

RASHTRIYA ISPAT NIGAM LIMITED

VISAKHAPATNAM STEEL PLANT

MARKETING - ITD SECTION

ADMINISTRATIVE BUILDING

VISAKHAPATNAM-530031

e-mail: rinlexp@vizagsteel.com, web site : www.vizagsteel.com

**SUB: OCEAN EXPORT TERMS & CONDITIONS OF E-TENDER FOR
IRON & STEEL PRODUCTS**

- 1.0 MATERIAL SPECIFICATIONS LIKE GRADE, SIZE, QUANTITY, DELIVERY SCHEDULE, TENDER SUBMISSION AND TERMS & CONDITIONS WILL BE GIVEN IN THE NIT, WHENEVER FLOATED.
- 2.0 **DELIVERY:** FOBST VISAKHAPATNAM PORT OR GANGAVARAM PORT ON DIRECT EXPORT BASIS.
- 3.0 **PAYMENT:** BY CONFIRMED, ON SIGHT, IRREVOCABLE WITHOUT RECOURSE TO 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 FROM THE DATE OF SALE CONFIRMATION AS PER OUR TERMS AND CONDITIONS. **L/C WITHOUT RED CLAUSE SHALL NOT BE ACCEPTED.**
- 4.0 **INSPECTION:**
 - 4.1 FOR STEEL : BY AN INDEPENDENT INSPECTION AGENCY AT SELLER'S COST.
 - 4.2 FOR PIG IRON : 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.
- 5.0 **CUTTING & BENDING CHARGES FOR STEEL :** NORMALLY BILLETS WILL BE SUPPLIED IN 12 MTR (+/-10%) LENGTHS. HOWEVER, FOR SPECIFIC REQUIREMENTS, THE SAME CAN BE SUPPLIED IN 6 MTR LENGTHS WITH ONE END GAS CUT. AN ADDITIONAL RATE OF **USD 3 (THREE) PER MT** WILL BE CHARGED EXTRA FOR SUPPLYING CUT LENGTHS OVER AND ABOVE THE ACCEPTED PRICES. ALSO, AN ADDITIONAL RATE OF **USD 3 (THREE) PER MT** TOWARDS BENDING WILL BE CHARGED FOR BENDING OVER AND ABOVE THE ACCEPTED PRICES.

6.0 DISTRIBUTION OF TENDERED QUANTITY.

6.1 APPLICABLE RATES WILL BE THE RATES OBTAINED AFTER NEGOTIATIONS WITH H-1 BIDDER ONLY.

6.2 MATERIAL WILL BE FIRST ALLOCATED TO H-1 BIDDER AS PER THEIR QUOTED QUANTITY. BALANCE TENDERED QUANTITY BEYOND THE QUANTITY QUOTED BY H-1 BIDDER WILL BE OFFERED TO H-2, H-3 CUSTOMERS (LIMITED TO THEIR RESPECTIVE QUOTED QUANTITIES) IN RESPECTIVE RANKINGS AT THE H-1 RATE SETTLED WITH THE H-1 BIDDER.

6.3 REMAINING TENDER QUANTITY IF ANY, WILL BE REDISTRIBUTED ONLY AMONG THE BIDDERS AS PER THEIR RESPECTIVE RANKINGS, i.e..H-1, H-2, H-3 AND SO ON, AT THE H-1 RATE SETTLED WITH THE H-1 BIDDER.

7.0 SECURITY DEPOSIT (S D): SECURITY DEPOSIT SHALL BE PAID FOR THE CONTRACTED QUANTITIES WITHIN 5 INTERNATIONAL WORKING DAYS FROM CONTRACT DATE.

7.1 STEEL : AT THE RATE OF USD 6 PMT

7.2 PIG IRON : AT THE RATE OF USD 2.55 PMT

7.3 MODE OF SUBMISSION OF SECURITY DEPOSIT

7.3.1 SECURITY DEPOSIT SHALL BE SUBMITTED WITHIN 5 INTERNATIONAL WORKING DAYS UPON FINALIZATION OF THE CONTRACT 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.

7.3.2 IF THE PAYMENT FOR SECURITY DEPOSIT 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: PNBPU3NNYC) VIA CHIPS ABA: 0509 FED ROUTING: 026005092
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 TEL NO.0891 2555587 / 86	A/C NO.2000193008205, STATE BANK OF HYDERABAD, STEEL TOWNSHIP BRANCH, VISAKHAPATNAM – 530032 SWIFT: SBHYINBB013
BENEFICIARY	A/C NO: 31563188242 RASHTRIYA ISPAT NIGAM LTD. VISAKHAPATNAM STEEL PLANT VISAKHAPATNAM	A/C NO. 52048996973, RASHTRIYA ISPAT NIGAM LTD. VISAKHAPATNAM STEEL PLANT VISAKHAPATNAM

