OPEN TENDER NOTIFICATION

Invitation to Tender (ITT) No. Pur.0.84.0073/0034 Dt. 23.08.2010

Sealed tenders in two bids i.e., Techno-Commercial and Price bid are invited for supply of HOT BLAST VALVES Dia 1300 mm with out Hydraulic cylinder

Last Date & time for receipt of Tenders: 29.09.2010 by 10.30 HRS (IST)

Tender Document can be downloaded from our Website: www.vizagsteel.com

- EXECUTIVE DIRECTOR (MM)
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Invitation to Tender (ITT) No.Pur.0.84.0073/0034 Dt. 23.08.2010
for supply of **Hot Blast Valves Dia 1300 mm with out Hydraulic cylinder**

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(Total : 37 pages)
OPEN TENDER NOTICE FOR SUPPLY OF Hot Blast Valve 1300 mm dia

NOTICE OF INVITATION TO TENDER (ITT) NO. Pur.084.0073/0043 Dt. 23.08.2010

1.0 NOTICE INVITING TENDERS FOR SUPPLY OF Hot Blast Valve 1300 mm dia

1.1 Rashtriya Ispat Nigam Limited (RINL), Visakhapatnam Steel Plant (VSP), hereinafter referred to as PURCHASER, hereby invites tenders for supply of Hot Blast Valve 1300 mm dia conforming to Technical specifications at Annexure - I of tender documents.

2.0 QUANTITY: The PURCHASER intends to purchase 4 nos of Hot Blast valves 1300 mm dia conforming to Technical specifications as at Annexure -I of tender documents.

3.0 DELIVERY: The tentative schedule at which the supplier should commence delivery of Hot Blast Valves 1300 dia shall be 2 nos by 31.12.2010 and 2 nos by 30.04.2011 or during such period as indicated by the Purchaser at the time of finalization of the LOI / Acceptance to Tender. The Purchaser reserves the right to revise the delivery schedule depending upon the production requirements without any additional financial implication to the Purchaser. However, the Tenderers are required to submit their best monthly delivery schedules item wise.

4.1 Tenderers should submit their tenders in two parts:
   Part-A : Techno-Commercial Bid and
   Part-B : Price Bid

   in separate sealed envelopes indicating clearly on the cover whether it contains Part A: Techno- Commercial Bid & Part B : Price Bid.

4.1.1 A Proforma as given in Annexure -III of the Tender Documents is prescribed for Part-B : Price Bid. All the tenderers are advised to submit their Part-B: Price Bid only in the prescribed proforma. Price bid should contain no caveat conditions. Offers to the contrary will stand the risk of getting rejected.
5.0 **BID MONEY / BID BOND:**

5.1 Each tender shall be considered only if Bid Money in Indian Rupees by means of a either a Demand Draft or a Cheque (both subject to realization) drawn on any Scheduled Commercial Bank and payable to Rashtriya Ispat Nigam Ltd. at Visakhapatnam for the amount of Rs 75,000.00 is submitted along with (or) prior to opening of Part-A: Techno-commercial Bid.

5.2 The following categories are exempted from submission of Bid Money / Bid Bond:

   a) Central / State Government Public Sector Undertakings of India.

   b) Vendors registered with the Purchaser for supply of the Tendered items.

   c) SSI units/ Micro and Small Scale Enterprise (MSEs) registered with National Small Industries Corp. (NSIC) / District Industries Centre of the State Government concerned for the item(s) / item category of tendered item(s) for which the tenderer is registered with the respective authority.

   d) SSIs/ MSEs and units registered with RINL need to submit notarized copies of the relevant valid registration certificates for claiming exemption for submission of Bid Money.

5.3 The Bid Money shall be forfeited:

   a) if a Tenderer withdraws or modifies his Bid during the period of Bid validity specified by the Tenderer after tender opening, or

5.4 **The Bid Money must be submitted along with or prior to opening of Techno-Commercial Bid (Part-A). Tenders received without Bid Money of requisite value in the requisite form will summarily be rejected without further correspondence. Bid Money shall not accrue interest. - VITAL.**

6.0 **TENDER DOCUMENTS:**

6.1 Tender document will be available on VSP website and the same can be downloaded from website: [www.vizagsteel.com](http://www.vizagsteel.com). Authority by the Manufacturer of the material specifically authorizing the said Supplier and no one else to make an offer in response to this invitation to Tender.

6.2 Tenders will be accepted up to **1030 Hrs (IST) on 29.09.2010.** The tenders should be addressed to the **Executive Director (MM), Administration Building, Block-A, Purchase Dept, Visakhapatnam Steel Plant, Visakhapatnam 530 031, Andhra Pradesh, India** and should bear in Block Capital Letters the superscription "OFFER IN RESPONSE TO TENDER NO. PUR. 084.0073/0034, Dated 23.08.2010 FOR THE
SUPPLY OF Hot Blast Valves 1300 dia and should be deposited in the tender box provided in the Room NO. 423 i.e., in the room of Asst. manager (Purchase Administration).

6.3 Techno-Commercial bid of the tenders shall be opened immediately thereafter in the presence of the tenderers or authorised representative of the tenderers, who may choose to be present. The date and time of opening of price bid shall be intimated separately to technically and commercially accepted tenderers. Price Bids (Part-B) of those Tenderers who have been Techno-Commercially accepted shall only be opened in the presence of the tenderers or Authorised representatives of the Tenderers who may choose to be present.

