



**INDIAN RARE EARTHS LIMITED**  
(A Govt. of India Undertaking)  
**Orissa Sands Complex, Matikhalo– 761 045 (Ganjam Dist) Orissa**  
**Ph : (06811) 257890-257895; Fax : (06811) 257988**  
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**INVITATION TO TENDER FOR WORKS**

		Tender Ref:		OSCOM/SOP/19/O/00029 dated 05/01/2015		
		Due date		27	01	2015
				DD	MM	YYYY
Quotation will be rejected unless the above reference and due date are quoted on envelope.						
TDC applicable for this tender in Rs		EMD applicable for this tender in Rs	0	SD clause applicable for this tender or not.	Nil	

**Note:**

- (i) Corrections if any in the Quotation will be rejected automatically either fully or part thereof.
- (ii) Your offer should remain valid for 90 days from the date of opening.
- (iii) Parties who are not registered in our approved Vendor list may get themselves enlisted downloading Vendor Registration form available in our website <http://irel.gov.in>. Filled in application form along with the credentials and all relevant documents may be forwarded to Dy.General Manager(Materials), Indian Rare Earths Limited, OSCOM.
- (iv) All correspondences with regard to the below tender may be made with Dy.General Manager(Materials), Purchase Dept, Indian Rare Earths Limited, OSCOM, PO- Matikhalo, Dist. Ganjam, Orissa-761045. Phone No. 06811-257890 to 257895; Fax No. 06811-257988; Email : [headireo@sancharnet.in](mailto:headireo@sancharnet.in)
- (v) Please confirm if bidder is a registered SSI/MSME Unit. if so copy of the registration is to be enclosed alongwith the quotation.
- (vi) IREL reserves the right to repeat the work order for a maximum of 100% quantity with suitable discount within one year of issue of work order.
- (vii) In case tenderer is interested to claim benefits owing to their unit/firm/company being registered under MSMED Act' 2006, they are required to submit documentary evidence in proof of their registration while submitting their offer.
- (viii) Exemption for EMD/SD: Valid NSIC Registered (for the tendered items) firms who produce documentary evidence i.e. self-attested and NOTARISED, issued by the Govt. authorities are exempted from submission of EMD/SD. However, NSIC registered firms shall be exempted from Security Deposit only up to their monetary limit, if any, indicated in the registration certificate. In case value of order placed is above such monetary limit indicated in the registration certificate, the successful tenderer have to furnish the security deposit in the form of Demand Draft / Bank Guarantee.

Dear Sirs,

Please submit your sealed quotation in duplicate for the under mentioned stores as per the terms and conditions enclosed herewith : : **(FAX / Email quotations is not acceptable)**

Sl.No.	Description	Unit	Quantity
1.	Out sourcing of Internal Audit work for the year 2015-16 as per detailed of scope of work and terms and conditions enclosed.  It is two part tender. Party shall submit techno-commercial and price bid separately in different cover in a sealed envelope. Those techno-commercial bid will meet as per tender, their price bid will only consider for opening. The offer of M/s Nalam Associates, Berhampur shall not be considered for this tender.	Month	12

For Indian Rare Earths Limited  
Sr.Manager (Materials)

## Annexure - I

### Terms and conditions:

1. Payment for the audit work will be released in two equal installments based on the progress of the work as certified by the in-charge of internal audit department at unit. The first installment will be released in September and second & final installment will be released after completion of audit assignment.
2. You will depute sufficient number of competent staff for audit work at your own cost.
3. You will submit monthly audit report addressed to Head of the unit and forward the report along with the views of the Head of the unit. However, a copy of the report may be sent to Director (Finance), Mumbai for advance intimation.
4. The audit staff may be advised to observe the safety precautions as applicable to the department in which the work is carried out.
5. The company shall not be responsible for any accident caused to your personnel due to their negligence. However, we will extend all first aid facilities available at our dispensary, if required.
6. Every effort shall be made to complete the internal audit work strictly as per the calendar.
7. You will be in constant touch with the Head of the unit, Head of Finance department and Head of Audit department of the unit.
8. Information made available during the course of audit will be used only for bonafide work relating to audit of the company and not for any other purpose. The auditor shall not divulge the information made available by the company or otherwise acquired during the course of audit to any other agency.
9. The scope of in case of OSCOM unit includes MoPP audit also and same reporting calendar will be followed for MoPP also.
10. As result of study and evaluation of internal control and other auditing procedures, the auditor should inform the management regarding weakness in internal control if any.
11. IREL reserves the right to extend the contract period by two more years at the same terms and conditions at this discretion.

**Annexure – II**

Scope of the internal auditors (Outsourced):

Serial no.	Audit area	External auditor		
		Periodicity of check		coverage
<b>A.</b>	<b>Cash &amp; Bank Book :-</b>			
1	Cash book . to be checked with counterfoils of receipt, credit and debit vouchers	Monthly	To verify whether all supporting documents are attached and receipt/payment is approved by competent authority as per delegation of powers.	50%
2	Cash verification	Monthly		Surprise check at least once a month any time during the day
3	Bank book . to be checked with counterfoils of bank receipts, debit, credit vouchers, cheque books, pay slip, debit and credit advices, income cheques to be checked with register receipts	Monthly		50% of transactions in all months excepting month of September and march. September and march to be covered 100%
4	Bank reconciliation statements	September And march	All banks	September, march and any other month in the year
<b>B.</b>	<b>Sales including inter unit transfer of finished goods :-</b>			
1	Domestic sales	Verify the invoices		Any three month selected on random basis.
2	Export sales	Verify the invoices		100%

<b>Serial No.</b>	<b>Audit area</b>	<b>External auditor</b>		
		<b>Periodicity of check</b>		<b>coverage</b>
3	Discount and refund on sales	Complete verification with scheme announced by the company		100%
4	Concession forms for sales	Complete		100%
5	Sundry debtors ledger	Half yearly		Review and indicate the list of parties not having any transaction in the last three years
<b>C</b>	<b>Purchases :-</b>			
1	Purchase journal (PJ) (With reference to purchase orders receipt voucher and inspection reports)	Monthly		100% for PJs exceeding Rs.300000/-.
2	Verification of VAT returns	Monthly	To submit report whether unit has availed admissible credit and filed necessary returns under the act.	100%
3	Verification of Entry tax returns (Wherever applicable)	Monthly	To submit report whether unit has availed admissible credit and filed necessary returns under the act.	100%
4	Sundry creditors ledger	Quarterly		Review and indicate the list of parties not having any transaction in the last three years along with age wise analysis.

