

**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 STEEL PRODUCTS TO NEPAL.

M/S RASHTRIYA ISPAT NIGAM LTD (VSP) INVITES SEALED OFFERS FOR EXPORT SALE OF ONE RAKE OR MULTIPLES OF ONE RAKE AND LIMITED TO MAXIMUM 6 RAKES OF BILLETS (+/-10%), TO NEPAL. THE DETAILS ARE AS FOLLOWS:

1.0 PRODUCTS WITH SPECIFICATION & QUANTITIES OFFERED:

Product	Size (MM)	Grade	Destination	Minimum Qty/One rake (MT)	Remarks
MMSM Billets	65x65 / 75x75 / 90x90	IS 2830 / IS 2830 C20MMn	Nepal	2,750 +/- 10%	Minimum 1 rake or multiples of 1 rake and limited to max 6 rakes

DESTINATION: NEPAL

2.0 QUANTITY:

2.1 OFFERED UNDER THIS TENDER: MINIMUM ONE RAKE OR MULTIPLES OF ONE RAKE AND LIMITED TO MAXIMUM 6 RAKES FOR BILLETS. QUANTITY VARIATION IS +/-10%.

2.2 OFFERS WITH QUANTITIES LESS THAN ONE RAKE (+/-10%) MT WILL BE OUTRIGHTLY REJECTED AND WILL NOT BE CONSIDERED / ACCEPTED AT ALL.

2.3 ADDITIONAL ONE RAKE OVER THE QUOTED QUANTITY MAY BE OFFERED AT SELLER'S OPTION AT TENDER PRICE.

3.0 DELIVERY:

3.1 DELIVERY SCHEDULE: THE LAST DATE OF DELIVERY SHALL BE 23/06/2016. MATERIAL ALLOCATION SHALL BE SUBJECT TO AVAILABILITY OF MATERIAL.

3.2 DELIVERY BASIS: EX-PLANT, VISAKHAPATNAM.

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. **LC SHALL BE OPENED WITHIN 7 (SEVEN) INTERNATIONAL BANKING DAYS**, AS PER OUR TERMS AND CONDITIONS, FROM THE DATE OF SALE CONFIRMATION.

5.0 VALIDITY: OFFER SHALL BE VALID UPTO **16/05/2016**.

6.0 WEIGHMENT & TEST CERTIFICATE: WEIGHT CERTIFIED AT EX-PLANT, VISAKHAPATNAM BY VSP SHALL BE FINAL. TEST CERTIFICATE SHALL BE ISSUED BY RINL/VSP SHALL BE FINAL.

7.0 EARNEST MONEY DEPOSIT (E M D):

7.1 BIDDERS HAVE TO NECESSARILY SUBMIT EMD OF **RS. 5 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.

(OLD BALANCES AVAILABLE WITH RINL/VSP CANNOT BE CONSIDERED TOWARDS EMD)

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

FOR CREDIT OF	STATE BANK OF INDIA COMMERCIAL BRANCH, 1 ST FLOOR, BALAJI METRO, DNO. 43- 29-54/B, NARONA ROAD, CHAMBERS, DONDAPARTHY, VISAKHAPATNAM- 530016, AP, INDIA SWIFT CODE : SBININBB745 IFSC CODE : SBIN0014407 MICR CODE : 530002059 MC NO : 31563188242	
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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
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- 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 **08/11/2016**. 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:** 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 **16/05/2016** 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 MMSM BILLETS 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 LOADING INDICATED IN THE LETTER OF CREDIT.

- 7.7 EMD OF THE SUCCESSFUL 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 ACCOUNT 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. 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/EXPT/ DT.01/09/1998**, WHICH ARE AVAILABLE IN THE WEB PAGES AND CAN ALSO BE ACCESSED
- 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 EX-PLANT VISAKHAPATNAM ON DIRECT EXPORT BASIS FOR THE PRODUCTS AND SPECIFICATIONS INDICATED IN PARA 1.0 ABOVE.
- 11.2 CONFIRMATION REGARDING ACCEPTANCE OF THE NIT AND VSP'S STANDARD TERMS AND CONDITIONS VIDE REF NO: **VSP/EXPT DT.01/09/1998** SHALL BE GIVEN BY SIGNING AT ALL 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. MKTG/ITD/NEPAL/2016-17/ST/NIT 01 DATED 28/04/2016 FOR STEEL PRODUCTS.**", PART-A, PART-B AND PART-C SEPARATELY ADDRESSED TO "DGM (MKTG) - ITD, MARKETING DEPARTMENT, VISAKHAPATNAM STEEL PLANT, D-BLOCK, VISAKHAPATNAM, ANDHRA PRADESH, INDIA, PIN-530031, PH: 91-891- 2518226".
- 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 AND SEAL AFFIXED NIT TERMS AND STANDARD FOT TERMS AND CONDITIONS VIDE REF. NO. VSP/EXPT DT.01/09/1998.**
- 2) **AUTHORITY LETTER AS PER ANNEXURE – 4, IF APPLICABLE, SHALL ALSO BE ENCLOSED.**
- 3) **INTEGRITY PACT DULY SIGNED ON ALL PAGES.**