- 7.3.3 WHERE THE SECURITY DEPOSIT IS SUBMITTED IN THE FORM OF **BG**, THE SAME SHALL BE AS PER THE ENCLOSED FORMAT AT ANNEXURE-1. 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. 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.
- 7.3.4 SECURITY DEPOSIT WILL NOT BE ACCEPTED IN THE FORM OF CHEQUES.
- 7.3.5 **CURRENCY OF SECURITY DEPOSIT:** US DOLLARS OR INDIAN RUPEES.
- 7.3.6 “SECURITY DEPOSIT OF THE SUCCESSFUL BIDDER SHALL BE KEPT 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, INTEREST CHARGES AND ON RECEIPT OF A PROOF OF DOCUMENT OF IMPORT AT DESTINATION PORT WHERE THE SUCCESSFUL BIDDER IS BUYING PRODUCTS WHICH ARE ELIGIBLE**

FOR BENEFITS UNDER MEIS SCHEME (AS PER DIRECTORATE GENERAL OF FOREIGN TRADE PUBLIC NOTICE NO.2/2015-20 APRIL 1, 2015), ETC., IF ANY. IN CASE THE SECURITY DEPOSIT IS SUBMITTED BY BG, THE SUCCESSFUL BIDDER SHALL ENSURE EXTENDING THE BG ACCORDINGLY.”

- 8.0 **IN CASE THE BIDDER/SUCCESSFUL BIDDER BACKS OUT WITHIN THE VALIDITY PERIOD THE BIDDER/SUCCESSFUL BIDDER SHALL BE BARRED FROM PARTICIPATION IN THE NEXT TWO EXPORT TENDERS OR SIX MONTHS FROM THE DATE OF TOD, WHICHEVER IS LATER. THE BIDDER NEEDS TO SUBMIT AN EMD FOR PARTICIPATING IN THE TENDERS FLOATED IN THE NEXT SIX MONTHS AFTER THE BARRING PERIOD IS COMPLETED.**
- 9.0 **BIDDER SHALL BE BARRED FROM BUSINESS FOR A PERIOD OF ONE YER WITHOUT REFERENCE, IF THE BIDDER/SUCCESSFUL BIDDER FAILS TO COMPLY WITH ANY OF THE FOLLOWING CONDITIONS:**
- 9.1 **IF THE BIDDER DOES NOT HONOR THE COMMITMENT TO SIGN THE CONTRACT AFTER AWARD OF THE CONTRACT, PROVIDE LETTER OF CREDIT IN TIME OR LIFT THE MATERIALS AS PER THE CONTRACT/MUTUALLY AGREED TERMS.**
- 9.2 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 STEEL AT THE PRICE AND ON THE TERMS ACCEPTED BY RINL, WITHIN **7 (SEVEN) INTERNATIONAL BANKING DAYS** FROM THE DATE OF THE ACCEPTANCE OF TENDER/ISSUANCE OF CONTRACT.
- 9.3 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.
- 9.4 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.
- 10.0 **CONTRACT:** CONTRACT CAN BE ENTERED INTO WITH THE BIDDER 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.
- 11.0 ALL OTHER TERMS WILL BE AS PER THE **STANDARD TERMS AND CONDITIONS OF VSP REF NO: VSP/EXP/FOB/REV DT.19/06/2015**, WHICH ARE AVAILABLE IN OUR WEBSITE.

- 12.0 **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.**
- 13.0 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 RINL/VSP IN THIS REGARD WILL BE FINAL AND BINDING.
- 14.0 **INTEGRITY PACT:** BIDDER 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 BIDDER RECEIVED WITHOUT INTEGRITY PACT DULY SIGNED, SHALL NOT BE CONSIDERED. PRESENTLY, SHRI VENUGOPAL K NAIR, IPS RETIRED AND SHRI SIVA PRASADA RAO, MD, SAIL RETIRED HAVE BEEN APPOINTED AS EXTERNAL INDEPENDENT MONITORS (EIMs) FOR RINL.
- 15.0 **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.
- 16.0 **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 30 DAYS FROM THE DATE OF PAYMENT/NEGOTIATION, FOR DELAYS BEYOND 30 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) FOR THE FIRST 30 DAYS FROM THE DATE OF PAYMENT / NEGOTIATION : NIL
 - II) FOR PERIOD BEYOND 30 DAYS @ USD 1.0 PMT PER WEEK OR PART THEREOF FOR THE UNSHIPED QUANTITY.

THE BUYER SHALL SETTLE THE DELAY CHARGES WITHIN 30 DAYS FROM THE DATE OF LODGING CLAIM BY THE SELLER; ELSE THE AMOUNT SHALL BE RECOVERED FROM THE SECURITY DEPOSIT OR ANY OTHER AVAILABLE BALANCE LYING IN THE ACCOUNTS OF THE BUYER.