Serial No.	Audit area	External auditor		
		Periodicity of check		coverage
<b>D.</b>	<b>Establishment :-</b>			
1	Pay rolls (to be checked with last pay sheet, increments, attendance time cards etc.)	Yearly		Any three months(not continuous) selected at random
2	Leave records	Yearly		One month
3	Unpaid wages registers and other establishment records/registers.	Half Yearly - Review		Audit report of October and March should include.
4	Fixation of pay on promotion and revision of scales	On promotion		July and January and submit report whether units are adhering to head office guidelines
5	Recovery of TDS from employees including perquisite valuation.	Covering all groups of personnel on test basis		20%
6	Recovery of loans from employees	Recovered in terms of the guidelines issued by head office		25%
7	Verification of LTC encashment and availed			20%
8	Verification of leave encashment			50%
<b>E.</b>	<b>Journal :-</b>			
1	Journal vouchers	Monthly		50%
2	Ledger and sub ledger scrutiny	Quarterly		Examine whether unit is following a system of scrutinizing the various accounts and preparing detail schedule. Action taken on recovery of the amount due to the company

Serial No.	Audit area	External auditor		
		Periodicity of check		coverage
<b>F.</b>	<b>Stores :-</b>			
1	Verification of posting of receipt Vouchers (RV) and issue Vouchers (IV) in bin card.			One week along with physical verification
2	Scrutiny of non-moving items of stores.	Yearly	Report to cover the action taken by unit for disposal of non-moving stores	To report the reasons for accumulation of non-moving stores
<b>G.</b>	<b>Works contracts including shipping contracts :-</b>			
1	All civil works, shipping contracts, electrical maintenance contracts, mechanical and other misc. contracts	In case of work order of Rs 2.00 lakh and above		100%
2	All civil works, shipping contracts, electrical maintenance contracts, mechanical and other misc. contracts	For remaining work orders		20%
<b>H.</b>	<b>Miscellaneous :-</b>			
1	Exercise and Service tax audit (CENVAT)	Monthly	To verify whether unit maintains all necessary documents and records in support of CENVAT credit and whether such credit has been taken in terms of provisions of the act.	100%

## Scope includes the following assignments also:

### 1. Audit of establishment related payments:

- a. Auditor is advised to select 25% of employees on random basis and verify entire cycle starting from recording of attendance to disbursement of salary.
- b. This includes verification of preparation of wage bill and inputs considered for its preparation.
- c. Scrutiny of leave records maintained by the unit and its system of posting leave earned and leave availed (Both earned leave and half pay leave).
- d. System of recording attendance of the employees.
- e. Method of recording overtime performed, recommending authority and document furnished to finance department to include in the wage bill and computation formula adopted for determining overtime amount.
- f. Verification of other variable data forwarded by other departments/agencies to finance department for preparation of wage bill. Scope includes the verification of source data also to ensure its authenticity and official authorizing such recovery/payment.
- g. Auditor is requested to comment on the system presently being practiced relating to establishment matters and offer his suggestions for further improvement.

### 2. Audit of capital procurement including expansion program and MOPP.

- a. Verification of schemes capitalized or transfer to capital work in progress.
- b. To verify all capital job value exceeding Rs 2.00 lakh during the year.
- c. It has to be %end TO End+ viz. from the time of raising the indent to completion of procurement and capitalization. The report should cover whether the unit has followed approved purchase procedure.
- d. To verify whether capital value of the asset has been correctly determined.
- e. Codification of asset and its capturing in the asset register to be reported.
- f. Auditor is requested to offer his comments on the system for further improvement.

### 3. Report on purchases valuing more than Rs. 3.00 lakh.

Detail report on whether purchase of stores and spares items are made after considering the stock position. Whether any procurement action has been taken when existing stock was not moving. Whether laid down purchase procedure has been followed in placement of order(s).

### 4. Physical verification of fixed assets:

You are advised to conduct physical verification of fixed assets as at the opening of financial year latest by end of November and for the additions made during the year the verification is to be completed latest by 15<sup>th</sup> April. You are requested to ensure that asset codifications along with location code are properly marked on the assets concerned as per administrative instruction issued by the company and the same is captured in asset register. The unit also maintains necessary documentary evidence of transferring of asset from one location to other and suitably incorporating the unit keeps the changes in asset register and necessary installation/completion certificates.

5. Verification of procedure of placement of work contract including shipping contract (value exceeding Rs. 2.00 lakh):

You are advised to submit detail report on the procedure of inviting tenders to placement of works / shipping contracts(s). Methodology adopted in recording the execution of the job and system of release of payment. The report should cover the aspect relating to recovery of statutory dues and deposited with appropriate authority within the stipulated time period.

6. Physical verification of stores and spares:

You are advised to draw detail scheme program to ensure that complete verification of all items are covered during the year. You may inform the program to head of the unit to facilitate necessary support service of stores department.

7. Taxation:

a) Tax deduced at sources / Tax collected at sources:-

You are advised to submit quarterly report on TDS and TCS compliance.

b) Scrutiny and reporting of any other applicable taxes.

8. Any other specific area of audit as assigned by the management relating to that unit and such report need to be submitted within the stipulated time specified in the communication.

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**Annexure- III**

Calendar for submission of the reports.

<b>Serial No.</b>	<b>Nature of work</b>	<b>Date of submission of report</b>
1	Monthly audit report	By 15 <sup>th</sup> of the following month
2	Report on Establishment system	By the end of October
3	Audit of capital procurement including expansion program	First report by end of October and final report by April.
4	Report on purchase valuing more than Rs 3.00 lakh	Monthly
5	Physical verification assets	Report for the assets as on the opening day of the financial year by November and for additions latest by April.
6	Verification of procedure of placement of works contract including shipping contract (Value exceeding Rs. 3.00 lakh)	Monthly
7	Physical verification of stores and spares	Perpetual. Interim report to be submitted by January and final report latest by 10 <sup>th</sup> of April.
8	Any other specific item/issue	As per the communication.