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 DGM (MKTG)-ITD BEFORE **15.00 HRS IST ON 09/05/2016.**
- 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 09/05/2016.**
- 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, i.e, NEPAL. 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 VENUGOPAL K NAIR, IAS (RETD.) AND SHRI SIVA PRASAD RAO, MD, SAIL (RETD.) HAVE BEEN APPOINTED AS EXTERNAL INDEPENDENT MONITORS (EIMs) FOR RINL.
- 16.0** ADDITIONAL ONE RAKE OVER THE QUOTED QUANTITY SHALL BE OFFERED AT SELLER’S OPTION AT TENDER PRICE.
- 17.0** RINL RESERVES THE RIGHT TO ACCEPT / REJECT THE OFFER WITHOUT ASSIGNING ANY REASON THEREOF.

DGM (MKTG)-ITD

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 TO “**STATE BANK OF INDIA**” 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. **MKTG/ITD/NEPAL/2016-17/ST/NIT 01 DATED 28/04/2016** (hereinafter referred to as the said Invitation to Tender) for export of MMSM BILLETS 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 **Rs.5 Lakhs** valid up to **8TH NOVEMBER 2016** as guarantee and that the tenderer:

- a) shall keep his offer firm and valid for acceptance by RINL up to **16/05/2016** 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 Steel products 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 MMSM BILLETS on the basis of EX PLANT, 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 theBranch of this Bank at Visakhapatnam) to Rashtriya Ispat Nigam Ltd., Visakhapatnam Steel Plant, Visakhapatnam, INDIA on demand and without protest or demur INR (INR). 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 **08/11/2016**.

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

PART – A (TECHNICAL BID)

PROD.	SIZE (mm)	GRADE	DESTINATION	QUANTITY (MT)**	Name of Rly Siding *
1	2	3	4	5	6
Billets	65x65	IS2830 / IS 2830 C20 MMn	Nepal		
	75x75				
	90x90				

* Name of the Railway siding : **IDBR / Jogbani / Nautanwa**
(please specify the name of the siding)

** REFER CLAUSE NO.2.1 OF NIT.

Validity: Our offer is valid up to **16/05/2016**.

We hereby confirm and declare that all the terms and conditions of Tender No. **MKTG/ITD/NEPAL/2016-17ST/NIT 01 DATED 28/04/2016** and Standard terms and conditions of VSP vide Ref No. **VSP/EXPT/ dated 01/09/1998** are acceptable to us. Signed NIT Terms and Conditions are also enclosed.

Station :
Date :

Signature of the Tenderer /
Authorized Representative

PART – C (PRICE BID)

PROD.	SIZE (mm)	GRADE	FOT Ex-Plant Price in figures (USD/MT)	FOT Ex-Plant Price in words (USD/MT)
1	2	3	4	5
Billets	65x65	IS2830 / IS 2830 C 20 MMn		
	75x75			
	90x90			

Note :

- 1) Quantity & other details shall be as per Technical Bids)
- 2) Please quote for the grade you require and strike off the grade you are not quoting for. In case of non-striking of the grade, the quoted rates will be taken for base grade of IS 2830.
- 3) In case of Blooms and Billets in IS 2830 C20 MMn grade, USD 5 PMT will be charged extra over IS 2830.

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

Station :

Date :

Signature of the Tenderer /

Authorized Representative

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

Ref. No.:

Date:

To

Dy. 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: **MKTG/ITD/NEPAL/2016-17/ST/NIT 01
DATED 28/04/2016**

This is with reference to clause no.12.8 of your Notice Inviting Tender (NIT) bearing No. **MKTG/ITD/NEPAL/2016-17/ST/NIT 01 DATED 28/04/2016** 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. **MKTG/ITD/NEPAL/2016-17/ST/NIT 01 DATED 28/04/2016**. 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)

DECLARATION

Ref. No.:

Date:

To

Dy. 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:
Date:

Signature of the Tenderer /
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 Steel products against TENDER NOTICE NO. MKTG/ITD/NEPAL/2016-17/ST/NIT 01 DATED 28/04/2016**. 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 a 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)/ subcontractor(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 alongwith 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 RI NL 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 Monitors (IEMs) to oversee the implementation of 'Integrity Pact' in RINL.

