case this restraint will have effect for an indefinite period.
- 2.2. Each of the above covenants shall be construed as a separate covenant and if one or more of the covenants is held to be unlawful, the remaining covenants shall continue to bind the SECOND PARTY and their Affiliates.
- 2.3 It is expressly agreed by the Parties hereto that the FIRST PARTY's obligations under this Agreement shall include that the SECOND PARTY shall not directly or indirectly in any manner whatsoever undertake any competing Business through his Relatives. However this clause shall not be read and understood to constitute a bar on a relative of the SECOND PARTY acting purely in the capacity of an SECOND PARTY for a competing business. The SECOND PARTY shall promptly inform the FIRST PARTY as and when he has knowledge of the fact that any of his Relatives are undertaking or propose to undertake any competing Business.
- 2.4 For the purpose of this Section, the expression "competing with the FIRST PARTY's Business" or Competing Business" shall be deemed to include the following.
- (a) setting up, promoting or investing in a business, venture, activity or company which entails or proposes to compete against the business of the FIRST PARTY by inter alia offering same or similar Service as are offered or proposed to be offered by the FIRST PARTY and/or its Affiliate.
 - (b) entering into any agreement or arrangement, with any third party which results or is likely to result in making available same or similar services as are offered or proposed to be offered by the FIRST PARTY and/or its Affiliate;
 - (c) entering into any agreement with any third party for the transfer of business knowledge or information to any third party so as to offer the third party an opportunity to compete with the Service and business of the FIRST PARTY by inter alia offering same or similar Service as are offered or proposed to be offered by the FIRST PARTY and/or its Affiliate.



SECTION 3

CONSIDERATION

3.1. In consideration of the Contract Value agreed to be paid to the SECOND PARTY by the FIRST PARTY, the SECOND PARTY has agreed to assume the obligations set out in this Agreement.

SECTION 4

WARRANTIES

4.1 The SECOND PARTY represents and warrants that by entering into this Agreement, the SECOND PARTY is not, and shall not be deemed to be, in default or breach of any of his duties or obligations to any person.

SECTION 5

INDEMNITIES

5.1. The SECOND PARTY shall indemnify and keep indemnified the FIRST PARTY, its directors, officers, shareholders, and agents from and against and in respect of any and all losses, liabilities and/ or damages, resulting from

- (a) Any misrepresentation, breach of warranty or obligation or non-fulfillment of any obligations or covenants on the part of the SECOND PARTY or its affiliates under this Agreement, and
- (b) all actions, suits, proceedings, claims, demands, judgments, costs and expenses on a full indemnity basis, incidental to any of the foregoing or incurred in investigating or attempting to avoid contest or defer the same or enforcing any of the rights of the FIRST PARTY under this Agreement.

SECTION 6

GOVERNING LAW AND ARBITRATION

6.1 This Agreement shall be governed by and construed in accordance with the laws of India.

6.2 The Parties hereto agree that they shall use all reasonable efforts to resolve between themselves any disputes, controversy or claim arising out of or relating to this Agreement in an amicable manner. In particular the Parties agree that discussions will be carried out between senior level officers of the FIRST PARTY and the SECOND PARTY to a maximum period of forty-five (45) days from the date that written notice of the details of the issue in dispute, controversy or claim shall have been given by one Party to the other.

6.3 In the event the efforts and discussions described in Clause 7.2 fail to resolve the matter, such dispute, controversy or claim shall be settled by arbitration in accordance with the Indian Arbitration and Conciliation Act, 1996, and any statutory modification or re enactment thereof. It is further



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ANNEXURE - XXVIII

agreed that the place of arbitration shall be at Hyderabad and the Arbitrator shall be appointed mutually by the Parties. The decision of the arbitrator shall be final and binding upon the Parties.

SECTION 7

GENERAL

7.1. Waiver.

Waiver by any Party of any default with respect to any provision, condition or requirement hereof, any delay or omission of any Party to exercise any right hereunder on any one occasion shall not in any manner impair the exercise of any invalidity of such right on any other occasion.