7.0 All the tenders shall be evaluated on the basis of landed Net of CENVAT / VAT cost.

8.0 The entire tendered quantity individual items shall be taken from one source i.e., from the Techno-commercially acceptable lowest tenderer.

9.0 Tenders submitted against NIT/Tender shall not be returned in case the tender opening date is extended / postponed. Tenderers desirous to modify their offer / terms may submit their revised / supplementary offer(s) within the extended TOD, by clearly stating the extent of updation done to their original offer. The Purchaser reserves the right to open the original offer along with revised offer(s).

10.1 RINL / VSP shall have the option of resorting to reverse e-auction. All technically and commercially acceptable bidders would be required to participate in the reverse e-auction. Details in regard to reverse e-auction are mentioned at para 10.3 below. In case of reverse e-auction the bidders would be required to quote prices only on the basis of Landed net of Cenvat at the specified VSP Stores.

10.2 After the Reverse e-auction is conducted (in applicable cases) the sealed bids of all the TA & CA tenderers, irrespective of whether they have participated in the Reverse e-auction or not, shall be opened within a short duration i.e., within 2 working days. Based on the prices so received through Reverse e-auction and the sealed price bids in the physical mode of tender, a composite comparative statement shall be made considering the lower of prices (i.e., sealed price bid prices and Reverse e-auction prices) of all the parties. Placement of order shall be considered on the L-1 price (LNCP) so arrived.

10.3 RINL will inform the technically and commercially acceptable (TA & CA) tenderers of the date and time of reverse e-auction and they shall participate in the process. All the tenderers would have to generate user ID & Password by following the following steps.
*Go to www.vizagsteel.com
*Click on auctions link.
*Click on MM Reverse e-auctions
*Click on “new user”!!! Click to register” for generating user ID and fixing corresponding password.

10.4 Definition of Key terms for Reverse Auction and RINL’s Reverse e-auction User manual is uploaded on our web site www.vizagsteel.com under Auctions menu and MM Reverse auctions sub menu. TA & CA tenderers would be authorized to quote their LNCP prices on only e-reverse auction engine on a fixed time and date.
10.5 In case of reverse e-auction the bidders would be required to quote prices only on the basis of Landed net of Cenvat. Modalities of evaluation of landed net of Cenvat price is given at para 11.5 of Instructions to Tenderers or at Annexure-5 in our “Detailed terms and conditions of ITT” placed on our website: www.vizagsteel.com (Visit www.vizagsteel.com, click on “Tenders”, click on “Materials Management Department” and click on “Detailed terms and conditions of ITT”).

10.6 RINL / VSP shall not be responsible for any difficulty in downloading of clear and complete tender documents from its website. The tenderers shall be deemed to have read and understood the complete tender documents uploaded by RINL/VSP on its website. The documents as indicated in the Index shall form part of this Tender.

11.0 **PURCHASE PREFERENCE:**

(a) Purchase preference will be given to PSU’s where applicable as per DPE guidelines.

(b) Purchase preference will also be given to Local SSI’s / VSP’s ancillaries as per prevailing guidelines.

12.0 **Notwithstanding anything specified in this Tender Documents, RINL, in its sole discretion and without having to assign any reason reserves to itself the rights:**

a) To accept or reject the lowest tender or any other tender or all the tenders;

b) To accept any tender in full or in part;

c) To reject the offers not conforming to the tender terms;

d) Non-submission of complete offers, appending signature on the offer and the prescribed formats;

e) Receipt of offers after the due date & time and, or by Fax / e-mail (unless specified otherwise);

f) Receipt of offers in open condition;

g) Single bid being submitted as against requirement of two-part bid;

h) To give Purchase preference to Central Public Sector Enterprises (CPSE) as per Government of India guidelines; and

i) To extend purchase preference to Local SSIs (Micro and Small Enterprises) as per prevailing guidelines.

**EXECUTIVE DIRECTOR (MM)**
### Schedule Of Material Cum Specification

**ITT Number : Pur.0.84.0073/0034, Date: 23/08/2010**

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>SH/Catalog No</th>
<th>Desc Of Material</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>33/50041020004</td>
<td>HOT BLAST VALVE</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>DIA: 1300 MM</td>
<td>4 Nos.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>WITHOUT HYDRAULIC CYLINDER</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>AS PER DRG.NO:3300410057 REV-E</td>
<td></td>
</tr>
</tbody>
</table>

### Specification Parameters:

- **SIZE OF THE VALVE**: 1300 MM
- **WORKING MEDIUM**: HOT AIR
- **WORKING PRESSURE & TEMPERATURE**: 5.0 KG/CM²(G) & 1500 DEG.CENTIGRADES (MAX.)
- **DIMENSIONS, TECH. SPECIFICATIONS, TESTING & SUPPLY**: AS PER DRG.NO:3300410057 REV-E

### Requirements:

- Test Certificate Required: YES

### Special Instructions:

01. **PARTY HAS TO SUBMIT 3 SETS OF DRAWINGS FOR APPROVAL BEFORE MANUFACTURE.**

02. **PARTY SHALL GIVE GUARANTEE FOR REFRACTORY ADHERENCE TO THE VALVE FOR A MINIMUM PERIOD OF 12 MONTHS FROM THE DATE OF INSTALLATION. THE BRACKET AND CYLINDER FIXING ARRANGEMENT DRAWINGS ARE ENCLOSED. HYDRAULIC CYLINDER IS NOT IN THE SCOPE OF SUPPLY OF THE PARTY.**