- 17.0** THE CUSTOMER SHALL PAY SECURITY DEPOSIT AMOUNT AS PER CLAUSE NO.7.0 OF NIT IF THEY EMERGE AS SUCCESSFUL BIDDER IN THE TENDER WITHIN 5 INTERNATIONAL WORKING DAYS FROM THE DATE OF LOI IN THE FORM OF BG/DD/TT.
- 18.0** BIDDER SHALL SUBMIT DECLARATION AS MENTIONED IN THE FORMAT FURNISHED AT **ANNEXURE -2** AT THE TIME OF SUBMISSION OF TENDER.
- 19.0** IN CASES WHERE THE SUCCESSFUL BIDDER IS BUYING PRODUCTS WHICH ARE ELIGIBLE FOR BENEFITS UNDER MEIS SCHEME (AS PER DIRECTORATE GENERAL OF FOREIGN TRADE PUBLIC NOTICE NO.2/2015-20 APRIL 1, 2015), THE PROOF OF DOCUMENT OF IMPORT AT DESTINATION PORT (WITHOUT PRICE) AS ACCEPTABLE BY DGFT IS TO BE PRODUCED BY THE BUYER.

Annexure - 1**SECURITY DEPOSIT**

APPLICABLE UNIT SECURITY DEPOSIT RATES SHALL BE **USD 6 PMT IN CASE OF STEEL AND USD 2.55 PMT IN CASE OF PIG IRON.**

SECURITY DEPOSIT SHALL BE SUBMITTED WITHIN 5 INTERNATIONAL WORKING DAYS FROM THE DATE OF CONTRACT IN THE FORM OF D.D., B.G. OR BY T.T. REMITTANCE.

IF THE PAYMENT FOR SECURITY DEPOSIT 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.7.3.2.**

IF THE PAYMENT FOR SECURITY DEPOSIT 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 entered into contract vide contract No. **Dt.....** against Tender No. **VSP/MKTG/ITD/2017-18/..... dt.../.../2017** hereinafter referred to as the said Contract) for export of Pig Iron / Steel AND WHEREAS the said contract requires that the buyer shall establish an irrevocable Security Deposit in favour of RINL in the form of Bank Guarantee, for an amount of **USD or Rs..... lakhs** valid up to **six months from the date of issue of contract,** as guarantee and that the buyer:

- a) shall keep the BG extended with mutual agreement between RINL and the buyer.
- 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 FOB terms and conditions covering full value of the quantity of Steel at the price and on the terms accepted by RINL, within 7 (SEVEN) international banking days from the date of the issuance of contract.

- 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.
- (g) shall submit a proof of document of import at destination port (without price) in cases where the buyer is buying products which are eligible for benefits under MEIS scheme (as per Directorate General of Foreign Trade Public Notice No.2/2015-20 April 1, 2015).

AND WHEREAS

M/s(hereinafter referred to as the said Buyer) wish to enter into contract for the purchase of Steel on the basis of FOBST, Visakhapatnam. NOW THIS BANK HEREBY GUARANTEES that in the event of the said buyer 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 US \$ (US Dollars). This Bank further agrees that the decision of RINL as to whether the said buyer 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

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

Annexure -2

DECLARATION

Ref. No.:

Date:

To

Dy. General Manager (Marketing)-ITD I/C
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 BIDDER /
Authorized Representative

Annexure - 3**Format of Application for Registration as Export Customer*****(This application should be provided on the Company's letter head)***

Application form for Registration for Sale of Iron & Steel Materials

SN	Item	Details
1	Name of the Organization	
2	Address (Billing address)	
	Country	
	State	
	City	
	Pin Code	
3	Phone Number with Country/Area Code	
4	Other Phone numbers, if any	
5	Mobile Number	
6	Fax Number	
7	E-Mail Address	
8	Contact Person	
9	Designation	
10	Company Web Site	
11	PAN Number, if applicable	
12	Any other statutory registration nos. applicable (if any) in the country for business operations of the company	
13	Select Your Business Category	Manufacturers/ Exporters/ Traders
14	Select Your Product Category which you intend to buy	Billets/ Blooms/ Cast Rounds/ Wire Rods/ Rebars/ Angles/ Channels/ Beams/ Joists/ Reinforcement Bars/ Rounds/ Pig Iron

Place:

Signature of Authorized signatory

Date:

With Seal

- Note:
- 1) All the details are mandatory to create the customer code
 - 2) Login id, password and details of tenders will be forwarded to one email id only
 - 3) Customer is required to open LC with US\$ payment from the foreign banks. Hence, it is mandatory to mention the foreign address in the profile.

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 all e-tenders floated for Ocean exports during FY17-18. 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 / Sub-contractors:

- (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, Sub-contractor 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)

(Office Seal)

Place -----

Date -----

(For & On behalf of Bidder/
Contractor)

(Office Seal)

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

RINL VIGILANCE - TOLL FREE NO. 1800 425 8878