7.2. Invalidity.

If any of the provisions of this Agreement become invalid, illegal or unenforceable in any respects under any applicable law, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired. Where the provisions of such applicable law may be waived, they are hereby waived by the Parties to the full extent permitted so that this Agreement shall be deemed to be valid and binding and enforceable in accordance with its terms. If any provision of this Agreement becomes invalid, the Parties agree to substitute for such invalid provision a new provision, which serves the purpose of the invalid provision to the extent possible.

7.3. Entire Agreement.

The parties acknowledge that this Agreement constitutes the entire agreement between the Parties in respect of the matters hereby contemplated. All previous communications, either oral or written, between the Parties hereto with respect to the subject matter hereof are hereby superseded.

7.4 Notices.

All notices require or permitted hereunder shall be in writing and in the English language and shall be sent by recognized courier or by facsimile transmission address to the address of each Party set forth above, or to such other address as such other Party shall have communicated to the other Party. Notice shall be deemed to have been served when received (and immediately upon transmission in the case of facsimile transmission or other forms of instantaneous communication including e-mail).

7.5 Variation.

Any variation of this Agreement shall be mutually agreed in writing and executed by or on behalf of each of the Parties.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date and year first herein above appearing.

(Company)

(SECOND PARTY)

In the presence of:

Witness: 1.

Witness 2:



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LR/RR/ACN REGISTER

ANNEXURE-A

Sl.No.	Date	Mode of Receipt	DC / Invoice & Date	Qty	PO No. & Date	Sl.No.	Material Description	Remarks

DISCREPANCY PENDING STATUS ADVICE

ANNEXURE-B

BHARAT DYNAMICS LIMITED

RECEIPT BAY STORES REJECTION CELL

1. DPSA No. & Date
2. R.V. No. & Date
3. PO/ SO No. & Date
4. Suppliers
5. Invoice / D.C. No. & Date
6. LR/RR/BL/AWB/No. & Date
7. Carrier/ Transport Co.
8. Date of Receipt
9. No. of Packages in the consignment
10. Condition of the Packages on receipt
11. Brief description of the packages on receipt
the packing material used
12. Invoice weight
13. Actual weight a) Gross b) Net
14. Open delivery preferred or not
15. If survey held, Surveyor's Name and Address
16. Estimated value of the loss
17. Invoice value of the consignment



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DISCREPANCY PENDING STATUS ADVICE

ANNEXURE-B1

S. No. of R.V.	Description	Unit	Avd.	Recd	Excess	Short	Remarks
-------------------	-------------	------	------	------	--------	-------	---------

This is a claim on Vendors / Carriers / Insurance

Store Keeper

Head Store Keeper

Stores Officer

To

Asst. Manager (Purchase)



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INSPECTION CUM RECEIPT VOUCHER

ANNEXURE-C

GR No : **BHARAT DYNAMICS LIMITED** Control No:
 GR Dt : Capital **INSPECTION CUM RECEIPT VOUCHER** Control Dt:

Supplier

Document	Purchase Order	Invoice / DC No	Bill of Lading / LR
Number			
Date			

PR No & Date : Indentor : Plant : Source :
 CISF Stamp Date:

Receiving Stores											Insp. Verdict In Supply				Holding Stores		Accounts
Item No	St	Material Code / Description / Drawing No / GR Item Text	Recd. Qty	UOM	Challan Qty	Batch	Mfd. Date	Expiry Date	Excess	Short	Acpt Test	Rej Qty	Cons Qty	Rej Cd	Phy Qty	Bin. No.	Actual Rate Value

Remarks :
 Total Number of Items =

Rejection Codes: 1. Damaged , 2. Dimensional Deviation , 3. Isometric form error , 4. Test results not meeting chemical specification , 5. Test result not meeting physical specification ,
 6. Practical trail not satisfactory, 7. Wrong material supplied , 8. Blowholes , Porosity , Cavity , Extra materials etc. ,
 9. Excess Supplied , 10. Appearance not Good.