1. **Sri Venugopal K Nair, IPS retired**] (for details please see our website
2. **Sri Siva Prasad Rao, MD, SAIL retired**] www.vizagsteel.com)

RINL VIGILANCE - TOLL FREE NO. 1800 425 8878

FORMAT FOR LETTER OF CREDIT

FROM: _____(NAME & ADDRESS OF THE LC OPENING BANK)

TO: STATE BANK OF INDIA, STEEL PROJECT BRANCH, VISAKHAPATNAM 530 031, INDIA, TELEX NO.0495-453 SBSP IN/0495-518 SWAT IN; SBININBB145

OR

STATE BANK OF INDIA, COMMERCIAL BRANCH, VISAKHAPATNAM, IFSC : SBIN0014407, TEL: 0891-2555553, SWIFT CODE – SBININBB745

OR

STATE BANK OF HYDERABAD, STEEL TOWNSHIP BRANCH, VISAKHAPATNAM IFSC : SBNY0000536; TLX/FAX : 0891-2518413; SWIFT CODE:SBHYINBB013

LC APPLICANT : (NAME & ADDRESS OF THE LC OPENER)

.....

BENEFICIARY: RASHTRIYA ISPAT NIGAM LIMITED, VISAKHAPATNAM STEEL PLANT, ADMINISTRATIVE BUILDING, VISAKHAPATNAM - 530 031, INDIA.

WE HAVE OPENED OUR IRREVOCABLE WITHOUT RECOURSE TO DRAWER LETTER OF CREDIT NO..... DATED..... FOR THE SUM NOT EXCEEDING US\$.....(US DOLLAR.....) PAYABLE AT SIGHT AT THE COUNTERS OF THE NEGOTIATING BANK IN VISAKHAPATNAM AGAINST PRESENTATION OF BENEFICIARY'S DRAFT DRAWN ON OURSELVES FOR 100 PERCENT VALUE OF INVOICE ACCOMPANIED BY THE FOLLOWING DOCUMENTS:

1. COMMERCIAL INVOICE

ONE ORIGINAL PLUS THREE SIGNED COPIES COVERING MATERIAL SHIPPED.
2. CONSIGNEE'S COPY OF ROAD CONSIGNMENT NOTE CONSIGNED TO ORDER OF THE BENEFICIARY AND BLANK ENDORSED MARKED "FREIGHT TO PAY" EVIDENCING SHIPMENT FROM VISAKHAPATNAM, INDIA TO.....NOTIFYING.....
3. PACKING LIST - IN DUPLICATE.

- 4. CERTIFICATE OF ORIGIN ISSUED BY SELLER.
- 5. COPY OF BILL OF EXPORT MENTIONING AR4 NO. OR NEPAL INVOICE NO. AND DATE.
.....

DESCRIPTION OF THE MATERIAL, QUALITY, PACKING & MARKING

QUANTITY :

UNIT PRICE : USD..... PMT EXW VISAKHAPATNAM

SHIPMENT FROM : VISAKHAPATNAM, INDIA.

SHIPMENT TO :

LATEST SHIPMENT DATE :

L/C EXPIRY DATE :

PLACE OF LC EXPIRY : INDIA

PARTIAL SHIPMENTS : PERMITTED
.....

SPECIAL CONDITIONS:

