REF: EXPT/2015-16/PI/NIT/05 DT:05/05/2015

RASHTRIYA ISPAT NIGAM LIMITED
VISAKHAPATNAM STEEL PLANT
MARKETING DEPARTMENT
ITD SECTION
E-mail: rinlexp@vizagsteel.com
Website: www.vizagsteel.com

SUB: NOTICE INVITING TENDER (NIT) FOR EXPORT SALE OF 30,000 MT (+/-10%) OF PIG IRON.

M/S RASHTRIYA ISPAT NIGAM LTD (VSP) INVITES SEALED OFFERS FOR EXPORT SALE OF 30,000 MT (+/-10%) OF PIG IRON. THE DETAILS ARE AS FOLLOWS:

1.0 PRODUCT SPECIFICATION:

1.1 PRODUCT : **BASIC GRADE STEEL MAKING PIG IRON**

1.2 CHEMISTRY: **C:** 3.5 - 4.5%; **Mn**: 0.50% (MAX); **Si**: 1.0% (MAX);

P: 0.12% (MAX); **S**: 0.05% (MAX).

1.3 SIZE : PIGS WITH UPTO TWO NOTCHES UPTO 45 KGS IN WEIGHT. CHIPS/BROKEN PIECES BELOW 25MM NOT EXCEEDING 5%.

DUST, DIRT AND MOISTURE EXCEEDING 0.5% DEDUCTIBLE FROM DRAFT SURVEY WT.

1.4 DESTINATION: ANY COUNTRY (OTHER THAN BANNED COUNTRIES)

2.0 QUANTITY:

2.1 OFFERED UNDER THIS TENDER: 30,000 MT (+/-10%).

2.2.1 OFFERS WITH QUANTITIES LESS THAN 30,000 (+/-10%) MT WILL BE OUTRIGHTLY REJECTED AND WILL NOT BE CONSIDERED / ACCEPTED AT ALL.

2.3 THE BUYER SHALL INDICATE THE EXACT QUANTITY REQUIRED BY THEM AT THE TIME OF SUBMISSION OF TENDER ITSELF WHICH SHOULD BE FALLING WITHIN THE TOLERANCE LIMIT OF +/-10% OF TENDERED QUANTITY *(i.e., OPTION OF (+/-) 10% ON CONTRACTED QUANTITY SHALL BE EXERCISED BY THE TENDERER AT THE TIME OF SUBMISSION OF TENDER).*

3.0 DELIVERY:

3.1 DELIVERY SCHEDULE: THE LAST DATE OF DELIVERY SHALL BE 31ST JULY 2015.

3.2 DELIVERY BASIS: FOB ST VISAKHAPATNAM PORT OR GANGAVARAM PORT, ON DIRECT EXPORT BASIS.

4.0 PAYMENT: BY CONFIRMED, ON SIGHT, IRREVOCABLE WITHOUT RECOURSE TO THE DRAWER **LETTER OF CREDIT** OPENED AT A FIRST CLASS INTERNATIONAL BANK AS PER THE FORMAT OF VSP IN THE TERMS AND CONDITIONS OF FOB CONTRACT CLAUSE NO.5.2.1. LC SHALL BE OPENED WITHIN **7 (SEVEN)** INTERNATIONAL BANKING DAYS, AS PER OUR TERMS AND CONDITIONS, FROM THE DATE OF SALE CONFIRMATION. **L/C WITHOUT RED CLAUSE IS NOT ACCEPTABLE.**

5.0 VALIDITY: OFFER SHALL BE VALID UPTO **01/06/2015**.

6.0 INSPECTION: BY AN INDEPENDENT INSPECTION AGENCY AT SELLER'S COST. WEIGHT CERTIFIED AT LOAD PORT BY THE INSPECTION AGENCY OF VSP SHALL BE FINAL. INVOICING WILL BE DONE ON THE BASIS OF DRAFT SURVEY WEIGHT CERTIFIED BY THE INSPECTION AGENCY OF VSP.

7.0 EARNEST MONEY DEPOSIT (E M D):

7.1 BIDDERS HAVE TO NECESSARILY SUBMIT EMD OF USD **76,500** OR RS.**48.56** LAKHS ALONG WITH THE TENDER.

CUSTOMERS WHO ARE EMPANELLED WITH VSP, NEED NOT SUBMIT EMD ALONG WITH THE TENDER.