DPSA No & Date	<===== Package =====>	<===== Freight =====>	<===== Others =====>
Rej No. & Date	Condition Weight	To Pay Prepaid	Hamali Demurrage Warfage Under Charge
Function Route	Receiving Stores	QC / Inspection Agency	Holding Stores Stores Officer

Signature
 Date

Distribution: Accounts Inward (Bill Payment) / A/C (Costing) / Holding Store / QC - Inspection Agency / Purchase / MM / Receiving Store / Indentor



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INSPECTION CUM RECEIPT VOUCHER

ANNEXURE - C1

GR No : **BHARAT DYNAMICS LIMITED** Control No:
 GR Dt : Revenue **INSPECTION CUM RECEIPT VOUCHER** Control Dt:
 Supplier

Document	Purchase Order	Invoice / DC No	Bill of Lading / LR
Number			
Date			

PR No & Date : Indentor : Plant : Source :
 CISF Stamp Date:

Receiving Stores												Insp. Verdict In Supply				Holding Stores		Accounts
Item No	St	Material Code / Description / Drawing No / GR Item Text	Recd. Qty	UOM	Challan Qty	Batch	Mfd. Date	Expiry Date	Excess	Short	Acpt Test	Rej Qty	Cons Qty	Rej Cd	Phy Qty	Bin. No.	Actual Rate Value	

Remarks :
 Total Number of Items =

Rejection Codes: 1. Damaged , 2. Dimensional Deviation , 3. Isometric form error , 4. Test results not meeting chemical specification , 5. Test result not meeting physical specification ,
 6. Practical trail not satisfactory, 7. Wrong material supplied , 8. Blowholes , Porosity , Cavity , Extra materials etc. ,
 9. Excess Supplied , 10. Appearance not Good.

DPSA No & Date	<===== Package =====>	<===== Freight =====>	<===== Others =====>					
Rej No. & Date	Condition	Weight	To Pay	Prepaid	Hamali	Demurrage	Warfage	Under Charge
Function Route	Receiving Stores				QC / Inspection Agency			
	Holding Stores				Stores Officer Signature			

Signature

Date

Distribution: Accounts Inward (Bill Payment) / A/C (Costing) / Holding Store / QC - Inspection Agency / Purchase / MM / Receiving Store / Indentor



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REJECTED STORES REGISTER

ANNEXURE-D

REJECTED STORES REGISTER

DPSA No. & Date	Party's Name	PRV. No. Date	P.O. Item No.	D.C. Invoice no. Date	Description	Qty.	EX-IV No. Date	G.P. No. Date

EXTERNAL ISSUE VOUCHER

ANNEXURE-D1

TO BE FILLED BY CONSIGNEE

Certified that the items mentioned below have been received in good condition Name & Address :

EXIV No :

RV No :

Date :

EXIV Dt

TO BE FILLED IN BY CONSIGNOR

Consignee's Demand/Contract No :

Signature & Stamp

Mode of Conveyance :

PO No & Date :

Ref ADV. No / Year / Date :

NRGP No & Date :

Item No.	Material Code Description	Drawing No.	UC	Qty Issued

Item(s)

Distribution :



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STORE CREDIT SLIP

ANNEXURE-F

STORE CREDIT SLIP

BDL Unit

Work order:

Batch Qty:

Division:

Project: PSL No.

Used on Assy:

Issued on:

Comp. / S.A. / Assy.

Drawing No:		Material Code:	Control		
Description:			Sl. No. :		
			Date:		
Source	Reference	Qty. Crtd to store	Value:	Inspection	Remarks
Department accounts	Progress	Stores	Mat. PLG/ S.C.	Cost	

Signature

Date

Copy to Mat. Plg / Cost Accounts

STORE CREDIT SLIP CONTROL REGISTER

ANNEXURE-F1

STORE CREDIT SLIP CONTROL REGISTER

SCV. No. & Date	W.O. & Date	Material Code	Qty



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TOOL DELIVERY VOUCHER

ANNEXURE-F2

TOOL DELIVERY VOUCHER

Sl. No.....

Date.....

Bharat Dynamics Ltd.