- 1. FREIGHT SHALL BE SETTLED BY THE LC APPLICANT OUTSIDE OF THIS LETTER OF CREDIT.
- 2. INSURANCE, IF REQUIRED, TO BE COVERED BY THE LC APPLICANT.
- 3. ALL BANK CHARGES INCLUDING OPENING OF LETTER OF CREDIT INCURRED OUTSIDE INDIA SHALL BE BORNE AND PAID FOR BY THE LC APPLICANT. ALL BANK CHARGES INCURRED IN INDIA SHALL BE BORNE AND PAID FOR BY THE BENEFICIARY.
AS AFORESAID AND SUBJECT TO SUCH VESSEL ARRIVING AT VISAKHAPATNAM PORT WITHIN THE AGREED LAYDAYS, THE BENEFICIARY.
- 4. THIS LC CAN BE CONFIRMED BY ANY BANK IN INDIA, IF REQUESTED BY THE BENEFICIARY, AND SUCH CONFIRMATION CHARGES ARE TO THE ACCOUNT OF BENEFICIARY.
- 5. TOLERANCE OF +/-10% (PERCENT) ON CREDIT AMOUNT AND QUANTITY IS ACCEPTABLE. ALL SPELLING MISTAKES AND TYPOGRAPHICAL ERRORS AND MISTAKES ARE ACCEPTABLE PROVIDED THAT THEY DONOT ALTER THE MEANING DESCRIPTION, SPECIFICATION, VALUE AND TERMS OF LC. QUANTITY MENTIONED IN RAILWAY RECEIPT MAY DIFFER FROM OTHER SHIPPING DOCUMENTS. COMMERCIAL INVOICE SHALL BE GENERATED AS

PER THE QUANTITY MENTIONED IN ARE-1 AND ARE-1 QUANTITY SHALL BE CONSIDERED FOR NEGOTIATION.

6. THIS CREDIT IS AVAILABLE WITH ANY BANK IN INDIA FOR NEGOTIATION AND PAYMENT.
7. THIRD PARTY DOCUMENTS ARE ACCEPTABLE.
8. DOCUMENTS TO BE PRESENTED FOR NEGOTIATION WITHIN 21 DAYS AFTER THE DATE OF ISSUANCE OF SHIPPING DOCUMENTS BUT WITHIN THE VALIDITY OF THIS CREDIT.
9. WE HEREBY AGREE WITH BENEFICIARY AND THE NEGOTIATING BANK THAT ALL DRAFTS DRAWN BY THE BENEFICIARY UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS CREDIT WILL BE DULY HONOURED BY US AS PER REIMBURSEMENT INSTRUCTIONS APPEARING HEREIN BELOW:

REIMBURSEMENT INSTRUCTIONS:

UPON PRESENTATION OF DOCUMENTS COMPLYING IN ALL RESPECTS TO LETTER OF CREDIT TERMS (THIS WILL INCLUDE NEGOTIATION OF DOCUMENTS UNDER THE PROVISIONS OF CONDITION NO.4 OF SPECIAL CONDITIONS OF THIS CREDIT IF SUCH AN EVENTUALITY HAS ARISEN) THE NEGOTIATING BANK IS AUTHORISED TO CLAIM ON US BY TESTED TELEX CERTIFYING THAT ALL TERMS AND CONDITIONS HAVE BEEN COMPLIED WITH AND THAT THE RELATIVE DOCUMENTS HAVE BEEN FORWARDED TO US BY COURIER AND/OR REGISTERED AIRMAIL, WE UNDERTAKE TO REMIT WITHIN TWO WORKING DAYS AFTER RECEIPT BY US OF YOUR TESTED TELEX CLAIM IN US DOLLARS IN ACCORDANCE WITH THE NEGOTIATING BANK'S INSTRUCTIONS. IN CASE OF ANY DELAY IN REMITTANCE, INTEREST CHARGED BY NEGOTIATING BANK SHALL BE PAID BY US.

THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION) INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500. THIS TELEX IS OPERATIVE INSTRUMENT AND NO MAIL CONFIRMATION WILL FOLLOW.