03. **THE NOTES MENTIONED IN THE DRG.NO:3300410057 REV-E SHALL BE FOLLOWED.**

04. **PARTY SHOULD SUBMIT THE COPIES OF THEIR PREVIOUS SUPPLIES OF HOT BLAST VALVE FOR BLAST FURNACES OF SIZE DIA 1000 MM AND ABOVE AND ALSO TO WORK WITH HOT BLAST TEMPERATURE OF 1000 DEG.CENTIGRADES AND ABOVE.**

05. **PERFORMANCE CERTIFICATES OF THE HOT BLAST VALVES SUPPLIED, INSTALLED AND WORKING FOR MORE THAN 2 YEARS ARE TO BE SUBMITTED FROM THE USER ALONG WITH OFFER.**

06. **THE OFFERS SUBMITTED WITHOUT PROPER DOCUMENTS FOR THE ABOVE POINTS SL.NO: 04 & 05, WILL NOT BE CONSIDERED.**

07. **ALL WELD JOINTS SHOULD BE ULTRASONICALLY/DP TESTED.**

08. **TEST CERTIFICATE SHALL BE SUBMITTED FROM GOVERNMENT/GOVERNMENT APPROVED LABORATORIES OR OWN LAB IN CASE OF ISO CERTIFIED MANUFACTURER.**
ANNEXURE -II TO TENDER NO. PUR.084.0073/0034, DATED 23.08.2010

INSTRUCTIONS TO TENDERERS

1.0 Tenders should not be addressed by name to any officer of the Company.

2.0 Fax / e-mail offers or offers received in open condition shall not be accepted. The tenders must be duly deposited before the date and time of tender opening.

3.0 Tenders should be free from correction and erasures.

4.0 Tenderers must submit their tenders in two parts:

   Part “A” : Techno-Commercial Bid
   Part “B” : Price Bid

   in separate sealed envelopes indicating clearly on the envelope whether it contains Part “A”: Techno-Commercial bid or Part “B”: Price Bid. Both these sealed envelopes shall be kept in another envelope, which shall also be sealed and super scribed as Two Bids. The tender enquiry reference and date of tender opening shall be indicated on the outer cover and also on the covers containing Part “A” and “B”.

PART “A”:

Techno- commercial bid should contain the Specifications, applicability of State Sales Tax, Central Sales Tax, Excise Duty, Freight, Insurance, Packing & Forwarding and payment terms etc., and the validity of the offer.

Tenderer to ensure that tenders should be kept valid for a period of 90 days from the date of opening of tender or extension thereof.

Any deviations in the specifications from that of the Purchaser, the offer will not be considered.

A price format as in the Part-B after blanking the prices is also to be placed in the Part-A. However, no indication of price in any form, shall be given in Part-A.

Confirmation with regard to information/data/documents to be furnished by tenderers as per Para 5, 6, 7, 8.1, 8.2, 8.5, 9.0, 12.0, 13.0 and 14.0 below are also to be enclosed in Part-A.

Part-B: Price Bid should be submitted separately in the prescribed proforma as at Annexure-III to the Tender Documents.
PART “B”:

Price bid should contain only the price with break up, indicating the basic price, taxes, duties, freight and insurance. Tenderer should quote their prices both in figures & words. In case if there is any discrepancy, price quoted in words would prevail. Any terms and conditions other than the price mentioned in the price bid shall not be taken into consideration.

5.0 PRICE Firmness:

5.1 The price quoted shall be firm unless otherwise allowed specifically till completion of delivery.

6.0 GENERAL CONDITIONS OF CONTRACT:

6.1 Any order resulting from this invitation to tender shall be governed by the “General Conditions of Contract Governing for Supply Contracts” (Annexure - VII) of Purchaser and you shall be deemed to have read and understood these terms & conditions and to have quoted accordingly.

6.2 No counter-terms or conditions should be offered. If counter terms & conditions of business have been offered by tenders, Purchase should not be governed by such terms & conditions unless specific written acceptance thereof has been given by Purchaser.

7.0 ESTABLISHMENT OF CREDENTIALS OF UN-LISTED VENDORS: If a tenderer who responds to this tender is not presently enlisted with RINL / VSP, he is requested to furnish copies of the following documents separately in a sealed envelope superscribing “CREDENTIALS” and the ITT REFERENCE as the case maybe along with the tender:

a) Statutory Industry Registration Certificate.
b) Excise & Sales Tax Registration Details.
c) Audited financial statements for the last 3 years.
d) Other credentials like ISO certificate etc.
e) List of Purchase orders / contracts executed for PSUs for same or similar items.

Kindly note that the above information is required to assess the credibility of the vendor not presently enlisted with RINL / VSP. The tender of un-listed vendor shall be rejected in case of non-submission or incomplete submission of the above documents or RINL/VSP finds that the credibility of the un-listed Vendors is not satisfactory on the basis of the documents furnished. The Vendor shall produce originals of the above documents for verification, if RINL / VSP so desires. RINL / VSP’s decision in this regard is final.
8.0 GENERAL INFORMATION / DATA / DOCUMENTS TO BE FURNISHED BY TENDERERS:

8.1 Tenderers who may be the Manufacturers or the Suppliers of Hot Blast Valves 1300 mm dia shall furnish information / data / documents / printed and illustrated literature / brochures covering the following aspects:

a) Detailed information of the Manufacturer along with atleast copies of the executed / on going orders (during the last 1 year) of Hot Blast Valves 1000mm & above dia with different clients especially in India
b) Documents showing the exact nature of ownership.
c) Performance certificates of the Hot Blast valves supplied, installed and working for more than 2 years are to be submitted from the user along with the offer.
d) A recent Test and Inspection Certificate (dated not later than one year from the date of tender) issued for the material by a reputed test house / Government approved test house in case the tenderer is a new Manufacturer / Supplier to RINL / VSP.