7.2 MODE OF SUBMISSION OF EMD:

7.2.1 **EMD** SHALL BE SUBMITTED ALONG WITH THE BID OR BEFORE IN THE FORM OF DEMAND DRAFT (DD), BANK GUARANTEE (BG) OR BY TELEGRAPHIC TRANSFER (TT) REMITTANCE. IN CASE OF DD, THE DRAFT SHALL BE ISSUED IN THE NAME OF '**RASHTRIYA ISPAT NIGAM LTD'**, **PAYABLE AT VISAKHAPATNAM.**

7.2.2 IF THE PAYMENT FOR EMD IS BY **TT**, REMITTANCE IS TO BE MADE EITHER TO **"STATE BANK OF INDIA"** OR **"STATE BANK OF HYDERABAD"** AS PER THE FOLLOWING DETAILS:

	OPTION 1	OPTION 2
PAY TO	STATE BANK OF INDIA, 460, PARK AVENUE, NEW YORK NY 10022 USA BIC: SBINUS33	WACHOVIA BANK N.A., NEW YORK (SWIFT: PNBPUS3NNYC) VIA CHIPS ABA: 0509 FED ROUTING: 026005092
FOR CREDIT OF	BIC: SBININBB145 STATE BANK OF INDIA, STEEL PROJECT BRANCH, VISAKHAPATNAM -530031 IFSC CODE: SBIN0006318	A/C NO.2000193008205, STATE BANK OF HYDERABAD, STEEL TOWNSHIP BRANCH, VISAKHAPATNAM – 530032 SWIFT: SBHYINBB013
BENEFICIARY	A/C NO.10756187110 RASHTRIYA ISPAT NIGAM LTD. VISAKHAPATNAM STEEL PLANT VISAKHAPATNAM	A/C NO. 52048996973, RASHTRIYA ISPAT NIGAM LTD. VISAKHAPATNAM STEEL PLANT VISAKHAPATNAM

7.2.3 WHERE THE **EMD** IS SUBMITTED IN THE FORM OF BG, THE SAME SHALL BE AS PER THE ENCLOSED FORMAT WITH INITIAL VALIDITY UPTO **24/11/2015.** THE BG SHALL EITHER BE ISSUED DIRECTLY BY ANY NATIONALIZED/SCHEDULED BANK HAVING BRANCH IN VISAKHAPATNAM OR SHALL BE ON THE ADVICE OF A FOREIGN BANK AS ITS CORRESPONDENT IN INDIA. HOWEVER, A CERTIFICATE FROM SUCH A NATIONALIZED/SCHEDULED BANK STATING THAT THEY WILL BE ISSUING A BG IN FAVOUR OF RINL AS PER VSP's FORMAT WITHIN 2 WORKING DAYS FROM THE DATE OF ISSUE OF SUCH CERTIFICATE ON BEHALF OF THE TENDERER/PRINCIPAL, AS THE CASE MAY BE, WOULD ALSO BE ACCEPTABLE. IN CASE IF THE BG IS ISSUED BY ANY SCHEDULED BANK LOCATED OUTSIDE VISAKHAPATNAM, IT SHALL PROVIDE FOR PAYMENT IN CASE OF A CLAIM, THROUGH ITS BRANCH LOCATED AT VISAKHAPATNAM.

7.3 EMD WILL NOT BE ACCEPTED IN THE FORM OF CHEQUES AND THE BIDS SUBMITTED WITH THE CHEQUES TOWARDS EMD, WILL BE REJECTED.

7.4 **CURRENCY OF EMD**: US DOLLARS OR INDIAN RUPEES.

7.5 BIDS (INCLUDING THOSE FROM THE PSUs OF GOVT. OF INDIA) WITHOUT EMD WILL BE OUTRIGHTLY REJECTED AND WILL NOT BE CONSIDERED / ACCEPTED.

7.6 **EMD SHALL BE FORFEITED WITHOUT REFERENCE, IF THE TENDERER / SUCCESSFUL TENDERER FAILS TO COMPLY WITH ANY OF THE FOLLOWING CONDITIONS :**

7.6.1 TO KEEP THEIR OFFER FIRM AND VALID FOR ACCEPTANCE BY RINL UNTIL **01/06/2015** OR AS EXTENDED WITH MUTUAL AGREEMENT BETWEEN RINL AND THE SUCCESSFUL TENDERER / BUYER.

7.6.2 TO ESTABLISH A LETTER OF CREDIT IN FAVOUR OF RINL, IN THE FORM INDICATED IN THIS INVITATION TO TENDER COVERING FULL VALUE OF THE QUANTITY OF PIG IRON AT THE PRICE AND ON THE TERMS ACCEPTED BY RINL, WITHIN **7 (SEVEN)** INTERNATIONAL BANKING DAYS FROM THE DATE OF SALE CONFIRMATION.

7.6.3 TO ARRANGE TO LIFT THE CONTRACTED QUANTITIES AS PER THE LETTER OF CREDIT BY THE LAST DATE OF SHIPMENT INDICATED IN THE LETTER OF CREDIT.

7.7 EMD OF THE SUCESSFUL BIDDER SHALL BE RETAINED AS THE SECURITY DEPOSIT AGAINST THE CONTRACT AND SHALL BE RELEASED AFTER CLOSURE OF THE CONTRACT AND RECEIVING REMITTANCE IN FULL TOWARDS PENDING CLAIMS ON ACCCOUNT OF DESPATCH AMOUNTS, **DELAY CHARGES**, ETC., IF ANY. IN CASE THE EMD IS SUBMITTED BY BG, THE TENDERER SHALL ENSURE EXTENDING THE BG ACCORDINGLY.