Description of Tool	Tool No.	Qty: Ordered:
	S.O. Ho. Date	
		Rejected:
		Accepted:
		Remarks:
Tool Planning	Tool Crib / Stores	Insp: Date:
Signature:	Signature:	Accounts
Date:	Date:	



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STORES RETURN NOTE ENTRY

ANNEXURE-G

STORES RETURN NOTE ENTRY

DIVN	Project	Store	R.V. No.	R.V. Year	R.V. Date	Cost Centre	W.O./ I.V. No.
Date	Material Code Description Size/ Specification	← Quantity →			QC	Unit Code	Bin Balance
		Returned	Accepted				

STORE RETURN NOTE CONTROL REGISTER

ANNEXURE-G1

STORE RETURN NOTE CONTROL REGISTER

SRN CONTROL No. DATE	Description	Qty. Returned	Previous Vendor No. / W.O. No Drawn Date.	Returned Bg. Department	Remarks



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STOCK TRANSFER VOUCHER

ANNEXURE-H

STOCK TRANSFER VOUCHER

From Store:

ST/I.V.No. & Date:

To Store:

Item No.	Material Code/Description Part No. /Specification	UnitQuantity..... Requested	Supplied	Rate/ Unit	Value Rs. P.
----------	------------------------------------------------------	------	---------------------------------	----------	---------------	-----------------

Authority for Transfer:

Despatch by:

MGP.No. & Date:

Issuing Store Keeper:

Receiving Store Keeper

Jr. / Asst / Dy.Manager (Stores)

Jr. / Asst / Dy.Manager (Stores)

Copy to: Accounts (Costing)/Issuing Stores/MM/ Receiving Stores / Master File



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**STOCK TRANSFER VOUCHER CONTROL REGISTER &
STOCK TRANSFER RECEIPT VOUCHER**

ANNEXURE-H1

STOCK TRANSFER VOUCHER CONTROL REGISTER

St.IV No. Date	Description	Qty. Trf.	To whom Transferred (Division & Stores)

STOCK TRANSFER RECEIPT VOUCHER

St.IV No. Date	Material Code	Qty. Trf.	From whom Transferred (Division & Stores)



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STORES REQUISITION-GENERAL ITEMS

ANNEXURE-12

Gen-Issues

Date:

STORES REQUISITION-GENERAL ITEMS

Divn.	Project	Store	I.V.No.	I.V.Year	I.V.Date	Cost centre
Srl.No.	Material Code Description Size/Specification	Quantity		Unit Code	Bin Balance	
		Required	Issued			

Press <Esc-V>for List of values

<Replace>

Court: 0



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ISSUE VOUCHER

ANNEXURE - J

To: 	Document Number: Dated: Mov.Type: Cost Center : Cost Center Desc:
----------------------------	------------------------------------------------------------------------------------------------------------------

We are sending the following goods to you. Kindly acknowledge the receipt of the same.

SI.NO	Materials	Quantity	UOM	Purpose/ Remarks

Note:

Acknowledged By: 	Authorized Signatory :
INWARD DETAILS: 	Received By: Date:



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I.V. CONTROL REGISTER

ANNEXURE-J1

I.V. CONTROL REGISTER

I.V.No. / Date	Material Code	Qty	Cost Centre	Remarks



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EXTERNAL ISSUE VOUCHER (SALES)

ANNEXURE-K

**TO BE FILLED
BY CONSIGNEE**

**ADDRESS PLACE OF SUPPLY EX.I.V.No. :
Date :**

Certified that the items
mentioned below have
been received in
good condition

S.O.No:
Plant :
Cust.Indent No. :
Cust.Indent Date:
Mode of Conv. :

SL. No	Material Code	Description	HSN No.	Unit	Delivery Qty	Remarks

Delivery Instructions / Additional Info:
I Note/Proof Firing Info :

Store Keeper

Incharge Stores

Serial Numbers For Line Items

Sl.no	Item No	Serial Numbers



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EXTERNAL ISSUE VOUCHER (Unit to Unit)

ANNEXURE-K2

**TO BE FILLED
BY CONSIGNEE**

**ADDRESS PLACE OF SUPPLY EX.I.V.No. :
Date :**

Certified that the items
mentioned below have
been received in
good condition

S.O.No:
Plant :
Cust.Indent No. :
Cust.Indent Date:

SL. No	Material Code	Description	HSN No.	Unit	Delivery Qty	Remarks

Delivery Instructions / Additional Info:
I Note/Proof Firing Info :

Store Keeper

Incharge Stores

Serial Numbers For Line Items

Sl.no	Item No	Serial Numbers



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RETURNABLE MATERIAL GATE PASS

ANNEXURE-K3

Book No. _____ Date _____ Sl. No. _____

1. The following material may be allowed to go out being sent under rule No. _____ of Material Security Rules.

Sl. No.	Description & Material Code	Qty. No. / Weight	Remarks

2. This has the authority under work order No _____ / Office note No _____ of file No _____ for the following reasons :

- i)
- ii)

3. The material is being sent to M/s _____ (full address) in Vehicle No. _____ / by hand.

4. a) Shri _____ who has acknowledged hereunder representing the above firm is taking it out.