**FORMAT OF OUTSOURCED INTERNAL AUDIT REPORT****Internal Audit Report for the month of .....of .....unit, IREL****1. Vouching Details:**

Particulars	Number of Voucher/ Invoices generated		Number of voucher/ Invoices audited/verified		Observations (Keeping in mind approved scope of Audit)
	For the month	Cumulative up to the month	For the month	Cumulative up to the month	
<b><i>Cash vouchers</i></b>					
Bank Vouchers All banks (Bank wise)					
<b><u>Sales Invoice</u></b> Domestic (including discount & refund on sale)  Export					
Purchase Journal Exceeding Rs. 3 lakh					
Journal Vouchers					

**2. Cash and stamps verification** : Surprise check at least once a month any time during the day.

	Date of verification	Amount as per book	Amount as per physical verification	Remarks
Cash				
Stamp				

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**3. Bank Reconciliation Statements :** To be verified for September, March and any other month in the year. (For all banks separately)

Remarks :

### FORMAT OF OUTSOURCED INTERNAL AUDIT REPORT

**4. Comments on verification of Works Contracts including shipping contract:**

	Number of orders placed during the year		Value of the orders placed during the year		Whether normal purchase procedure is followed (#)	Observations on any other related area including Tax compliance
	For the month	Cumulative upto the month	For the month (Rs.)	Cumulative upto the month (Rs.)		
Work orders exceeding Rs. 2 lakh						

**(#) In case of deviation from normal purchase procedure, it should be reported in the following format.**

	of the contractor	t of the contract	on	se of the material department

**5. Comments on verification of Purchase of stores & spares items :**

	Number of orders placed during the year		Value of the orders placed during the year		Whether normal purchase procedure is followed (##)	Whether purchases are made after considering the stock position (##)
	For the month	Cumulative upto the month	For the month (Rs.)	Cumulative upto the month (Rs.)		
Work orders exceeding Rs. 2 lakh						

**(##) In case of deviation from normal purchase procedure or purchase action is taken despite sufficient stock on hand, it should be reported in the following format.**

	of the supplier	t of the contract	on	se of the material department

**FORMAT OF OUTSOURCED INTERNAL AUDIT REPORT**

**6. Report/ Comment on Excise & CENVAT credit :**

- Whether all sales invoices reflect excise components, if applicable?
- Whether all eligible CENVAT credits are supported by Excise/ Service Invoices and filed separately ?
- Whether both Finance and Marketing Depts. are reconciling Excise Deposit A/c, CENVAT Credit A/c on Goods and Services related to Inputs and Capital on monthly basis?
- Whether all adjustments are accounted during the month?
- Whether Return is filed within due time?

In addition to the above the Auditor has to furnish the following information:-

(in Rs.)

Particulars	Opening Balance	Total credit for the month	Total Credit Utilized	CF (available credit as per return)	Total available as per books	Reconciliation	Remarks
				2-3		f.of 4&5	
Goods)							
Services)							
(Goods)							
VAT Utilized for the month (total of (3))							
Balance payable, if any							
VAT payable for the month (A+B)							

OB-> Opening balance of CENVAT credit and CF->Carry forward of CENVAT Credit not utilized.

**7. Report / Comment on VAT, CST & VAT Credit:**

- Whether all sales invoices reflect VAT/ CST components, if applicable?
- Whether all eligible VAT credits are supported by TAX Invoices and filed separately ?
- Whether all adjustments are accounted during the month?
- Whether Return is filed within due time?

### **FORMAT OF OUTSOURCED INTERNAL AUDIT REPORT**

In addition to the above the Auditor has to furnish the following information:-

(in Rs.)

Particulars	Credit for the month	Credit Utilized	CF (available credit as per return)	CF (available as per books)	Reconciliation	Remarks
			2-3		Ref. of 4&5	
Goods)						
(Goods)						
A. VAT Utilized for the month (total of (3))						
Balance payable, if any						
C. VAT payable for the month (A+B)						

OB-> Opening balance of VAT credit and CF->Carry forward of VAT Credit not utilized.

#### **8. Comments on Scrutiny of concessions forms for sale up to month:**

Month-Wise	Various conc. Form No.	Amount of sales against each Concession form. (Rs)	Amount for which concession form received. (Rs.)	Observations on non receipt/ defective forms, if any
	1			
	2			
	3			

#### **9. Comments on Scrutiny of various statutory returns:**

Particulars	Coverage (Quarterly/ Half yearly/ Yearly)	Comments
Entry Tax		
Service Tax (including refund claims)		
TDS/TCS		

#### **10. Comments on Scrutiny of various ledgers/ sub-ledgers:**

Particulars	Coverage (Quarterly/ Half yearly)	Comments
Sundry Debtors		
Sundry Creditors		
Others		

**FORMAT OF OUTSOURCED INTERNAL AUDIT REPORT**

**11. Comments on verification of Establishment:**

Particulars	Coverage	Comments
Payroll		
Leave records		
Wages registers and other establishment records / registers		
Change of pay on promotion and revision of scales		
Withholding of TDS from employees including perquisite valuation.		
Gratuity (refundable & non-refundable)		
Provision of loans from employees including PF loans.		
Advance payment / Encashment		
Encashment		
Advance wages		

**12. Report on physical verification of Stores & spares :**

Number of items verified		Whether posting of SRV/ RV and SIV/IV are made in Bin Cards (One week sample verification)	Comments
For the month	Cumulative upto the month		

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Perpetual interim physical verification report of the same to be submitted by January and final report latest by 10<sup>th</sup> of April.

### **FORMAT OF OUTSOURCED INTERNAL AUDIT REPORT**

13. **Report on physical verification of Fixed Assets :**

Physical verification report of fixed assets as at the opening of the financial year should be submitted with the report for the month of December and for the additions made during the year the verification report should be submitted with the report for the month of March.

14. **Scrutiny of non-moving items of stores.** : Yearly (With the report of March)

- a) Whether any items procured for such stores?
- b) Whether any items issued from such stores?
- c) Whether any items disposed off from such stores?
- d) Observations on the action taken by Unit for disposal/usability of non- moving stores.
- e) Observations on the reasons for accumulation of non-moving stores.

15. **Other Reports:**

Auditor may report any other matters in this para if he thinks that it is material to inform to the management for necessary action or otherwise.

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**General Terms and conditions for executing works:**

1. The due time of receipt of tender on the due date of opening shall be upto 14.30 Hrs.
2. The sealed envelope containing the quotations submitted by the tenderers should be super scribed with the tender reference and the due date of opening else the quotation will be rejected. Separate sealed envelope should be submitted for different tenders else the quotation would be rejected.
3. **FAX quotation is not acceptable.**
4. Price should be quoted both in figures and words. Offers should be preferably type written. Corrections, if any, in the Quotation will be rejected automatically either fully or part thereof.
5. Local Parties of Chatrapur and Berhampur should submit their offers on door-delivery basis. Tenderers should note that the **Limited Tender Box** is located at the entrance of Purchase Department in Administrative Building and they are required to drop in this tender box only failing which the tender shall not be entertained.
6. **Validity:** The offer submitted by the tenderer should remain **valid for 90 days** from the date of opening
7. The tenderer has to clearly indicate **the guarantee provisions** in their offer.
8. The offers submitted by the tenderers must accompany valid authorized dealership certificate(if applicable)/ submit photo copies of Provident registration certificate, contract license certificate along with their quotation.
9. **Tender Document Cost(TDC):** Quotations submitted by the tenderer must accompany non refundable tender document cost as the case may be against each tender as indicated below in the shape of Demand Draft drawn in favour of Indian Rare Earths Ltd. payable at State Bank of India (Branch code 6086) / Indian Bank, Konamana Branch, Matikhalo-761045, Dist-Ganjam.