8.2 Offers from only Indigenous manufacturers will be accepted. Tenderers who may be suppliers of Hot Blast Valves 1300 mm dia offering on behalf of a Principal Manufacturer, shall furnish in original the Letter of Authority of the concerned manufacturer, as per the proforma at Annexure - V of the Tender document, specifically authorising the said supplier to make an offer in response to this Invitation to Tender. This Letter of Authority should be submitted along with Part - A: Techno-commercial bid.

8.3 In case the Principal Manufacturer wants to supply from their Works located at more than one place, the details of the Works should be indicated in the tender (Part-A). They should also give clear price breakup and quantities (in Part-B: Price bid) for supplying the material from different Works.

8.4 Only one offer should be received from each principal manufacturer either directly or through their Agents. In case more than one offer is received from the same Principal Manufacturer, then all the offers of the same Principal Manufacturer will be rejected including the direct offer, if any.

8.5 The tenderers are requested to fill up the check list as at Annexure - IV of the Tender document.

9.1 QUOTING OF PRICE(S):

9.1.1 The price quoted should be on FOR VSP Stores basis inclusive of applicable taxes, duties, levies, Insurance and Freight. However, the rate of taxes, duties, levies, Insurance and freight considered are to be indicated separately. However, any change in statutory
taxes and duties shall be reimbursed at actual during the original contractual delivery period. Any change in taxes and duties beyond the original contractual delivery period is to be borne by the Supplier. **The tenderers shall quote on firm price basis only**

9.1.2 **VALUE ADDED TAX (VAT):** VAT in the State of Andhra Pradesh (A.P) of India is introduced with effect from 01.04.2005. This replaces APGST Act from that date. Tenderers from the State of Andhra Pradesh should be registered under VAT and shall confirm submission of VAT invoice to enable RINL/VSP to avail the input tax credit. Also, the tenderers from A.P shall indicate the TIN (Tax Identification Number) under VAT. Evaluation of such offers will be done considering this credit that would be available to RINL/VSP.

9.1.3 **However, in case tenderers quote any term other than mentioned in this tender, the same shall be loaded as per VSP norms while evaluating their offer.**

9.1.4 Any revised bids received after tender (techno-commercial bid in two bid case) opening shall not be considered unless it has been furnished in response to a specific request from VSP.

9.1.5 Tenderer’s Central & State sales Tax, VAT Reg no etc are to be necessarily indicated in the offer in case of Indigenous offers.

9.1.6 Wherever the tenderers quote excise duty and sales tax as nil or at concessional rates (being SSI Unit or due to some other privilege available on the date of offer) but reserves the right to charge at actual on the date of dispatch suitable loading would be done with maximum ED&ST Rates as applicable.

10.0 **TERMS OF PAYMENT:**

10.1 100% of the value of each consignment shall be made against submission of bills along with accepted GARNs (Goods Acceptance / Rejection Note) issued by PURCHASER on 30th day from the date of acceptance of material at VSP Stores.

10.2 The PURCHASER encourages Electronic Fund Transfer or RTGS (Real Time Gross Settlement) for payment direct to Seller’s Bank account on due date for which Seller has to furnish Bank account details in the format prescribed by PURCHASER. Cheque date will be considered for arriving at 30th day wherever payment is made by Cheque. Any other mode of payment term will be suitably loaded while evaluating the tender.

10.3 The price bid should only contain the price quoted and other financial terms should be given in the techno-commercial bid and not in any other accompanying documents or statement. No extra weight age shall be given for any extra credit offered beyond ITT payment terms of 30 days interest free credit from the date of acceptance of material for ranking / evaluation purpose.
In case an offer with deviations to payment terms is considered, it shall be loaded suitably for the purpose of comparison with other offers. The general principal is to load for the additional financial implication to which RINL / VSP may possibly be exposed on account of such deviation. The decision of RINL / VSP in this regard shall be final. Since the deviations that might be stipulated by the tenderer cannot be foreseen, the illustration given below is not exhaustive. RINL / VSP reserves the right to load the offers at it’s sole discretion for other deviations also, which in the opinion of RINL / VSP, have financial implications to RINL / VSP.

**Illustration – I: (Deviation in payment terms)**

<table>
<thead>
<tr>
<th>Description</th>
<th>As per Tender terms</th>
<th>As per deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment terms</td>
<td>100% value against submission of bills within 30 days of acceptance of material at VSP</td>
<td>100% against L/C with 30 days interest and acceptance at VSP (All bank charges to Seller’s a/c)</td>
</tr>
<tr>
<td>Landed cost on F.O.R VSP Stores basis</td>
<td></td>
<td>Landed cost: Rs.10,000/-</td>
</tr>
<tr>
<td>Loading due to deviation in payment terms</td>
<td>5% of 10% of landed value per quarter</td>
<td>0.05<em>0.10</em>10,000/4 = Rs.12.50Ps.</td>
</tr>
</tbody>
</table>