(or)

b) This is being taken out by the employees of BDL Shri _____ Who has acknowledged here under.

5. It shall return back on or before _____ (date).

Receivers Signature

Prepared by

Signature of the authorised Officer of
Stores Department

Name:

Name:

Date:

Date:

No.

The same is checked, entered Sl. No. _____ in returnable material gate pass register No. _____ and allowed out.

Signature of Security I/C

Name _____

The material returned back fully / partially (see remarks) and entered in the gate.

Date _____

Time _____ Sig. of Sec. I/C

Name _____

St. No. _____



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NON - RETURNABLE MATERIAL GATE PASS

ANNEXURE-K4

Book No. _____ Date _____ SI. No. _____

1. The following material may be allowed to go out being sent under rule No. _____ of Material Security Rules.

SI. No.	Description	Qty. Weight	Remarks

2. This has the authority under work order No _____/Office note No _____
Loan register entry No _____ dated _____ office No _____ of file
No. _____

3. The material is being sent to M/s _____ in Vehicle No. _____ / by hand.

4. a) Shri _____ Who has acknowledged hereunder representing the above firm is taking it out.

b) This is going by Railway / Lorry Transport Shri _____
St. No. _____ Desgn _____ is taking out for booking who has acknowledged hereunder.

ExIV No. _____ is issued.

Sale Order No. _____

Note Approval No. _____

Receivers Signature

Prepared by

Signature of the authorised Officer of
Stores Department
(Designation)

Name _____ Store Keeper

Name _____

Desgn _____ St. No. _____

St. No. _____

Signature of the Security I/C who checked and allowed

Name _____

Entered at SI. No. _____ in registers

St.No. _____



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CAPITAL ISSUE VOUCHER

ANNEXURE-L

Unit BDL		P.O. No. Date	Indenting Cost Centre No.	R.V.Ref. Date	C.IV. No. Date				
S. No.	L.V.P. / Material Code No.	Description of Capital Item	A/C Unit	QUANTITY			Rate	Total Value	Remarks
				Req.	Authd.	Issued			
Signature: Designation & Date		Officer Indenting:	Officer Authorising (MM)	Issued & Posted Store Keeper/Date		Re- ceived By:	A.M. Stores	Accounts	



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SDN CONTROL REGISTER

ANNEXURE-M1

SDN. No.	Date	Scrap material Description	Material Code	A/C Unit	Qty. From Department	Remarks

Signature From Department To Department M.M Accounts

BINCARD

ANNEXURE-N

Material Code: Code:			Description			Specn:	A/C Unit		Location				
Sl. No.	Date	Reference	Receipt	Issues	Balance	Ints of SK	Sl. No.	Date	Reference	Receipt	Issues	Balance	Ints of SK

Material Code:Description Specn: A/C Unit Location Code:



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BIN CARD CONTROL REGISTER

ANNEXURE-N1

Date	Material Code	Description	Specification	Opening Qty.	Date of Opening	Remarks