The TDC amount applicable for the different tender can be NIL/ Rs 315.00/ Rs 525.00.

10. **Earnest Money Deposit(EMD):** The tenderer have to submit EMD in the form of DD/ irrevocable Bank Guarantee valid for a period of 30 days beyond the validity period as indicated below as a token of their earnestness in submitting their offer to undertake the work and conclude a contract if entrusted to them. The EMD amount applicable for the tenders shall be indicated in each tender and it shall be either Nil/ Rs 5000.00/ Rs 10,000/ Rs 15,000/- or any other amount.

EMD is liable to be forfeited if the tenderer changes the terms & conditions/prices/withdraws his quotation subsequent to date of opening/ fails to accept the order when placed /fails to commence work after accepting the order. IREL reserves the right to accept/reject the tender without EMD. EMD of unsuccessful tenderer shall be refunded immediately on finalisation of the contract. However, EMD may be adjusted with security deposit of the party on whom order is being released.

11. **Security Deposit (S.D):** The Earnest Money Deposit (EMD) if deposited , will be adjusted towards Security Deposit on submission of original money receipt issued against EMD by our Finance Dept. The successful tenderers are required to deposit within 15 days of receipt of the work order a further amount equivalent to 5% of the work order (less the EMD already submitted by them either in form of Demand Draft) or Bank Guarantee for 5% value of the contract issued from any Nationalised Bank or SBI including its subsidiaries or Schedule Commercial Banks valid till satisfactory execution of work.

If EMD is submitted in form of BG, the same cannot be as such converted to Security Deposit BG fresh BG is to be submitted.

In addition to the Security Deposit, a further sum @5% of the bill value shall be retained every time towards retention money. If the 5% SD is submitted in the form of BG, the same as cannot be as such converted to performance Bank Guarantee. Fresh Bank Guarantee is to be submitted. The total SD and retention money together (10% of the contract value) shall be refunded after completion of maintenance period of 3 months/ 12 months from the date of completion of job on certification by Engr-in-Charge/ Officer-in-Charge. The successful tenderer shall apply for release of Security Deposit/ Retention money within 15 (Fifteen) days on completion of the maintenance period mentioned above(along with original money receipt issued for SD, if



- any). Forfeitures, adjustments or deductions, if any from time to time shall be recouped from the successful tenderer immediately.
12. Final Bill shall have to be submitted by the successful tenderer immediately after completion of work but not later than a Maximum Period of 60(Sixty) days from the date of completion of contractual period of work, along with all relevant documents such as certified measurements, material reconciliation statement. Statement of materials and scrap returned to stores, labour payment, P.F. Clearance etc. If case of failure in submission of the same within the stipulated period then claim for Payment may not be considered. All the bills are to be submitted by the successful tenderer in triplicate.
  13. **Liquidated damages:** Timely completion of the job is essence of the contract. Liquidated Damages shall be imposed @0.5% (Half Percent) per week or part thereof on the value of unfinished work for each week of delay subject to maximum of 5% (Five Percent) of the total value of contract. Wherever the work is on turnkey or having bearing in commissioning and performance of the syetm in total, in such cases LD may be imposed on total value. However, if separate period of completion are specified for certain item of order or group of items of order at the time of issuing the order, the liquidated damage can be levied accordingly on the total value of item of order or group of items of order LD will be charged on full value of the contract and not on unfinished part.
  14. IREL reserves the right to terminate the contract at any time at tenderer's risk and cost if their performance is found unsatisfactory. IREL reserves the right (i) to reject any or all the tenders wholly or in part thereof (ii) to award the job by distributing to more than 1 (one) tenderer without assigning any reason(s) thereof. The splitting of the quantity can be in the ratio of 50:50/ 60:40/70:30 etc.
  15. **Communication of Non-participation & no response:** In case the tenderer choose not to participate in the tender, a **Regret letter** by way of FAX/ letter is to be submitted well before the due date duly super scribing "**Regret**" and tender ref no., with date & due date on the envelope.
  16. **Period of Completion & Force majeure:** Time is the essence of the contract. The successful tenderer shall have to commence the job within 7(Seven) days of placement of order and complete the work to the satisfaction of Engineer-in-charge /Officer-in-Charge by no. of days as the case may be for each tender. Should progress of work be delayed by strikes, lockouts, fire, accidents, acts of god, or any cause whatsoever beyond the reasonable control of the successful tenderer, suitable extension of time shall be granted. Should one or both parties be prevented from fulfilling their contractual obligations by a state of force majeure lasting continuously for a period of at least three months, the two parties shall consult each other regarding the further implementation of the contract with the provision that if no mutually satisfactory arrangement is arrived at within a period of one months from the expiry of the three months referred to above, the contract shall be deemed to have expired at the end of the said three months referred to above. The above-mentioned expiry of the contract will imply that both the parties have the obligation to reach agreement regarding the winding up and final settlement of the contract.
  17. **Termination:** IRE reserves the right to terminate the contract at any time at successful tenderer's risk and cost if performance of the successful tenderer is found unsatisfactory.
  18. Please note that the rates quoted should remain firm during the period of contract. Rate quoted by tenderer should be inclusive of all statutory taxes duties such as Works Tax, Excise duty etc. which is prevailing as on date.
  19. Please note that the successful tenderer shall bring the tools and tackles if required for the work. The successful tenderer shall have to provide suitable safety appliances to the workmen during execution as required in the Mines Act.
  20. **Storage/Insurance etc. :** The successful tenderer will be provided with open space for their materials at a location suitable and convenient to IREL. However, the successful tenderer should cover their entire materials etc. at our site under requisite insurance for theft larceny, dacoits, fire tempest and flood etc.
  21. The successful tenderer should obtain Security Gate Pass within 4(Four) days of receipt of the Work Order and he should give safety and environment training to their workmen in our training institute immediately on receipt of gate passes and obtains valid Safety permit.
  22. The successful tenderer should transport and dump the reject sand and waste material if generated out of the work at the specified dump area as directed by our Engineer-in-charge, failing which their Bill will not be processed for payment. Our Engineer-in-charge shall witness and certify for dumping of the rejects in the specified areas.
  23. **Free issue items :** All materials (including scrap if any) should invariably be drawn from and handed over back to our Stores department physically. Accounting of all issues by IREL shall be only subject to the

relevant documentary evidence from our Stores Department and also duly certified with reference to the relevant Engineering Standards, by the Engineer-in-charge against all free issue items. The successful tenderer shall have to maintain the updated record of receipt of material from stores and consumption details. Engineer-in-charge shall inspect the stock reconciliation statement of account bills and final bill without which no payment shall be made.