**Illustration-II: (Deviation in payment terms)**

<table>
<thead>
<tr>
<th>Description</th>
<th>As per Tender terms</th>
<th>As per deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment terms</td>
<td>100% value against submission of bills within 30 days of acceptance of material at VSP</td>
<td>100% against L/C at Site (All bank charges to VSP’s a/c)</td>
</tr>
<tr>
<td>Landed cost on F.O.R VSP Stores basis</td>
<td></td>
<td>Landed cost: Rs.10,000/-</td>
</tr>
<tr>
<td>Loading due to deviation in payment terms</td>
<td>(i) L/C margin money @ 5% of 10% of landed / CIF value per quarter</td>
<td>0.05<em>0.10</em>10,000/4 = Rs.12.50Ps.</td>
</tr>
<tr>
<td></td>
<td>(ii) 17% interest for 30 days on landed (Indigenous) / CIF value (Imports)</td>
<td>0.17<em>30</em>10,000/365 = Rs.139.726Ps.</td>
</tr>
<tr>
<td></td>
<td>(iii) L/c charges on landed / CIF value</td>
<td>0.0375%*10,000 = Rs.3.75Ps.</td>
</tr>
</tbody>
</table>
10.5 **EVALUATION OF OFFERS FOR DETERMINING LANDED NET OF CENVAT PRICE (LNCP):**

<table>
<thead>
<tr>
<th>INDIGENOUS OFFER WITH CST</th>
<th>Amount (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I  Basic Price (BP)</td>
<td>100</td>
</tr>
<tr>
<td>II Packing Charges if any</td>
<td>0</td>
</tr>
<tr>
<td>III Excise Duty &amp; ED Cess @ 8.24% (B P + Packing)*8.24%</td>
<td>8.24</td>
</tr>
<tr>
<td>IV Sales tax CST @ 2% (BP+ Packing+ED&amp; Cess) x 2%</td>
<td>2.16</td>
</tr>
<tr>
<td>V  Freight (Ft)#</td>
<td>10.00</td>
</tr>
<tr>
<td>VI Landed cost (I+II+III+IV+V)</td>
<td>120.40</td>
</tr>
<tr>
<td>VII Net of Cenvat unit cost (VI-III)</td>
<td>112.16</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INDIGENOUS OFFER WITH AP VAT</th>
<th>Amount (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>i) Basic Price (BP)</td>
<td>100.00</td>
</tr>
<tr>
<td>ii) Packing</td>
<td>0.00</td>
</tr>
<tr>
<td>iii) Excise Duty &amp; ED Cess (i)+(ii)x 8.24%</td>
<td>8.24</td>
</tr>
<tr>
<td>iv) Sub total (1) (i)+(ii)+(iii)</td>
<td>108.24</td>
</tr>
<tr>
<td>v) Freight (Frt) #</td>
<td>10.00</td>
</tr>
<tr>
<td>vi) AP VAT @ 12.5% (iv + v)</td>
<td>14.78</td>
</tr>
<tr>
<td>(AP VAT as applicable for the item quoted)</td>
<td></td>
</tr>
<tr>
<td>vii) Landed Cost (iv+v+vi)</td>
<td>133.02</td>
</tr>
<tr>
<td>viii) Less : Input Tax Credit on VAT (vi * 9.94/12.5)</td>
<td>11.75</td>
</tr>
<tr>
<td>ix)  Less : Cenvat Credit (iii)</td>
<td>8.24</td>
</tr>
<tr>
<td>x)  Net cenvat cost (vii – viii – ix)</td>
<td>113.03</td>
</tr>
</tbody>
</table>

* Statutory levy (Ruling at the time of offer)
# Assumption

11.0 **VALIDITY OF THE OFFER:**

Each tenderer shall keep his offer firm and valid for acceptance by RINL for a period of 90 (Ninety) days from the date of opening of tenders.

12.0 **STATEMENT OF DEVIATIONS:**

12.1 If any tenderer is unable to accept any particular term(s) as incorporated in the Tender document, or proposes any deviation there from, the Tenderer shall enclose along with his offer, a statement of deviations clearly spelling out the deletions / deviations proposed, which may, however, have an impact on the evaluation of his offer or rejection by RINL. Each tenderer shall give an undertaking along with his offer.
confirming his acceptance to all the terms and conditions of the Tender document, except for the deletions / deviations specifically proposed by them in their offer.

12.2 **Offers with any deviations to the following VITAL terms and conditions contained in the tender document are not acceptable to VSP and such offers are liable for rejection:**

(a) Material cum specification sheets duly signed and stamped (Annexure – I), (b) Offer received after the due date and time or by Fax / E-mail,

12.3 The tenderer is requested to submit their tender in accordance with the instructions given in the tender document and the “Detailed terms and conditions of ITT” placed on our website: www.vizagsteel.com (Visit www.vizagsteel.com, click on “Tenders”, click on “Materials Management Dept.” and click on “Detailed terms and conditions of ITT”).

13.0 **OTHER GENERAL POINTS RELATING TO THE PREPARATION / SUBMISSION / DESPATCH OF THE OFFER:**

13.1 Each page of the offer should be numbered consecutively, referring to the total number of pages comprising the entire offer, at the top right-hand corner of each page.

13.2 Each page of the offer should be signed by the authorised officer(s) of the Tenderer.

13.3 The Part-A & Part-B of the offer together with its enclosures in separate sealed Envelopes, should be placed in an envelope which should bear, in Block capital letters, superscription "Tender for supply of HOT BLAST VALVES against Tender No. Pur. 0.84.0073/0034, Dated 23.08.2010" and should also bear superscription:

Part-A: Techno-Commercial Bid, or
Part-B: Price Bid.

The two envelopes should then be sealed separately. The name and address of the tenderer should be mentioned on each of this envelope.