8.0 **CONTRACT**: **CONTRACT CAN BE ENTERED INTO WITH THE TENDERER OR THEIR AUTHORISED AGENT ON THEIR BEHALF. SHIPPING DOCUMENTS WILL BE MADE ONLY IN THE NAME OF THE PARTY WHO OPENED LC OR THEIR CONSIGNEE.**

9.0 ALL OTHER TERMS WILL BE AS PER THE **STANDARD TERMS AND CONDITIONS OF VSP REF NO: VSP/EXP/FOB/REV DT.03RD MAY, 2010,** WHICH ARE AVAILABLE IN THESE WEB PAGES AND CAN ALSO BE ACCESSED BY CLICKING HERE: *FOB TERMS*

10.0 **IN CASE OF CONTRADICTION BETWEEN THE TERMS AND CONDITIONS OF NIT AND VSP'S STANDARD TERMS AND CONDITIONS, THE PROVISIONS IN THIS NIT WILL SUPERCEDE THE VSP'S STANDARD TERMS AND CONDITIONS.**

11.0 **INSTRUCTIONS TO TENDERERS:**

11.1 TENDERER IS REQUESTED TO SUBMIT HIS OFFER WITH BEST PRICE IN USD BASIS FOB ST VISAKHAPATNAM (MATERIAL FOR DUNNAGING, LASHING,

SHORING & SECURING TO BUYER'S ACCOUNT) ON DIRECT EXPORT BASIS FOR THE PRODUCTS AND SPECIFICATIONS INDICATED IN PARA 1.0 ABOVE.

11.2 CONFIRMATION REGARDING ACCEPTANCE OF NIT AND VSP'S STANDARD TERM AND CONDITIONS SHALL BE GIVEN BY SIGNING AT ALL THE PAGES OF THE SAME.

12.0 TENDER SUBMISSION:

12.1 ALL BIDS SHALL BE FURNISHED IN SEALED COVERS IN THREE PARTS AS INDICATED BELOW SUPERSCRIBING "**TENDER NOTICE NO. EXPT/2015-16/PI/NIT 05 DATED 05/05/2015 FOR PIG IRON.",** PART-A, PART-B AND PART-C SEPARATELY ADDRESSED TO **"AGM (MKTG) - ITD, MARKETING DEPARTMENT, VISAKHAPATNAM STEEL PLANT, D-BLOCK, VISAKHAPATNAM, ANDHRA PRADESH, INDIA, PIN-530031, PH: 91-891-2518226 FAX: 91-891-2518691/2518316"**.

PART – A: EMD IN FIRST SEPARATE SEALED COVER SUPERSCRIBING **EMD – AS PER ANNEXURE -1.**

PART– B: TECHNO-COMMERCIAL TERMS IN SECOND SEPARATE SEALED COVER SUPERSCRIBING **COMMERCIAL TERMS AND CONDITIONS – AS PER ANNEXURE – 2** CONTAINING THE FOLLOWING:

1) **SIGNED NIT TERMS AND STANDARD TERMS AND CONDITIONS** VIDE REF. NO. **VSP/EXP/FOB/REV DT.03RD MAY, 2010**

2) **AUTHORITY LETTER AS PER ANNEXURE – 4,** IF APPLICABLE, SHALL ALSO BE ENCLOSED.

3) **INTEGRITY PACT DULY SIGNED.**

PART – C: PRICE BID IN THIRD SEALED COVER SUPERSCRIBING **PRICE BID – AS PER ANNEXURE - 3**.

12.2 SEALED BIDS SHALL BE DROPPED INTO A TENDER BOX KEPT IN THE OFFICE OF **AGM (MKTG)-ITD** BEFORE **15.00 HRS IST ON 25/05/2015.**

12.3 BIDS RECEIVED BY FAX/E-MAIL OR LATE BIDS OR BIDS WITH INADEQUATE DETAILS WILL NOT BE CONSIDERED.

12.4 THE TECHNICAL BIDS (PART-A & PART-B) WILL BE OPENED AT **15.30 HRS IST ON 25/05/2015.**

12.5 BIDS WITHOUT SUBMISSION OF EMD WILL NOT BE OPENED AND CONSIDERED FURTHER.

12.6 AFTER SCRUTINY OF THE TECHNO COMMERCIAL TERMS AND SEEKING CONFIRMATIONS FOR DELETING / WITHDRAWING DEVIATIONS, IF NECESSARY, PRICE BIDS OF BIDDERS WHOSE TECHNO-COMMERCIAL BIDS ARE ACCEPTABLE WILL ONLY BE OPENED AND CONSIDERED FURTHER.

12.7 THE PRICE BIDS (PART-C) WILL BE OPENED AT A LATER DATE WITH AN INTIMATION TO THE TECHNICALLY QUALIFIED BIDDERS.

12.8 WHEREVER A TENDERER IS PARTICIPATING IN THE CAPACITY OF AN AGENT, THE TENDERER ALONG WITH HIS TECHNO COMMERCIAL BID IN PART-B SHALL SUBMIT AN **AUTHORIZATION LETTER FROM HIS PRINCIPALS (IN ORIGINAL) AS PER ANNEXURE-4.** BIDS FROM AGENTS WITHOUT SUCH AUTHORIZATION LETTER FROM THEIR PRINCIPALS SHALL BE SUMMARILY REJECTED, IF THE TENDERER RESPONSE WITH A COPY OF THE AUTHORISATION LETTER, THE SAME SHALL BE ACCEPTED WITH A CONDITION THAT BEFORE SIGNING THE AGREEMENT ORIGINAL AUTHORISATION LETTER SHALL BE PRODUCED.