Signature From Department To Department M.M Accounts



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TOOL ISSUE SLIP

ANNEXURE-O

<p>BDL DATE.....</p> <p style="text-align: center;">TOOLS ISSUE SLIP</p> <p>Name _____ St.No. _____ Dept. _____ Design _____</p>	<p style="text-align: right;">DATE.....</p> <p style="text-align: center;">TOOLS ISSUE SLIP</p> <p>Reqd. by : Name _____ St.No. _____ Dept. _____ Design _____</p>																		
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:15%;">Sl. No.</th> <th style="width:45%;">Description</th> <th style="width:20%;">Qty. Issued</th> </tr> </thead> <tbody> <tr> <td style="height: 150px;"> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Sl. No.	Description	Qty. Issued				<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="width:15%;">Sl. No.</th> <th rowspan="2" style="width:35%;">Description & Size</th> <th colspan="2" style="width:20%;">Quantity</th> <th rowspan="2" style="width:30%;">Remarks</th> </tr> <tr> <th style="width:10%;">Rqd.</th> <th style="width:10%;">Issd Retd.</th> </tr> </thead> <tbody> <tr> <td style="height: 150px;"> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Sl. No.	Description & Size	Quantity		Remarks	Rqd.	Issd Retd.					
Sl. No.	Description	Qty. Issued																	
Sl. No.	Description & Size	Quantity		Remarks															
		Rqd.	Issd Retd.																
<p>Caution:</p> <ol style="list-style-type: none"> All tools are required to be returned to Tool Crib after their use. Tools not returned during control return or not certified to be under setting during control return will be treated as lost by the borrower. 	<p>Indt. By Dept. Auth. Dept Issued by Tool Crib</p> <p>Sig. Sig. Sig.</p>																		



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GAUGES / MEASURING INSTRUMENTS / TOOLS DAMAGE SLIP

ANNEXURE-01

GAUGES / MEASURING INSTRUMENTS / TOOLS DAMAGE SLIP

Description	Size	Code	Qty.	Rate/Unit	Value
Staff No.	Sig of Operator	Department to be debited	No. BR/		
	Date	Date	Date		
Reasons for Breakage / Damage			Disposal		
			Repair / Scrap Sig. DM/ Manager Date		
Wite. Off. Charge to Opr.	JM/AM Date	Tool Crib Sig. Date	PLG / Metrology		



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TOOL REWORK ADVICE

ANNEXURE-02

Sl. No.....

Date.....

Tool No.

Description

Operator Staff No.

Quantity

Department

Comp No.

Comp. Description

Reasons for Rework

Sketch

Signature

Shop Manager



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LOCATION REGISTER FOR CIVIL ASSETS

APPENDIX-4

SN	PROJECT CODE	BLDG NO.	CONTRACTOR	W.O. NUMBER	DATE	COMP. REP NO.	DATE	VAL. OF BLDG	TYPE OF BLDG	LOC	REMARKS

CAPITAL TRANSFER VOUCHER

APPENDIX-5

DATE					
SL No.	Description	Cost Centre		Number	Remarks
		FROM	TO		

Signature of PCM
(Trnsg. Cost Centre)
Date

Signature of PCM
(Recvg. Cost Centre)
Date



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DELIVERY CHALLAN

ANNEXURE-P

(OTHERS)

Consignee Address :	Place of Supply:	Challan No :
		Challan Date :
		Type :
		Vendor Code :
		Plant :

SL. NO	Material Code / Description	HSN No	Unit	Qty	Rate / %	Amount
Total Amount						
Amount in Words :						

E & OE

Recipient Signature

**Name of the Signatory,
Designation,
Signature**



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DELIVERY CHALLAN

ANNEXURE-P1

(SUBCONTRACTING-JOBWORK)

Consignee Address :	Place of Supply:	Challan No :
		Challan Date :
		Type :
		Doc No :
		Vendor Code :
		Plant :
		Reference Num. :

Sl.No	Material Code / Description	HSN No	Unit	Qty	Rate / (%)	Amount
1						

Total Amount:

Amount in Words:

E & OE

Recipient Signature

**Name of the Signatory,
Designation,
Signature**



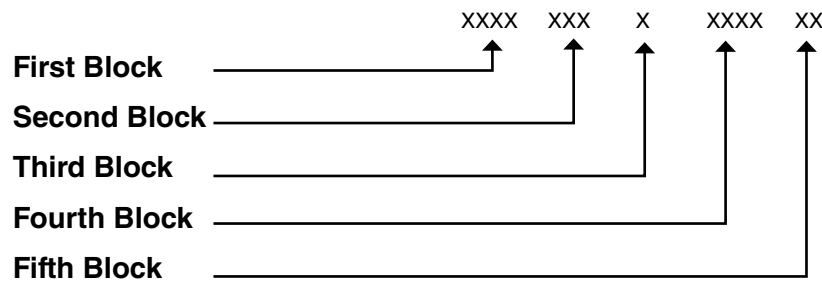
MATERIAL CODE STRUCTURE

Every Material in SAP, is identified by the unique identification number, called as the Material Code.