24. The successful tenderer shall be allowed to execute the contract of work, subject to production of copy of License obtained from competent authority under Contract Labour(R&A) Act, the Inter State Migrant Workmen (RE&C) Act, within a fortnight from the date of release of the work order failing which the work order shall stand cancelled and invalid.
25. The terms and conditions applicable to Mines Act shall form a part of the Contract.
26. The successful tenderer shall have to abide by the Safety Rules and Mines Act as stated below:

**Safety clauses:**

- (i) All their labour before attending to the work should undergo Safety training/ Environment training for 3(three) days at the Safety & Training Department.
- (ii) The successful tenderer should provide basic Personal Protection Equipment (PPE) such as safety helmets, safety shoes etc. to their labour and they should use the same compulsorily. In case the successful tenderer are unable to arrange the above PPE, IREL may supply against payment or on cost recovery basis, subject to availability.
- (iii) Any other specific PPE like safety belts, goggles, gloves, gum boots etc. to be used as specified by the Engineer-in-charge may be issued to the successful tenderer by IREL on loan or on chargeable basis subject to availability depending on type and duration of work.
- (iv) All their labour are not allowed to take food and/or to take rest inside the Plant area.
- (v) In case the the successful tenderer uses their vehicles for transporting the material:
  - a) They can use the same only after fitness testing by our competent authority.
  - b) The drivers of their vehicles should possess valid driving license without which they can not use the vehicles.
  - c) All the vehicles entering in Plant premises should have valid Pollution Under Control+ Certificate (PUC).
- (vi) Wheelbarrows with 2(two) wheels are prohibited for transporting the material.
- (vii) In case of any specified procedures existing in the Department relating to environment the same shall have to followed by the successful tenderer the procedure without fail.
- (viii) The successful tenderer shall have to follow the rules of house keeping as existing in the Plant.

In case of violation of any of the above said safety norms and practices by the successful tenderer, the work entrusted will be stopped by IREL and they will not be allowed to resume work. Also in case of repeated violation of above conditions by the successful tenderer the work order on them will be cancelled.

28. The following statutory records and registers are to be maintained by the successful tenderer under mines act.

Form-B	Form-D (in case of working at DWUP)	Form-E (in case of working other than DWUP)
Form-F (Register of compensatory Days of Rest)	Form-G (Register of Leave Account during the calendar year)	Form-H (Register of Leave Wages Account)
Form-I (Register of Over Time)		

The following registers and records are to be maintained under contract labour act.

Muster Roll	Wage Register	Employment Card	Wage slip
Register of Advance	Register of Deduction	Register of Fines	Register of Over Time
License under Contractor Labour (R&A) Act, 1970			

29. The successful tenderer has to obtain Labour License, if the number of labour engaged by them exceeds 19(nineteen).
30. The successful tenderer has to maintain following records required for engaging labour brought from the states other than ORISSA under Inter state Migrant workmen Act:
- Inward and outward journey statement in form XV and XVI in case of Inter State Migrant Workmen.
  - The successful tenderer has to obtain License under Inter State Migrant Workmen Act if the number of Migrant Workmen exceeds 4(Four).
31. MINIMUM WAGES ACT 1948
- The successful tenderer is liable to pay to their workmen minimum wages notified from time to time by the Government of India.
  - Monthly wages are to be disbursed in presence of the representative of Personnel Department before 10<sup>th</sup> day of every month.
32. PROVIDENT FUND
- The Provident Fund Contribution of labour is to be done by the successful tenderer as per PF & MP Act 1952.
33. WORKMEN COMPENSATION ACT, 1923
- The successful tenderer is liable to pay compensation to their workmen in case of accidents.
34. The successful tenderer shall have to obtain a Medical fitness certificate for all their workmen from a Doctor with a minimum qualification of MBBS, which will be valid for a period of 3(three) years. The successful tenderer shall have to submit the same to Our Medical Dept. before engaging their workmen at our plant premises.
35. Legal Jurisdiction : Only the Civil Courts of Chatrapur . 761 020, Dist-Ganjam (ORISSA) shall be the jurisdiction to deal within and decide upon any legal matters of dispute whatsoever arising out of this Contract.
36. Rejection of offers: The tenders shall be liable for rejection in case of following:
- If the offers are received after the due date & time and/or by FAX/E-mail(unless specified otherwise).
  - If the offers are received in open condition
  - If the offers deviate from our tender conditions as specified above.
37. Performance rating :Performance rating of the successful tenderer / awardee contractor shall be done against time completion and quality of job done under this tender. In case of poor performance, it may entail us to discontinue further business/ relation.

**RESPONSIBILITIES OF THE CONTRACTORS AS PER THE RECOMMENDATIONS**  
**OF 10<sup>TH</sup> NATIONAL CONFERENCE ON SAFETY OF MINES**  
**ON 26<sup>TH</sup> & 27<sup>TH</sup> DECEMBER'2007 AT NEW DELHI**

- (a) The contractor shall have to prepare written Safe Operating Procedure (SOP) for the work to be carried out, including an assessment of risk, wherever possible and safe methods to deal with it/them.
- (b) The contractor shall have to provide a copy of the SOP to Engineer-in-Charge/ Officer-in-Charge who shall be supervising the contractor's work.
- (c) The contractor shall have to keep an up to date SOP and provide a copy of changes to Engineer-in-Charge/ Officer-in-Charge.
- (d) The contractor shall have to ensure that all work is carried out in accordance with the Statute and SOP. For the above purpose he shall deploy adequate qualified and competent personnel for the purpose of carrying out the job in a safe manner.
- (e) The contractor shall have to develop and provide to the Engineer-in-Charge/ Officer-in-Charge a site specific code of practice for work of a specified scope/nature.
- (f) The contractor shall have to ensure that all sub-contractors hired by him comply with the same requirement as the contractor himself and shall be liable for ensuring compliance all safety laws by the sub or sub-sub contractors.
- (g) All persons deployed by the contractor for working in a mine must undergo vocational training (VT) under Mines Vocational Training Rules, 1966, initial medical examination (IME) & periodical medical examination (PME) as applicable in Form-O under Mines rules,1955. They should be issued cards stating the name of the contractor and the work and its validity period, indicating status of VT & IME.
- (h) Every person deployed by the contractor in a mine must wear safety gadgets to be provided by the contractor.
- (i) The contractor shall submit to DGMS returns with a copy marked to Agent and Mines Manager indicating - Name of his firm, Registration number, Name and address of person heading the firm, Nature of work, type of deployment of work persons, Number of work persons deployed, How many work persons hold VT Certificate, How many work persons have undergone initial medical examination (IME) and Type of medical coverage given to the work persons. The return shall have to be submitted quarterly (by 10th of April, July, October & January) for contracts of more than one year. However, for contracts of less than one year, returns shall be submitted monthly.
- (j) The employee of the contractor must, while at work, take reasonable care for the health and safety of people who are at the employees place of work and who may be affected by the employees act or omissions at work.
- (k) The employee of the contractor must, while at work, cooperate with his or her employer or other persons so far as is necessary to enable compliance with any requirement under the act or the regulations that is imposed in the interest of health, safety and welfare of the employee or any person.
- (j) Prior to commencing work the contractor shall collect all relevant documents relevant to statute, health and safety management systems to make himself familiar with the same. He shall ensure that the machinery operator and other staff are provided with written safe work procedures for the work to be carried out, stating clearly the risk involved and how it is to be managed. All his activities as per the requirements of statute and the system related to safety shall be monitored. If it is found that he is non-compliant of the safety laws suitable action as deemed fit shall be taken. In case a risk to health or safety of a person arises because of non-compliance, the work shall be ceased until the non-compliance is corrected.