13.0 IN CASE THE CONTRACT IS AWARDED FOR A SPECIFIC COUNTRY/REGION, THE AWARDED MATERIAL MUST BE TAKEN ONLY TO THE COUNTRY/REGION SPECIFIED IN THE CONTRACT. IF THE MATERIAL IS DIVERTED BY THE PARTY TO ANY COUNTRY/REGION OTHER THAN THAT SPECIFIED IN THE CONTRACT, VSP MAY SUSPEND BUSINESS WITH THE PARTY FOR ONE YEAR.

14.0 VSP RESERVES THE RIGHT TO CANCEL OR ACCEPT OR REJECT ANY OR ALL BIDS OR TO APPORTION THE QUANTITIES IN ANY FORM WITHOUT ASSIGNING ANY REASON AND THE DECISION OF VSP IN THIS REGARD WILL BE FINAL AND BINDING.

15.0 **INTEGRITY PACT:** TENDERER IS REQUIRED TO UNCONDITIONALLY ACCEPT THE “INTEGRITY PACT” ENCLOSED TO THE TENDER DOCUMENT AND SHALL SUBMIT THE SAME DULY SIGNED ALONG WITH HIS OFFER. OFFER OF THE TENDERER RECEIVED WITHOUT INTEGRITY PACT DULY SIGNED, SHALL NOT BE CONSIDERED. PRESENTLY, SHRI V VELAYUTHAM, EX.DG(RD)&SS AND SHRI VENUGOPAL K. NAIR, RETIRED IPS HAVE BEEN APPOINTED AS EXTERNAL INDEPENDENT MONITORS (EIMS) FOR RINL.

16.0 **OPERATION OF RED CLAUSE IN THE CONTRACT:** NOTWITHSTANDING THE CLAUSE NO.6.8 OF STANDARD VSP FOB TERMS, THE SELLER RESERVES THE RIGHT FOR EXERCISING RED CLAUSE AND IT WILL BE PURELY AT THE SOLE DISCRETION OF THE SELLER WHETHER TO NEGOTIATE THE DOCUMENTS FOR PAYMENT OR NOT. INCASE OF NON-NEGOTIATION OF DOCUMENTS UNDER RED CLAUSE AND IF THE BUYER IS UNABLE TO PHYSICALLY LIFT THE MATERIALS BY THE DUE DATE OF DELIVERY AS PER THE CONTRACT, THE CONTRACT SHALL BE TREATED AS CANCELLED AFTER THE EXPIRY OF THE DELIVERY SCHEDULE.

17.0 DELAY CHARGES: IN CASE RED CLAUSE IS OPERATED, THE MATERIALS WILL THEREAFTER BE HELD IN THE CUSTODY OF THE SELLER AT THE RISK AND RESPONSIBILITY OF THE BUYER AT THE LOAD PORT. WHILE THE SELLER SHALL HOLD THE MATERIALS FREE OF DELAY CHARGES FOR A PERIOD OF 15 DAYS FROM THE DATE OF PAYMENT/NEGOTIATION, FOR DELAYS BEYOND 15 DAYS THE DELAY CHARGES SHALL BE RECOVERED FROM THE BUYER AS BELOW (DELAY TO BE COUNTED UPTO THE DATE OF ACCEPTANCE OF VESSEL'S NOR BY VSP AFTER IT CALLS AT THE LOAD PORT):

I) UPTO FIRST 30 DAYS @ USD 0.15 PMT PER DAY FOR THE UNSHIPPED QUANTITY.

II) FOR PERIOD ABOVE 30 DAYS @ USD 0.40 PMT PER DAY FOR THE UNSHIPPED QUANTITY.

THE BUYER SHALL SETTLE THE DELAY CHARGES WITHIN 15 DAYS FROM THE DATE OF LODGING CLAIM BY THE SELLER; ELSE THE AMOUNT SHALL BE RECOVERED FROM THE EMD/SECURITY DEPOSIT OR ANY OTHER AVAILABLE BALANCE LYING IN THE ACCOUNTS OF THE BUYER.

18.0 IN CASE RINL OFFERS AND H-1 TENDERER ACCEPTS TO TAKE ONE MORE ADDITIONAL CONSIGNMENT OF 30000 MT OF MATERIAL AT SAME APPROVED RATE AND MUTUALLY AGREED DELIVERY PERIOD, ONE MORE ADDITIONAL CONSIGNMENT SHALL BE OFFERED AT SAME APPROVED RATE TO H-1 TENDERER, SUBJECT TO AVAILABILITY OF MATERIAL (INCLUDING EXPECTED PRODUCTION).