END OF LETTER OF CREDIT FORMAT

Ref: VSP/EXPT Dt. 1st SEP 1998

**TERMS AND CONDITIONS FOR AGREEMENT FOR SALE BY VSP FOR
EXPORTS OF IRON AND STEEL PRODUCTS ON EXW BASIS**

1. Rashtriya Ispat Nigam Limited, Visakhapatnam Steel Plant, a Company incorporated in India under the Companies Act, 1956 having its registered office at Administrative Building, Visakhapatnam Steel Plant, Visakhapatnam 530 031 hereinafter referred to as SELLER (which term or expression unless excluded by or repugnant to the context shall include its successor and permitted assignee) is the SELLER.
- 1.1 The SELLER is an independent legal entity with power and authority to enter into contracts solely in its own behalf under applicable laws of India and general principles of contract Laws. Government of India is not a party to any agreement as per these terms and conditions and is not and shall not be liable for any acts, omissions, commissions, breaches or other wrongs arising out of any agreement as per these terms and conditions and the BUYER shall waive, release and forego any and all actions for claims including loss claims, impleads claims or counter claims against Government of India arising out of this contract and shall not sue the Government of India as to any manner, cause of action or thing whatsoever arising of or under this agreement.
2. The Person/Company/Firm identified as BUYER in the agreement including his/its successor/permitted assignee shall be hereinafter referred to as BUYER.
- 2.1 The obligations in the agreement are between BUYER and SELLER and unless otherwise agreed any BUYER's representative in India is not liable or obliged by/to SELLER under any agreement as per these terms and conditions except that any communication to/from such representative shall be deemed to be to/from BUYER.
3. **PRICE BASIS :**
- 3.1 Unless otherwise agreed, price of the material shall be free on truck Ex-Visakhapatnam Steel Plant, Visakhapatnam, India.
- 3.2 The BUYER shall arrange at his own cost and expense to provide materials including dunnaging required for loading and securing of the material on the trucks/trailors nominated by BUYER and accepted by SELLER for delivery as per clause 5, herein below. Labour charges involved in the work of loading of the materials shall be borne by SELLER.
- 3.3 SELLER shall under no circumstances be liable for any costs / charges / liabilities/insurance/freight/taxes or duties/levies/fees whatsoever nature, including by reason of importation of the material in the country of import, arising subsequent to the delivery of the materials as per the agreement on the basis of EXW.
4. **MATERIAL & QUANTITY :**
- 4.1 Subject to these terms and conditions (and expressly agreed deviations/deletions / additions if any), the SELLER is obliged to sell material of technical specifications as agreed and the BUYER is obliged to buy the same.
- 4.2 Size-wise and specification wise break-up shall be as agreed. Unless otherwise agreed, SELLER has a right to sell/dispatch the material as per agreement with quantity variance of +/-10% on total quantity with +/-10% for each size and specification at SELLER's option with packing and marking as usually done by SELLER. Unless otherwise agreed, SELLER shall invoice on the basis of actual net weight. The weight (quantity) determined by the SELLER's weighbridge is final and no shortage claims will be entertained.
5. **DELIVERY:**

5.1 The SELLER shall deliver the materials free on trucks/trailors nominated by BUYER and accepted by the SELLER at Visakhapatnam Steel Plant, Visakhapatnam, India. Unless financial arrangement is made by the BUYER as per clause 6 below or otherwise as agreed by SELLER, the SELLER is not obliged to confirm delivery.

6. TERMS OF PAYMENT:

6.1 Unless agreed otherwise, financial arrangements shall be made within 7 days of acceptance of offer by the SELLER in USD by the BUYER in favour of SELLER by means of confirmed irrevocable without recourse to the drawer's Letter of Credit (LC), governed by Uniform Customs and Practices for Documentary Credits (as applicable on date of opening of LC conforming to SELLER's standard format), representing the value of the contract quantity of the materials with positive tolerance, on the basis of EXW, established through any first class International Bank in favour of Rashtriya Ispat Nigam Limited, Visakhapatnam Steel Plant, Visakhapatnam, India. The LC should be advised through

EITHER

OR

State Bank of India Steel Project Branch, Branch Code No.6318 TLX No.0495518SWAT IN SWIFT:SBININBBA145	State Bank of India Commercial Branch Visakhapatnam IFSC: SBIN0014407 <u>Tel:0891-2555553</u> Swift code - SBININBB745
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As per the negotiating documents negotiable at the counters of any branch or any Bank of India.

6.2 PAYMENT AGAINST LC:

6.2.1 The LC shall be available for payment of 100% of value of invoice (less if any advance is already paid by the BUYER), covering the material shipped against presentation of the SELLER drafts drawn at sight accompanied by following Bank documents.

- a) Road Consignment Note and/or Railway Receipt
- b) SELLER's Packing list
- c) SELLER's signed Commercial Invoices
- d) Copy of Bill of Export mentioning ARE1 No. or Nepal Invoice No.
- e) SELLER's Certificate of Origin

Note: ARE Quantity shall be considered for negotiation and Invoice. One copy each of the aforesaid documents shall be dispatched by Courier by the SELLER to the BUYER within 7 working days from the date of RCN date.

6.3 The LC should provide for shipment of materials with quantity tolerance as specified in clause 4 herein above or as otherwise agreed. It should be valid from date of opening upto date of shipment as per the agreement and 21 days beyond that for negotiations of documents.

6.4 All Bank and other charges incurred outside the territory of India shall be borne and paid for by the BUYER. LC confirmation charges, if required, shall be borne and paid for by the SELLER.