### **Industrial safety clauses to be complied by Contractors**

#### **General Industrial Safety Clauses:**

Safety Code for contract works as indicated in the NIT/ Work Order shall be enforceable as applicable to the work concerned. The contractor shall satisfy himself with the requirements of the Safety Code prior to signing the agreement of the contract work. Not limiting to additional safety precautions based on the execution of works, the Safety Code for contract works shall be as follows:

- I) During the execution and temporarily suspension of the work, the Contractor's material, work shall not interfere and cause damage to the existing property and injury to personal.
- II) Proper illumination, barricading etc. shall be provided and maintained by the contractor.
- III) Adequate means of safe access, scaffolds, portable ladder with shoe etc shall be provided and maintained by the contractor.
- IV) Height pass shall be obtained for works above 3.0 metre (m) height and the scaffolding members and planks shall conform to the relevant BIS specification such as IS-3696 etc.
  - i. All open sides of a structure above a height of 3.0 m from which a worker might fall and openings into which a worker might fall should be adequately covered or barricaded. Every opening in the floor of a building or in a working platform shall be provided with suitable means to prevent fall of persons or materials by providing suitable fencing / railings of one (1) metre.
  - ii. Where barricades cannot be installed, a safety net should be installed close to the level at which there is danger of a fall. During erection of tall buildings/ structures, above 3 mtr height, nylon nets shall be provided to ensure safety of men in case there is fall from height.(warning signals should also be displayed at appropriate locations).
  - iii. Where a secure foothold is impracticable, safety belts or harnesses with secure anchorage points should be provided at the working place as well as access to the access path to the working spot. All persons working at heights more than 3.0 m above ground or floor and exposed to the hazard of falling down shall use safety belts.
  - iv. At elevated places, secure access and foothold should be provided. Adequate and safe means of access and exit shall be provided at all work places for all elevations. Means of access may be portable or fixed ladder, ramp or a stairway. The use of across braces or frame work as a means of access to the working surface shall not be permitted.
  - v. Scaffolding or staging 3.5m above the ground floor shall have a guard rail properly attached, bolted, braced or otherwise secured at least 1 m high above floor and platform.
  - vi. Where the platform is more than 3.5 m above ground floor for working standing on the platform, the width should be minimum 1 m.
- V) Safety permits shall be obtained for excavation, trenching, earth removal, cutting & welding, confined space work. For other works of hazardous nature, an industrial safety permit shall be obtained.
  - i) Means for rapid access and egress should be provided. All trenches 120 cm or more in depth shall at all times be supplied with at least one ladder for every 30 m along the trench. The ladders shall extend from the bottom of the trench to at least 1 m above the surface of the ground.
  - ii) Workers should not be exposed to the danger of being buried by excavated material or collapse of shoring. Measures to prevent dislodgment of loose or unstable earth, rock or other material from falling into the excavation by proper shoring shall be ensured.
  - iii) Persons who are not engaged in excavation work shall be prevented from approaching excavation areas by placing warning signals, barricades etc. near the site of the excavation.
  - iv) Excavated material shall not be dumped within 1.5 m of the edges.
  - v) An excavated area shall have an illumination level of at least 20 Lux for night work.
- VI) Personal protective equipments like safety helmet, safety belt, hand gloves, goggles etc as applicable to the work shall be used by the contractor.
  - i) It shall be ensured that commensurate with the nature of job appropriate PPEs with ISI marking are used by the workers.
- VII) Safety precautions and personal protective equipments for painting works shall be used with respect to respiratory protection and fire protection including ventilating the area.

- i) No person should enter in any confined space like tanks, pit chamber etc. in which gas, fumes, vapours, dust is likely to be present to such extent that it may endanger his/her health without safety work permit.
- VIII) Valid certificate of testing and inspection by competent person for the lifting machines and tackles in use shall be available with the agency on the work.
- i) No lifting machine, chain, rope or lifting tackle shall be taken into use for the first time unless it has been tested and examined by a Competent Person. A certificate of such a test / examination specifying the safe working load and signed by the person making the test / examination should be available for inspection.
  - ii) Cranes shall be operated only by authorized persons who are well trained and experienced.
  - iii) Inspection and maintenance of material handling equipment should be frequently scheduled. Load testing of cranes at specified loads shall be carried out by the Competent Person at least once in twelve months.
- IX) Adequate fire safety precautions and electrical safety precautions shall be maintained for welding & gas cutting including proper ventilation in the area. The return lead of the electrical welding machine shall be extended and connected directly to the work.
- i) All portable appliances which are powered by single phase AC supply shall be provided with three core cable and three pin plug or whole body should be double insulated.
  - ii) All connections to portable equipment or machines from the panel / distribution board / extension board shall be taken using 3 core double insulated PVC flexible copper wire in one length.
  - iii) Earth Leakage Circuit Breaker should be provided.
- X) Grinding machines shall be provided with wheel guard and the grinding wheel shall be within its validity period.
- XI) Proper housekeeping shall be maintained by the contractor by collecting the scraps and loose material daily and arranging them suitably.
- XII) Fire safety and industrial safety precautions at all areas including for work near water bodies shall be observed in general.
- i) Personnel trained in fire safety shall always be available on the site.
  - ii) Flammable materials should be stored away from the source of ignition such as generators, welding sets and electrical distribution boxes.
- XIII) All contractors shall ensure that Safety Officer/Supervisor/coordinator as appointed for the job shall always be available at site.
- XIV) All accidents and fire incidents including near-miss incidents shall be reported to the Engineer-in-Charge and Head of the Safety Department by the contractor.