19.0 RINL RESERVES THE RIGHT TO ACCEPT / REJECT THE OFFER WITHOUT ASSIGNING ANY REASON THEREOF.

AGM (MKTG)-ITD

Annexure – 1

PART – A (EMD)

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EMD SHALL BE SUBMITTED ALONG WITH THE BID OR BEFORE IN THE FORM OF D.D., B.G. OR BY T.T. REMITTANCE.

IF THE PAYMENT FOR EMD IS BY **TT**, REMITTANCE IS TO BE MADE EITHER TO **"STATE BANK OF INDIA"** OR **"STATE BANK OF HYDERABAD"** AS PER THE DETAILS GIVEN AT **CLAUSE NO.7.2.2.**

IF THE PAYMENT FOR EMD IS BY BANK GUARANTEE, THE BANK GUARANTEE SHOULD BE STRICTLY AS PER FORMAT GIVEN BELOW.

****

PROFORMA OF BANK GUARANTEE

To

Rashtriya Ispat Nigam Limited
Visakhapatnam Steel Plant
Administrative Building
Visakhapatnam - 530 031 (INDIA)

Bank Guarantee No. Dated:

LETTER OF GUARANTEE

WHEREAS Rashtriya Ispat Nigam Ltd., Visakhapatnam Steel Plant (hereinafter referred to as RINL) have invited Tender vide Tender No. **EXPT/2015-16/PI/NIT 05 DATED 05/05/2015** (hereinafter referred to as the said Invitation to Tender) for export of Pig Iron AND WHEREAS the said Invitation to Tender requires that any eligible tenderer wishing to make an offer in response thereto, shall establish an irrevocable EMD in favour of RINL in the form of Bank Guarantee, for a fixed amount of **USD 76,500 or Rs.48.56 Lakhs** valid up to **24TH NOVEMBER 2015** as guarantee and that the tenderer:

a) shall keep his offer firm and valid for acceptance by RINL up to **01/06/2015** or as extended with mutual agreement between RINL and the tenderer.

b) shall in the event of the offer being accepted by RINL, establish a Letter of Credit in favour of RINL, in the form indicated in the said Invitation to Tender covering full value of the quantity of Pig Iron at the price and on the terms accepted by RINL, within 7 (SEVEN) international banking days from the date of the Acceptance to Tender.

c) shall further arrange to lift the confirmed quantities as per the Letter of Credit by the last date of

shipment indicated in the Letter of Credit.

d) shall remit the despatch amounts payable, if any, within the time specified in the terms and conditions of contract.

e) **shall remit the delay charges payable, if any, within the time specified in the terms and conditions of contract**.

(f) **shall remit the interest charges payable as charged by the negotiating bank if any, for the delay in realization of letter of credit claims within 15 days from the date of lodging of claim**.

AND WHEREAS

M/s …….(hereinafter referred to as the said Tenderer) wish to make an offer in response to the said Invitation to Tender for the purchase of Pig Iron on the basis of FOBST, Visakhapatnam.

NOW THIS BANK HEREBY GUARANTEES that in the event of the said Tenderer failing to abide by any of the conditions referred to in any of the preceding paragraphs, this Bank shall pay (through the ……..Branch of this Bank at Visakhapatnam) to Rashtriya Ispat Nigam Ltd., Visakhapatnam Steel Plant, Visakhapatnam, INDIA on demand and without protest or demur US $ ……. (US Dollars ……..) . This Bank further agrees that the decision of RINL as to whether the said Tenderer has committed a breach of any of the conditions referred to in the preceding paragraphs, shall be final and binding.

THIS BANK FURTHER undertakes that this Guarantee shall remain irrevocably valid and in force up to **24/11/2015.**

For and on behalf of
Signature
(Name of the duly constituted attorney and Authorized signatory)
Designation:
Name and Address of the Bank

Annexure – 2

PART – B (TECHNICAL BID)

Product : Pig Iron

Grade : Basic Grade (Chemistry as per the NIT)

Destination :
(Please refer clause 1.4 & 13 of NIT)

Tendered Quantity (MT) : 30,000 MT (+/-10%)

Quoted Quantity (MT) : _____ MT (***)
(**Including Tolerance**)

*** REFER CLAUSE NO.2.3 OF NIT.

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Validity: Our offer is valid up to 01/06/2015.

We hereby confirm and declare that all the terms and conditions of Tender No. EXPT/2015-16/PI/NIT 05, Dated 05/05/2015 and Standard terms and conditions of VSP vide Ref No. VSP/EXP/FOB/REV DT.03RD MAY, 2010 are acceptable to us. Signed NIT terms and Standard Terms and Conditions are also enclosed.

Station : Signature of the Tenderer /

Date : Authorised Representative

Annexure - 3

PART – C (PRICE BID)

PRICE (IN FIGURES): USD_____PMT FOB ST VISAKHAPATNAM PORT / GANGAVARAM PORT *.

PRICE (IN WORDS): USD _____PMT FOB ST VISAKHAPATNAM PORT / GANGAVARAM PORT *.