6.5 The financial arrangement required to be made by the BUYER shall be deemed to be made only on receipt of LC at the bank as specified in clause 6.1 above unless agreed otherwise. In case the financial arrangement is not

made by the BUYER within the agreed time, the SELLER may forfeit the Security Deposit submitted to the SELLER.

- 6.6 If any advance is made by the BUYER against any contract, in part or full, if the BUYER is not able to indicate size-wise break-up of the material atleast 4 weeks prior to the expiry of contractual delivery period.
- i) In case of fall in prices, the SELLER is entitled to recover difference in contract price and the weighted average price realized by SELLER for the deliveries made in the last month within the contract delivery period and return the balance to the BUYER without interest.
 - ii) The SELLER will return the advance without interest in case the weighted average prices realized for the last month of delivery as per contract is more than the contract price.

7. **RISK AND TITLE:**

- 7.1 Except in the case of negotiation of LC as per herein above, with respect to each shipment, the risk shall pass from the SELLER to the BUYER as soon as the materials cross the Plant premises at Visakhapatnam and the title to the materials shall pass from the SELLER to the BUYER only after the SELLER has negotiated the documents and has received payment of the full invoice value of the materials shipped from the negotiating bank.

8. **RIGHT OF TRANSFER:**

- 8.1 Neither the BUYER nor the SELLER shall be entitled to assign or transfer contract resulting from this Agreement except to its successor or to the transferee of all or substantially all of its assets, and in the case of any such assignment or transfer, the contract shall be binding upon and shall insure to the benefit of such successor or transferee.

9. **FORCE MAJEURE:**

- 9.1 If the SELLER and/or the BUYER be prevented from discharging its or their obligation under this agreement by reasons of arrests or restraints of privacy of rules, Government or people, War, Blockade, Revolution, Insurrection, Mobilisation, Strikes, Riots, Civil Commotions, Lockouts, Accidents, Acts of God, plague, or other epidemics, destruction of the materials by fire or flood or other natural calamity or on account of any other cause interfering with the production and/ or delivery of the materials as herein above contemplated, the time for delivery shall be postponed by the time or time during which production and/or delivery is prevented by any such causes as herein above mentioned, provided that in the event of such delay exceeding ninety days, the party other than the party which invokes the force majeure may at their option, cancel this agreement by Notice in writing to the other party in respect of the undelivered quantity of the materials without, however, any right against or being responsible to the other party for such cancellation. The party invoking force-majeure shall within 15 days of the occurrence of force-majeure causes, put the other party on notice supported by certificate from the Chamber of Commerce or concerned governmental authority and shall likewise intimate the cessation of such causes. If the force-majeure condition continues beyond a period of six months the SELLER or the BUYER may at his option cancel this agreement by notice in writing to other party in respect of the undelivered quantity of the materials without, however, any right against or being responsible to the other party for such cancellation.

10. **LEGAL INTERPRETATION:**

- 10.1 The contract of sale and purchase and these terms and conditions shall be governed and construed in accordance with the Laws of India for the time being in force. For all commercial terms and abbreviations used hereunder, which have not been otherwise defined, the rules of INCOTERMS 1953, latest revision, shall be applied.

11. SETTLEMENT OF DISPUTES:

- 11.1 All disputes of difference whatsoever between the parties hereto arising out of or relating to the construction, meaning or operation or effect of this contract or the breach thereof shall unless amicably settled between the parties hereto be settled by arbitration in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce (ICC), Paris, France, by a sole Arbitrator appointed by the Chairman of the Arbitral Tribunal of the Court of Arbitration of ICC and the Award made in pursuance thereof shall be binding on both the parties. The venue for the arbitration proceedings shall be Visakhapatnam, India.

12. JURISDICTION OF COURTS:

- 12.1 All disputes shall be subject to the jurisdiction of the competent courts of Visakhapatnam, India.

13. IMPORT / EXPORT LICENSE:

- 13.1 It shall be the responsibility of the SELLER to arrange export license, if any, required and it shall be the responsibility of the BUYER to arrange for the import license, if required, in the country into which the materials are intended to be imported.

14. MODIFICATIONS/WAIVERS:

- 14.1 No change in respect of these terms and conditions are valid unless the same is agreed to in writing by both the parties. All previous negotiations / understandings between parties are cancelled while entering into an agreement as per these terms and conditions. Failure to enforce any conditions hereunder contained shall neither be deemed as waiver of the conditions itself nor authorize any subsequent breach thereof.