13.4 The envelopes referred to in para 15.3 above should be placed in another envelope which should be addressed to the Executive Director (MM), Administration Building, Block-A, Purchase Dept, Visakhapatnam Steel Plant, Visakhapatnam 530 031, Andhra Pradesh, India and should bear in Block Capital Letters the superscription "OFFER IN RESPONSE TO TENDER NO. PUR. 0.84.0073/0043, Dated 23.08.2010". This envelope should also be sealed. The name and address of the Tenderer should be mentioned on this envelope as well.

13.5 **Offers made in Single bid shall be rejected.**

13.6 In case any tenderer is silent on any clauses mentioned in this tender document, VSP shall construe that the tenderer had accepted the clauses as per this Invitation to Tender.
13.7 The price quotations should be given in only in the price format at Annexure-III of the tender document and not in any other accompanying documents or statement. No revision in the price(s), terms and conditions quoted in the offer will be entertained after the last date and time fixed for receipt of tenders.

14.0 COMPLETENESS OF THE TENDER:

14.1 Each Tenderer should ensure that the aforesaid conditions for submission of offers are duly complied with. Failure to furnish correct and detailed information as called for, will render the concerned tender liable to rejection.

15 PUNITIVE ACTIONS TO BE TAKEN AGAINST AGENCIES WHO SUBMIT FALSE/FORGED DOCUMENTS TO VSP.

15.1 If it comes to the notice of VSP at any stage from request for enlistment/tender document that any of the certificates/documents submitted by applicants for enlistment or by bidders are found to be false/fake/doctored, the party will be debarred from participation in all VSP tenders for a period of 5 years including termination of contract, if awarded. EMD/Security Deposit etc. if any, will be forfeited. The contracting Agency in such cases shall make good to VSP any loss or damage resulting from such termination. Contracts in operation anywhere in VSP will also be terminated with attendant fall outs like forfeiture of EMD/Security Deposit, if any, and recovery of risk and cost charges etc. Decision of VSP Management will be final and binding.

15.2 In case commercially and technically acceptable lowest price offered tenderers backs out after tender is opened in single bid tender and in two bid tender after commercial bid/price bid is opened or after finalisation of contract punitive action shall be taken as per prevailing guidelines.

16.0 RIGHT TO REJECT TENDERS:

16.1 RINL/VSP does not pledge itself to accept the lowest or any other tender and reserves to itself the right of accepting the whole or any part of the tender or portion of the quantity tendered and tenderers shall supply the same at the rate quoted.

17.0 AUTHORISATION:

17.1 Representative of the tenderers are required to produce letter of authorization, if they are to be permitted to attend tender/price bid opening.

18.0 Notwithstanding anything that is stated in the various documents specified in the tender notice, in case of contradiction, the interpretation shall be in accordance with the statements contained in the open tender notice for supply of Hot Blast Valves 1300 mm dia. and instructions to tenderers (Annexure-II).
ANNEXURE -III TO TENDER NO. PUR.084.0073/0034, DATED 23.08.2010

PROFORMA FOR PRICE BID (PART - B)

1.* Name of the Tenderer :

2.* Address :

<table>
<thead>
<tr>
<th>S.No</th>
<th>Item Description</th>
<th>Qty. (Nos)</th>
<th>Basic Unit Price (Rs.)</th>
<th>E.D (Rs.)</th>
<th>Sales Tax / VAT (Rs.)</th>
<th>Freight (Rs.)</th>
<th>Insurance (Rs.)</th>
<th>Landed cost (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>33/50041020004 Hot Blast Valve dia 1300 MM without Hydraulic Cylinder</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Entry Tax (if any) :**

(* - Also to be indicated in “Part-A : TECHNO COMMERCIAL BID” by blocking the price part)

Note: (i) Specify APVAT and TIN No. if supplies are from Andhra Pradesh
(ii) The price is to be indicated in words as well as in figures.

**SIGNATURE OF THE PARTY**

**P.S.** The tenderer shall enclose the blank format of price bid along with Techno-Commercial offers except indicating the percentage of taxes and duties levied and shall give specific confirmation that except the data asked for in the price bid, no other information or condition is given in the price bid. Price bid should contain no caveat conditions. In case any other data not relevant is noted in the price bid, offer shall summarily be rejected.
ANNEXURE -IV TO TENDER NO. PUR.0.84.0073/0034, DATED 23.08.2010