(Quantity & other details shall be as per Technical Bids)

*** Please specify the Load Port along with the price**

Note : RINL reserves the right to accept / reject the offer without assigning any reason thereof.

Station :
Date :

Signature of the Tenderer /
Authorized Representative

Annexure – 4

FORMAT FOR AUTHORISATION LETTER TO BE SUBMITTED BY THE PRINCIPALS ON LETTER HEAD (IN ORIGINAL)

Ref. No.: Date:

To

Asst. General Manager (Marketing)-ITD
Rashtriya Ispat Nigam Ltd. (VSP),
VISAKHAPATNAM -530 031.

Dear Sir,

Sub: Authorization to Agent for submission / participation in Tender –Reg.
Ref: VSP Notice Inviting Tender No: EXPT/2015-16/PI/NIT 05 Dated 05/05/2015

This is with reference to clause no.12.8 of your Notice Inviting Tender (NIT) bearing No. EXPT/2015-16/PI/NIT 05 Dated 05/05/2015 regarding authorization.

In this connection, we M/s _____ (name & Address) as Principal, hereby appoint / authorize M/s _____ (name & Address), as an Agency on behalf of us to quote/submit/participate in the above referred tender bearing No. EXPT/2015-16/PI/NIT 05 Dated 05/05/2015. Further, our agent will enter/ sign the contract with VSP on acceptance of our tender. The agent is also authorized to collect the EMD refund on our behalf. We hereby undertake that we as a Principal hold full responsibility for all acts/ deeds of M/s_____ in connection with this tender.

Thanking you.

Yours faithfully,
(Signature & Seal of the Authorized signatory of the Principal)

Annexure - 5

DECLARATION

Ref. No.: Date:

To

Asst. General Manager (Marketing)-ITD
Rashtriya Ispat Nigam Ltd. (VSP),
VISAKHAPATNAM -530 031.

Dear Sir,

We hereby declare that we are not under any economic sanctions imposed by USA, EU or UN and also we will not have any links with the states Cuba, Sudan, Iran etc., if any, is mentioned in the L/C.

Station: Signature of the Tenderer /
Date: Authorized Representative

INTEGRITY PACT

Rashtriya Ispat Nigam Limited (RINL) 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, a contract for **Export Sales of Pig Iron against NIT No.** EXPT/2015-16/PI/NIT 05 Dated 05/05/2015**.** 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).

The Principal will nominate an Independent External Monitor(s) (IEM(s)) by name at the tender stage/will appoint in case of receipt of any reference, from the panel of IEMs, for monitoring the tender process and the execution of the contract in order to ensure compliance with the Integrity Pact by all the parties concerned.

Section 1 – Commitments of the Principal:

(1) The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles:-

(a) No employee of the Principal, personally or through family members, will in connection with the tender for, or the execution of a contract, demand, take a promise for or accept, for self or for third person, any material or non material benefit which the person is not legally entitled to.

(b) The Principal will, during the tender process treat all bidders with equity and reason. The Principal will in particular, before and during the tender process, provide to all Bidders the same information and will not provide to any Bidder 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 Chief Vigilance Officer of RINL and in addition can initiate disciplinary action.

Section 2 – Commitments of the Bidder(s)/contractor(s) :

(1) The Bidder(s)/ Contractor(s) commits to take all measures necessary to prevent corruption. He commits to observe the following principles during his participation in the tender process and during the contract execution.

(a) The Bidder(s)/Contractor(s) will not, directly or through any other person or firm, offer, promise or give to any of the Principal's employees involved in the tender process or the execution of the contract or to any third person any material or other benefit which he/she is not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract or to vitiate the Principal's tender process or contract execution.

(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 or to vitiate the Principal's tender process or execution of the contract.

(c) The Bidder(s)/Contractor(s) will not commit any offence under the 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)/Contractor(s) of foreign origin shall disclose the name and address of the Agent(s)/representative(s) in India, if any. Similarly the Bidder(s)/Contractor(s) of Indian Nationality shall furnish the name and address of e foreign supplier/contract Agency, if any. Further details, as mentioned in the *Guidelines on Indian Agents of Foreign "Suppliers/contract agencies"*, shall be disclosed by the Bidder(s)/Contractor(s) wherever applicable. Further, as mentioned in the Guidelines, all the payments made to the Indian agent(s)/representative(s) have to be in Indian Rupees only.

Copy of the *Guidelines on Indian Agents of Foreign "Suppliers/contract agencies"* is enclosed.

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

(2) The Bidder(s)/Contractor(s) will not instigate third persons to commit offences outlined above or be an accessory to such offences.

Section 3 – Disqualification from tender process and exclusion from future contracts:

(1) A transgression is considered to have occurred, if the principal after due consideration of the available evidence, concludes that a reasonable doubt is possible.

(2) If the Bidder(s)/Contractor(s), before award of contract or after award of contract has committed a transgression through a violation of *Section 2* above or in any other form such as to put his reliability or credibility in question, the Principal is entitled to disqualify the Bidder(s) from the tender process or to terminate the contract, if already awarded, for that reason, without prejudice to other remedies available to the Principal under the relevant GCC of the tender/contract.