**Group Insurance in respect of all workmen engaged in the work against accidental injury/death for the period of the work shall be taken by the Contractor and documents in this regard shall be submitted to the Engineer-in-charge before starting the work.**

## **ETHICS IN TENDERING & OTHER BUSINESS DEALINGS**

Indian Rare Earths Limited a Government of India Undertaking under the administrative control of Department of Atomic Energy is doing its business as per the rules and regulation of the Public Sector Undertaking and other statutory agencies. The business is done in a ethical, rational & impartial manner with good Corporate governance.

In our endeavor to be more transparent in our dealings and to support our ideology all Vendors, Customers and Business Partners are requested not to provide any gift and /or inducement to any of our employees for securing/being granted favour in dealings with our Company. In assurance of your commitment to the aforesaid, it will be highly appreciated if you fill up, sign and abide by the attached undertaking.

Report of any gifts and /or inducements sought by any employee of the company(IREL) should be immediately reported to any one of the following:

<p><b>Dr. R N Patra, Chairman &amp; MD</b> Indian Rare Earths Ltd 1207 VS Marg,Prabhadevi Mumbai 400 028  Ph.022-24225778</p>	<p><b>Chief Vigilance Officer</b> Indian Rare Earths Ltd 1207 VS Marg,Prabhadevi Mumbai 400 028  Ph.022-24221068 Email:irelcvo@rediffmail.com</p>
<p><b>Head, OSCOM</b> Indian Rare Earths Limited,OSCOM, PO-Matikhalo, Dist-Ganjam, Orissa-761045. Ph: 06811-257890-95 Email: headireo@sancharnet.in</p>	

We assure you that complaints if any made by you on the subject will be kept confidential and fair investigation will be conducted and appropriate action will be taken. Similarly, we expect your commitment to the under taking and its violation will have consequences as per prevailing rule of the company.

Thanking you,

**For Indian Rare Earths Ltd**

**-Sd-  
Gen. Manager(Materials)**

**UNDERTAKING TO BE SUBMITTED BY TENDERER**

Date:

To

**M/s. Indian Rare Earths Ltd**  
**OSCOM, Matikhalo.**

I/we \_\_\_\_\_ .am/are a Vendor/Customer of Indian Rare Earths Limited  
(now on wards to be referred as %Company+)

I/We agree and undertake:

- (i) Not to provide any gift and/ or inducement to any employee of the company in connection with securing/ being granted favour (s) in my/our dealings with the company and its field Unit namely OSCOM at Orissa,
- (ii) To immediately report any gift and / or inducement sought by any employee of the company in exchange of the company and /or its field Units granting favour (s) to me/us in my/our dealings with the company and /or its field units.

Signature: \_\_\_\_\_ ..

Name: \_\_\_\_\_

Title: \_\_\_\_\_ .

Name of the Company & Address ( with seal): \_\_\_\_\_ ..



## **BANK GUARANTEE FORMAT FOR EARNEST MONEY DEPOSIT**

**GUARANTEE NO** \_\_\_\_\_ **DTD** \_\_\_\_\_ **FOR Rs** \_\_\_\_\_.

**GUARANTEE COVER FROM DATE:** \_\_\_\_\_ **TO DATE:** \_\_\_\_\_.

THIS DEED OF GUARANTEE EXECUTED BY THE (BANK NAME & ADDRESS) CONSTITUTED UNDER (ACT NO.) HAVING ITS CENTRAL OFFICE AT \_\_\_\_\_ (HEREINAFTER REFERRED TO AS THE SURIITY) IN FAVOUR OF M/S INDIAN RARE EARTH'S LIMITED, ORISSA SANDS COMPLEX, MATIKHALO, DIST.- GANJAM, ORISSA-761045 (HEREINAFTER REFERRED TO AS IREL) FOR AN AMOUNT NOT EXCEEDING TO Rs. \_\_\_\_\_ (RUPEES \_\_\_\_\_ ONLY) AT THE REQUEST OF M/S. \_\_\_\_\_ HAVING ITS REGISTERED OFFICE AT \_\_\_\_\_ (HEREINAFTER CALLED THE "TENDERER")

THIS GUARANTEE IS ISSUED SUBJECT TO THE CONDITION THAT THE LIABILITY OF THE BANK UNDER THIS GUARANTEE IS LIMITED TO A MAXIMUM OF Rs. \_\_\_\_\_ (RUPEES \_\_\_\_\_ ONLY) AND THE GUARANTEE SHALL REMAIN IN FULL FORCE UPTO \_\_\_\_\_ AND CANNOT BE INVOKED OTHERWISE THAN BY A WRITTEN DEMAND OR CLAIM UNDER THIS GUARANTEE SERVED ON THE BANK ON OR BEFORE THE DT. \_\_\_\_\_ (LAST DATE OF CLAIM).

WHEREAS THE TENDERER A COMPANY REGISTERED UNDER THE \_\_\_\_\_ ACT NO.) IS BOUND TO DEPOSIT WITH IREL BY WAY OF EARNEST MONEY DEPOSIT Rs. \_\_\_\_\_ (RUPEES \_\_\_\_\_ ONLY) BY WAY OF BANK GUARANTEE IN CONNECTION WITH ITS TENDER FOR THE WORK ' \_\_\_\_\_ ' WITH REFERENCE TO TENDER ENQUIRY NO. \_\_\_\_\_ DTD. \_\_\_\_\_ .

THE TENDERER HAS AGREED TO FURNISH A BANK GUARANTEE VALID UPTO \_\_\_\_\_.

THAT THE SURETY IN CONSIDERATION OF THE ABOVE TENDER MADE BY THE TENDERER TO IREL ON ACCOUNT HEREBY UNDERTAKES TO GUARANTEE PAYMENT ON DEMAND TO IREL OF THE SAID AMOUNT OF Rs. \_\_\_\_\_ (RUPEES \_\_\_\_\_ ONLY).

NOT WITHSTANDING ANYTHING CONTAINED IN THE FOREGOING THE SURETY'S LIABILITY UNDER THIS GUARANTEE IS RESTRICTED TO Rs. \_\_\_\_\_ (RUPEES \_\_\_\_\_ ONLY).

THIS GUARANTEE SHALL REMAIN IN FORCE AND EFFECTIVE UPTO \_\_\_\_\_ AND SHALL EXPIRE AND BECOME INEFFECTIVE ON INTIMATION THEREOF BEING GIVEN TO THE SURIITY BY IREL IN WHICH EVENT THIS GUARANTEE SHALL STAND DISCHARGED.