SEE PARA 8.5 OF INSTRUCTIONS TO TENDERERS

CHECK LIST TO BE FILLED UP AND SENT ALONG WITH TECHNO-COMMERCIAL BID

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<th>SL. NO.</th>
<th>TENDER TERMS</th>
<th>AS REQUIRED BY VSP</th>
<th>TO BE CONFIRMED BY PARTY ACCEPTED / NOT ACCEPTED</th>
<th>DEVIATIONS, IF ANY</th>
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<tbody>
<tr>
<td>1</td>
<td>Name and address of the Tenderer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Quantity offered</td>
<td>To be confirmed as per Para 2.0 of ITT</td>
<td></td>
<td></td>
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<tr>
<td>3</td>
<td>Technical specifications</td>
<td>To be confirmed as per Annex-I of tender document (To sign and submit Annex-I)</td>
<td></td>
<td></td>
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<tr>
<td>4</td>
<td>Delivery schedule</td>
<td>To be confirmed as per Para 3.0 of ITT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Payment terms</td>
<td>To be confirmed as per Cl.10.0 of Annx-II of Tender document</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Bid Money</td>
<td>To be confirmed as per Cl.5.0 of ITT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Price Basis</td>
<td>To be confirmed as per Cl.10.1.1 of Annx-II of Tender document</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Price firmness / Variable</td>
<td>To be confirmed as per Cl. 5.0 of Annx-II of Tender document</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Insurance</td>
<td>To Tenderer's a/c</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Packing</td>
<td>To be confirmed as per Cl.3.0 of Annx-VI of Tender document</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Validity of offer</td>
<td>To be confirmed as per Cl.11.0 of Annx-II of Tender document</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Inspection</td>
<td>To be confirmed as per Cl.1.0 of Annx-VI of Tender document</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Test cum Guarantee certificate</td>
<td>To be confirmed as per Cl.4.0 of Annx-VI of Tender document</td>
<td></td>
<td></td>
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<tr>
<td>14</td>
<td>Liquidated damages</td>
<td>To be confirmed as per Cl.5.0 of Annx-VI of Tender document</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Default</td>
<td>To be confirmed as per Cl.6.0 of Annx-VI of Tender document</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Risk Purchase</td>
<td>To be confirmed as per Cl.7.0 of Annx-VI of Tender document</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Arbitration &amp; Jurisdiction</td>
<td>To be confirmed as per Cl.14.0 of Annx-VI of Tender document</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Force Majeure</td>
<td>To be confirmed as per Cl.13.0 of Annx-VI of Tender document</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Other terms and condition of ITT / GCC</td>
<td>To confirm acceptance.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

17
LETTER OF AUTHORITY FROM ESTABLISHED MANUFACTURER OF HOT BLAST VALVES

(See 8.2 of Annexure -II of the Tender Documents)

To

THE EXECUTIVE DIRECTOR (MM),
BLOCK 'A' PURCHASE DEPARTMENT,
ADMINISTRATIVE BUILDING,
RASHTRIYA ISPAT NIGAM LTD.,
VISAKHAPATNAM STEEL PLANT,
VISAKHAPATNAM 530 031 (A.P).

Dear Sir,

Sub: Your Tender Notice No. Pur.0.84.0073/0034 Dt. 23.08.2010.

---

We, ................................ a principal manufacturer of Hot Blast Valves (place) .................. do hereby authorize M/s .........................(Name and address of Seller) to make an offer in response to this invitation to tender.

We, ................................ a principal manufacturer of Hot Blast Valves do hereby convey our consent to supply Hot Blast Valves to the tendered specification through M/s .........................(Name and address of Supplier) as per the terms and conditions of the tender.

No Company/Firm or individual other than M/s .................. is authorized to represent us in regard to this business against this specific tender.

In the event, the offer made by M/s ................. being considered by RINL for acceptance both M/s ................. and ourselves shall be jointly and severally responsible for the due and timely performance of the Acceptance to Tender.

We hereby extend our full guarantee and warranty for the goods offered for supply against this Invitation to Tender by the above firm.

Yours faithfully

(NAME)

for & on behalf of M/s .................

(Signature and Name of Hot Blast Valves Manufacturer with seal)

Note: This letter of authority should be on the Letter-Head of the Hot Blast Valves Manufacturer and should be signed by a person competent and having the power of
ATTORNEY TO BIND the Hot Blast Valves Manufacturer.

ANNEXURE - VI TO TENDER NO. PUR.0.84.0073/0034, DATED 23.08.2010

GENERAL CONDITIONS OF ACCEPTANCE TO TENDER

1.0 INSPECTION

Inspection of the offered Material at Supplier’s Premises shall be carried out prior to dispatch by the designated agency as specified in the Acceptance to Tender by the Purchaser against the readiness of the Material. The supplier shall submit Test certificates / Internal Inspection Reports along with the Inspection call. The material shall be dispatched only on acceptance by such designated agency. Accepted Inspection certificate shall form a part of the documents for negotiating the payment. The Purchaser reserves the right to alter the place of inspection at its sole discretion. The inspection certificate issued by the inspection agency for quality will be final and binding on Seller and Purchaser.

2.0 PRICE FIRMNESS / VARIATION: Prices shall be kept either ‘Firm’ till the execution of the order. The tenderers shall clearly indicate the above in their techno-Commercial bid.

3.0 PACKING & MARKING:

3.1 The material should be securely packed according to accepted industry practice and International Standard as applicable to the product being supplied.

3.2 The Supplier shall include and provide for securely protecting and sea worthy packing the material in accordance with best established practices so as to protect the contents from damage during transit from point of production until after arrival at Purchaser's site under conditions which may involve multiple handling, transport by ship, rail and road, storage, exposure, to heat moisture rain etc. Wherever considered necessary, the Purchaser or his representative may check the packing before despatch and may ask for modifications to the extent considered necessary to be carried out in the packing and the Supplier shall carry out the same free of charge. All packing shall allow for removal and checking at site.

4.0 TEST CUM GUARANTEE CERTIFICATE:

4.1 The Seller should submit Manufacturer's Test cum Guarantee certificate along with every consignment, clearly indicating the relevant Parameters and batch no. and other identification marks, if any and give guarantee for replacement in case of any deviations / manufacturing defects.
4.2 Replacement of defective materials shall be made free of cost (including duties in India to Seller's account) at Purchaser's site by the Supplier and the collection of the defective material to the Supplier's works shall be the Supplier's responsibility and shall be made at his expenses.

5.0 **LIQUIDATED DAMAGES:**

Delivery is the essence of the Contract and hence should any consignment be delayed, liquidated damages @ 0.5% of the price of the delayed consignment, for each week or part thereof shall be levied and recovered subject to a maximum of 10% of the total order value.