(3) If the bidder/Contractor has committed a transgression through a violation of any of the terms under *Section 2* above or in any other form such as to put his reliability or credibility into question, the Principal is entitled also to exclude the bidder / Contractor from future tenders/Contract award processes. The imposition and duration of the exclusion will be determined by the principal keeping in view the severity of the transgression. The severity will be determined by the circumstances of the case, in particular the number of transgressions, the position of the transgressors within the company hierarchy of the bidder /Contractor and the amount of the damage.

(4) If it is observed after payment of final bill but before the expiry of validity of Integrity pact that the contractor has committed a transgression through a violation of any of the terms under *Section 2* above during the execution of contract, the Principal is entitled to exclude the Contractor from future tenders/Contract award processes.

(5) The exclusion will be imposed for a minimum period of six (6) months and a maximum period of three (3) years.

(6) If the bidder / Contractor can prove that he has restored/ recouped the damage to the principal caused by him and has installed a suitable corruption prevention system, the Principal may revoke the exclusion before the expiry of the period of such exclusion**.**

Section 4 – Compensation for Damages:

(1) If the Principal has disqualified the bidder from the tender process prior to the award in accordance with *Section 3* above, the Earnest Money Deposit (EMD)/Bid security furnished, if any, along with the offer as per the terms of the Invitation to Tender (ITT) shall be forfeited. This is apart from the disqualification of the Bidder as may be imposed by the Principal as brought out at *Section 3* above

(2) If the Principal has terminated the Contract in accordance with *Section 3 above*, or if the Principal is entitled to terminate the Contract in accordance with Section 3 above, the Security Deposit/performance bank guarantee furnished by the contractor, if any, as per the terms of the ITT/Contract shall be forfeited without prejudicing the rights and remedies available to the principal under the relevant General conditions of contract. This is apart from the disqualification of the Bidder, as may be imposed by the Principal, as brought out at *Section 3* above.

Section 5 – Previous transgressions:

(1) The Bidder declares that, to the best of his knowledge, no previous transgression occurred in the last five (05) years with any Company or Organization or Institution in any country or with any Government in any country conforming to the anti-corruption approach 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. The contract, if already awarded, can be terminated for such reason.

Section 6 – Equal treatment of all Bidders / Contractors / Subcontractors:

(1) The Bidder(s)/Contractor(s) undertakes to demand from all his subcontractors a commitment in conformity with this Integrity Pact, and to submit it to the Principal before seeking permission for such subcontracting.

(2) The Principal will enter into agreements with identical conditions as this one with all Bidders and Contractors.

(3) The Principal will disqualify from the tender process all bidders who do not sign this Pact or violate its provisions.

Section 7 – Criminal charges against violating Bidder(s) /Contractor(s)/ sub-contractor(s):

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

Section 8 – Independent External Monitor(s)(IEM(s)):

(1) The Principal appoints competent and credible Independent External Monitor(s) with clearance from Central Vigilance Commission & Transparency International (India). The IEM(s) reviews independently, the cases referred to him/them to assess whether and to what extent the parties concerned comply with the obligations under this Integrity Pact,

(2) In case of noncompliance of the provisions of the Integrity pact, the complaint/noncompliance is to be lodged by the aggrieved party with the Nodal Officer only

appointed by CMD/RINL. The Nodal Officer shall refer the complaint / non compliance so received by him to the IEM, already appointed or to be appointed for that case.

(3) The IEM is not subject to instructions by both the parties and performs his functions neutrally and independently. The IEM(s) will submit report to the CMD, RINL.

(4) The Bidder(s)/Contractors(s) accepts that the IEM has the right to access without restriction, to all tender/contract documentation of the Principal including that provided by the Bidder/Contractor. The Bidder/Contractor will also grant the IEM upon his request and demonstration of a valid interest, unrestricted and unconditional access to his tender/contract documentation. The same is applicable to Subcontractors also. The IEM is under contractual obligation to treat the information and documents of the Bidder(s)/ Contractor(s)/Subcontractor(s) with confidentiality.

(5) The Principal will provide to the IEM sufficient information about all meetings among the parties related to the tender/contract for the cases referred to IEM, provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the IEM the option to participate in such meetings.

(6) As soon as the IEM notices, or believes to notice, a violation of this pact, he will so inform the Principal and request the Principal to discontinue or take corrective action or to take other relevant action. The IEM can in this regard submit non binding recommendations. Beyond this, the IEM has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.

(7) The IEM will submit a written report to the CMD, RINL within four (04) to six (06) weeks from the date of reference or intimation to him by the Principal and, should the occasion arise, submit proposals for corrective actions for the violations or the breaches of the provisions of the agreement noticed by the IEM.

(8) IEM may also submit a report directly to the CVO of RINL and the Central Vigilance Commission, in case of suspicion of serious irregularities attracting provisions of the IPC/ PC Act.

(9) Expenses of IEM shall be borne by RINL/VSP as per terms of appointment of IEMs.