Material code is a 14 digit code generated at the inception of any new project and whenever a procurement of item is planned for the first time.

Material code is generated externally by manual process based on data provided by indenters in specified Material code format and accepted Key Data Structure (KDS) tables (Material code format and KDS tables are available in BDL samachar).

Material code is a 14 digit code:



- First Block : Plant code (production items) /
9 or 8 series (Revenue/Capital items)
- Second Block : } Group/classification of material, which will be
- Third Block : } structured based on type of material.
- Fourth Block : }
- Fifth Block : }

Material code series have been classified broadly as:

- Production Items or Project Specific items (Revenue) – code starts from plant codes
- Non-Production items – code starts from 9 series
- Capital items / Instruments & Guages – code starts from 8 series



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ABBREVIATION	FULL FORM
AMC	Annual Maintenance Contract
ATR	Action Taken Report
BG	Bank Guarantee
BOM	Bill of Materials
CA	Certifying Authorities
CC	Corporate Commercial
CCA	Controller of Certifying Authorities
CDO	Central Design Office
CFA	Competent Financial Authority
CPED	Central Plant Engineering Department
CPPP	Central Public Procurement Portal
CS	Common Services
CST	Comparative Statement
CVC	Central Vigilance Commission
CVO	Central Vigilance Officer
D&E	Design and Engineering
DC	Delivery Challan
DD	Demand Draft
DDO	Direct Demanding Officers
DDP	Department of Defence Production
DEC	Duty Exemption Certificates
DoE	Department of Expenditure
DoP	Delegation of Power
DPO	Draft Purchase Order
DPR	Detailed Project Report
DRDO	Defence Research & Development Organisation
DRE	Differed Revenue Expenditure
DSC	Digital Signature Certificate
EMD	Earnest Money Deposit
EOI	Expression of Interest
ERV	Exchange Rate Variation
EUC	End User Certificate
EXIV	External Issue Voucher
FD	Functional Director
FIM	Free Issue Materials
FPQ	Fixed Price Quotation
FLM	File Lifecycle Management



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ABBREVIATION	FULL FORM
GAD	General Administrative Department
Gol	Government of India
GST	Goods and Services Tax
GR	Goods Receipt
GeM	Government e-Market
HRD	Human Resource Department
ICC	International Chamber of Commerce
IFD	Inter Factory Demand
IGQC	Inward Goods Quality Control
IMM	Integrated Material Management
IP	Integrity Pact
IPBG	Integrity Pact Bank Guarantee
IPR	Intellectual Property Rights
ITD	Information Technology Department
ITJ	Indian Trade Journal
KBC	Kanchanbagh Complex
KVIC	Khadi Village Industries Commission
LC	Letter Of Credit
LD	Liquidated Damages
LPP	Last Purchase Price
MIS	Management Information System
MoD	Ministry of Defence
MOQ	Minimum Order Quantity
MoF	Ministry of Finance
MRS	Material Requisition Slip
MSE	Micro And Small Enterprises
MSME	Micro Small & Medium Entrepreneur
NEFT	National Electronic Funds Transfer
NIT	Notice Inviting Tender
NSIC	National Small Industries Corporation
OEM	Original Equipment Manufacturer
PA	Price Agreement
PBG	Performance Bank Guarantee
PED	Plant Engineering Department
PNC	Price Negotiation Committee
PO	Purchase Order
POL	Petrol, Oil & Lubricants



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ABBREVIATION	FULL FORM
PPC	Production Planning Control
PR	Purchase Requisition
PSU	Public Sector Unit
QC	Quality Control
RC	Rate Contract
RFI	Request for Information
ROL	Re-Order Level
ROQ	Re-Order Quantity
RTGS	Real Time Gross Settlement
SC	Salvage Committee
SCO	Service Contract Order
SCR	Service Contract Request
SD	Security Deposit
SEG	Systems Engineering Group
SER	Service Entry Report
SAP	Systems Applications and Products in Data Processing
SOP	Standard Operating Procedure
SP	Service Provider
STOC	Standing Tender Opening Committee
TC	Technical Committee
TCA	Technical Co-ordinate Authority
TEC	Technical Evaluation Committee
TOC	Tender Opening Procedure
TSD	Technical Service Division
WO	Work Order