THIS GURANTEE SHALL NOT BE AFFECTED BY AND CHANGE IN THE CONSITUTION OF IREL, TENDERER OR THE SURIITY.

IREL SHALL BE ELIGIBLE TO MAKE ANY CLAIM UNDER THIS GURANTEE ONLY IF THE TENDERER AFTER SUBMITTING HIS TENDER, RESILES FROM HIS OFFER OR MODIFIES THE TERMS AND CONDITIONS THERE OF IN A MANNER NOT ACCEPTABLE TO IREL OR EXPRESSES HIS UNWILLINGNESS TO ACCEPT THE ORDER AFTER IREL HAS DECIDED TO PLACE ORDER ON THE TENDERER FOR THIS WORK UNDER THE TENDER NO. \_\_\_\_\_ DTD. \_\_\_\_\_ ON MUTUALLY AGREED TERMS AND CONDITIONS.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN ABOVE, UNLESS A DEMAND OR CLAIM UNDER THIS GURANTEE IS MADE ON THE SURETY IN WRITING ON OR BEFORE \_\_\_\_\_ THE SURITY SHALL BE DISCHARGED FROM ALL LIABILITIES UNDER THIS GUARANTEE THEREAFTER.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN BEFORE OUR LIABILITY UNDER THIS GUARANTEE IS RESTRICTED TO RS \_\_\_\_\_ (RUPEES \_\_\_\_\_ ONLY) AND THIS GUARANTEE IS VALID UPTO \_\_\_\_\_. WE SHALL BE RELEASED AND DISCHARGED FROM ALL LIABILITIES HEREUNDER UNLESS A WRITTEN CLAIM FOR PAYMENT UNDER THIS GUARANTEE IS LODGED ON US WITHIN THREE MONTHS FROM THE DATE OF EXPIRY OF THIS GUARANTEE OR ON OR BEFORE \_\_\_\_\_ IRRESPECTIVE OF WHETHER OR NOT THE ORIGINAL GUARANTEE IS RETURNED TO US.

THE CONFIRMATION OF THIS BANK GUARANTEE IS AVAILABLE WITH OUR CONTROLLING OFFICE. THE BENEFICIARY IN HIS OWN INTEREST SHOULD OBTAIN SUCH CONFIRMATION FROM THE CONTROLLING OFFICE AT THE FOLLOWING ADDRESS:  
THIS DEED OF GUARANTEE MADE THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 200 .

PLACE:

BANKER'S SEAL & SIGNATURE.

## **BANK GUARANTEE FORMAT FOR SECURITY DEPOSIT**

**( To be executed on non-judicial stamp paper as per the appropriate Stamp Act)**

WHEREAS Indian Rare Earths Limited, a Company incorporated under the Companies Act VII of 1913 and having its registered office at Plot No:1207, Opp. Siddhi Vinayak Temple, Veer Savarkar Marg, Prabhadevi, Mumbai-400 028 acting through Indian Rare Earths Limited., OSCOM(herein after called as "IREL") entered into an Agreement No. \_\_\_\_\_ Dated \_\_\_\_\_ with M/s \_\_\_\_\_ having their registered office at \_\_\_\_\_ and having a place of business at \_\_\_\_\_ (herein after called " Supplier/ Supplier") for the job of \_\_\_\_\_ at IREL's OSCOM site at Matikhalo, Dist.-Ganjam, ORISSA (herein after referred to as 'Agreement').

AND WHERE AS the said Agreement provides that the Supplier/ Supplier shall furnish a Bank Guarantee for Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) being \_\_\_\_\_ percent( \_\_\_\_\_) of the total Agreement value as Guarantee in lieu of Security deposit and towards performance guarantee for the due fulfillment of the terms and conditions contained in the Agreement, the Guarantee remaining valid till the completion of the warranty period i.e. till the completion of \_\_\_\_\_ from the date of the Agreement.

AND WE \_\_\_\_\_ (Bank) do hereby undertake to pay the amounts due and payable under this Guarantee without any demur merely on a demand from IREL stating that the amount claimed is due by way of the damage or loss caused to or that would be caused to or suffered by IREL by reasons of breach by the said Supplier/ Supplier of any of the terms or conditions contained in the said Agreement or by reason of the Supplier's/ Supplier failure to perform the said Agreement. Any such demand made on the bank shall be conclusive as regards the amount due and payable by the bank under this Guarantee. However, our liability under this Guarantee shall be restricted to an amount not exceeding Rs. \_\_\_\_\_ ( \_\_\_\_\_ only).

We undertake to pay to IREL any amount so demanded not withstanding ant dispute or disputes raised by the Supplier/ Supplier in any suit or proceeding 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 bond shall be valid discharge of our liability for payment there under and the Supplier/ Supplier shall have no claim against us for making such payment.

WE \_\_\_\_\_ further agree that the Guarantee contained herein shall remain in force and effect during the period that would be taken for the performance of the said Agreement and that it shall continue to be enforceable till all the dues of IREL under or by virtue of the said agreement have been fully paid and its claims satisfied or discharged or till IREL certifies that the terms and conditions of the said Agreement have been fully and properly carried out by the said Supplier/ Supplier and accordingly discharges this Guarantee.

We also agree that interest at the rate of 15% per annum will be paid by us to IREL from the date of demand for payment till the actual date of payment made by us.

Our Guarantee shall remain in force until \_\_\_\_\_ and unless a demand or claim under this guarantee is lodged with us in writing within six months from the expiry date of the Guarantee period, we shall be relieved and discharged from all our liabilities under this Guarantee there after.

We \_\_\_\_\_ further agree that IREL shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Agreement or to extend time of performance by the said Supplier/ Supplier from time to time or to postpone for any time or from time to time any of the powers exercisable by IREL against the said supplier/ Supplier and to forbear or enforce any of the terms and conditions relating to the said Agreement and we shall not relieve from our liability by reason of any such variation or extension being granted to the said Supplier/ Supplier or for any forbearance act or omission on the part of IREL or any indulgence by IREL to the said Supplier/ Supplier or by any such matter or thing whatsoever which under this law relating to sureties would but for this provision have effect of so relieving us.

This Guarantee will not be discharged due to the change in the constitution of the Bank or the Supplier/ Supplier.

WE \_\_\_\_\_ (Bank) lastly undertake not to revoke this guarantee during its currency except with the previous content of IREL in writing.

Dated \_\_\_\_\_ day of \_\_\_\_\_ ' 200\_\_.

for and on behalf of \_\_\_\_\_  
(Indicate the name of the Bank)

**Note:**

Common Seal of the Bank to be affixed pursuant to the provisions of its Articles of Association of Bank Guarantee is to be executed by the duly constituted Attorney of the bank.