(10) The word **'Monitor'** means Independent External Monitor and would include both singular and plural.

Section 9 – Duration of the Integrity Pact:

(1) This Pact comes into force upon signing by both the Principal and the Bidder/Contractor. It expires for the Contractor twelve (12) months after the last payment under the contract, and for all unsuccessful Bidders, six (06) months after the contract has been awarded and accordingly for the Principal after the expiry of respective periods stated above.

(2) If any claim is made/ lodged during the valid period of the IP, the same shall be binding and continue to be valid even after the lapse of this pact as specified above, unless it is discharged/determined by CMD of RINL.

Section 10 – Other provisions:

(1) This agreement is subject to Indian Law. Place of performance and jurisdiction is the Registered Office of the principal, i.e. Visakhapatnam, State of Andhra Pradesh, India.

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

(3) If the Contractor is a partnership firm/ consortium, this agreement must be signed by all partners/ consortium members, or their Authorized Representative(s) by duly furnishing Authorization to sign Integrity Pact.

(4) Should one or several provisions of this agreement turnout to be invalid, the remaining part of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intentions.

(5) Wherever he or his is indicated in the above sections, the same may be read as he/she or his/her, as the case may be.

_____ _____

(For & On behalf of the Principal) **(For & On behalf of Bidder/ Contractor)**

(Office Seal) **(Office Seal)**

Place ----------
Date ----------

Witness 1:
(Name & Address)

_____
_____
_____

Witness 2:
(Name & Address)

_____
_____
_____

GUIDELINES FOR INDIAN AGENTS OF

FOREIGN "SUPPLIERS/CONTRACT AGENCIES"

1.0 There shall be compulsory registration of Indian Agents of foreign suppliers/contract Agencies with RINL in respect of all Global (Open) Tenders and Limited Tenders. An agent who is not registered with RINL shall apply for registration in the prescribed Application Form.

1.1 Registered agent needs to submit before the placement of order by RINL, an Original certificate issued by his foreign supplier/ contract Agency (or an authenticated Photostat copy of the above certificate duly attested by a Notary Public) confirming the agency agreement and giving the status being enjoyed by the agent along with the details of the commission/remuneration/salary/retainer being paid by them to the agent(s).

1.2 Wherever the Indian representative has communicated on behalf of their foreign supplier/contract Agency and/or the foreign supplier/contract Agency have stated that they are not paying any commission to their Indian agent(s) but paying salary or retainer, a written declaration to this effect given by the foreign supplier/contract Agency should be submitted before finalizing the contract.

2.0 DISCLOSURE OF PARTICULARS OF AGENT(S)/REPRESENTATIVE(S) IN INDIA, IF ANY:

2.1 *Bidders of Foreign nationality shall furnish the following details in their quotation/bid*:

2.1.1 The name and address of their agent(s)/representative(s) in India, if any, and the extent of authorization and authority given to them to commit them. In case the agent(s)/representative(s) is a foreign Company, it shall be confirmed whether it is a really substantial Company and details of the company shall be furnished.

2.1.2 The amount of commission/remuneration included in the quoted price(s) for such agent(s)/representative(s) in India.

2.1.3 Confirmation of the Bidder that the commission/remuneration if any, payable to his agent(s)/representative(s) in India, may be paid by RINL in Indian Rupees only.

3.0 DISCLOSURE BY INDIAN AGENT(S) OF PARTICULARS OF THEIR FOREIGN SUPPLIER/CONTRACT AGENCY AND FURNISHING OF REQUISITE INFORMATION:

3.1 ***Bidders of Indian Nationality shall furnish the following details/certificates in/alongwith their offers***:

3.1.1 The name and address of foreign supplier/contract agency indicating their nationality as well as their status, i.e., manufacturer or agent of manufacturer holding the Letter of Authority.

3.1.2 Specific Authorization letter by the foreign supplier/contract agency authorizing the agent to make an offer in India in response to tender either directly or through their agent(s)/representative(s).

3.1.3 The amount of commission/remuneration included for bidder in the price (s) quoted

3.1.4 Confirmation of the foreign supplier/contract Agency of the Bidder, that the commission/remuneration, if any, reserved for the Bidder in the quoted price (s), may be paid by RINL in India in equivalent Indian Rupees.

4.0 In either case, in the event of materialization of contract, the terms of payment will provide for payment of the commission/remuneration payable, if any, to the agent(s)/representative(s) in India in Indian Rupees, as per terms of the contract.

4.1 Failure to furnish correct information in detail, as called for in para 2.0 and/or 3.0 above will render the bid concerned liable for rejection or in the event of materialization of contract; the same is liable for termination by RINL. Besides this, other actions like banning business dealings with RINL, payment of a named sum etc., may also follow.

Note : The following persons have been appointed as Independent External Monitor(IEM) to oversee the implementation of 'Integrity Pact' in RINL.

1. **Sri V Velayutham, Ex.DG (RD)&SS]** (for details please see our website
2. **Sri Venugopal K Nair, IPS retired]** www.vizagsteel.com)

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RINL VIGILANCE - TOLL FREE NO. 1800 425 8878