6.0 **DEFAULT:**

Should the SELLER fail to provide the MATERIAL for delivery by the time or times agreed upon or should the SELLER in any manner or otherwise fail to perform the Acceptance to Tender or should a receiver be appointed on its assets or make or enter into any arrangements or composition with Creditors or suspend payments (or being a company should enter into liquidation either compulsory or voluntary), the PURCHASER shall have power to declare the Acceptance to Tender as at an end at the risk and cost of the SELLER in every way. In such a case, the SELLER shall be liable for any expenses, damages or losses which the PURCHASER may incur, sustain or be put to by reason of or in connection with SELLER's default. This Clause is however subject to Force Majeure vide 24.0 herein below.

7.0 **RISK PURCHASE:**

The PURCHASER reserves the right to take Risk Purchase action at the cost and risk of the SELLER, in case he fails to deliver the materials in the specified schedule and the differential cost shall be recovered. The cancellation of the Acceptance to Tender as stated in para 6 herein above may be either for whole or part of the Acceptance to Tender at PURCHASER's option. In the event of the PURCHASER terminating the Acceptance to Tender in whole or in part, he may procure, on such terms and in such manner as he deems appropriate, supplies similar to those so terminated and the SELLER shall be liable to the PURCHASER for any excess costs for such similar supplies. However, in case of part termination of Acceptance to Tender by the PURCHASER, the SELLER shall continue the performance of the Acceptance to Tender to the extent it is not terminated under the provisions of this Clause.

8.0 **RECOVERY OF SUMS DUE:**

Whenever under this Acceptance to Tender any sum of money is recoverable from and payable by the SELLER, the PURCHASER shall be entitled to deduct such sum from any amount then found payable to the SELLER by the PURCHASER or which at any time thereafter may be found to be payable to the SELLER by the PURCHASER under this or any other Acceptance to Tender with the PURCHASER. Should this sum be not sufficient to cover the full amount recoverable, the SELLER shall pay to the
PURCHASER on demand the remaining balance amount. This action shall be without prejudice to the right of the PURCHASER to take legal action against the SELLER for the breach of the Contract.

9.0 RESPONSIBILITY:

The PURCHASER on the one hand and the SELLER on the other hand shall be responsible for the performance of all their respective obligations under this Acceptance to Tender.

10.0 TRANSFER AND SUB-LETTING:

The SELLER shall not sublet, transfer, assign or otherwise part with the Acceptance to Tender or any part thereof, either directly or indirectly, without the prior written permission of the PURCHASER.

11.0 COMPLETENESS OF THE AGREEMENT AND MODIFICATION:

This Acceptance to Tender cancels all previous negotiations between the parties hereto. There are no understandings or agreement between the PURCHASER and the SELLER which are not fully expressed herein and no statement or agreement, oral or written, made prior to or at the signing hereof shall affect or modify the terms hereof or otherwise be binding on the parties hereto. No change in respect of the terms covered by this Acceptance to Tender shall be valid unless the same is agreed to in writing by the parties hereto specifically stating the same as an amendment to this Acceptance to Tender.

12.0 WAIVER:

Failure to enforce any condition herein contained shall not operate as a waiver of the condition itself or any subsequent breach thereof.

13.0 FORCE MAJEURE:

If at any time during the continuance of this Contract, the performance in whole or in part by either party of any obligation under this contract shall be prevented or delayed by reasons of war, hostility, acts of public enemy, civil commotion, sabotage, fire, floods, explosions, epidemics, quarantine restriction, or acts of God (herein after referred to as "eventualities") and provided notice of happenings of any such eventuality (duly certified by International Chamber of Commerce in case of foreign parties) is given by either party to other within 21 days from the date of occurrence thereof, neither party shall by reasons of such eventuality be entitled to terminate this Contract nor shall either party have any claim for damages against the other in respect of such non-performance or delay in performance. Deliveries under this Contract shall be resumed as soon as practicable after such eventuality has come to an end or ceased to exist and the decision of the Purchaser as to whether the deliveries have so resumed or not shall be final and conclusive.
Provided further that if the performance in whole or in part of any obligations under this Contract is prevented or delayed by reasons of any such event for a period exceeding 60 days either party may at its option terminate the Contract. Provided also that the Contract, if terminated under this clause, the Purchaser shall be at liberty to take over from the Contractor at a price to be fixed by the Purchaser which shall be final, all unused, undamaged and acceptable material, bought out components and stores in course of manufacture in the possession of the Seller at the time of such termination or such portion thereof as Purchaser may deem fit except such material, bought out components and stores as the Seller may with the concurrence of the Purchaser, elect to retain.

14.0 **ARBITRATION AND JURISDICTION:**

14.1 All disputes arising out of or in connection with the Acceptance to Tender shall be finally settled by Arbitration in accordance with the rules of Arbitration of the Indian Council of Arbitration and the Award made in pursuance thereof shall be binding on the parties. The Arbitration bench shall give a reasoned award. Cost of arbitration to be borne by the losing party. The venue of arbitration shall be Visakhapatnam, India and language of arbitration shall be in English.

14.2 In case of any legal proceedings are instituted against Rashtriya Ispat Nigam Limited, Visakhapatnam Steel Plant, they shall be instituted in the appropriate Civil courts of Visakhapatnam and the Courts at Visakhapatnam only shall have Jurisdiction.

15.0 **LIABILITY OF GOVT. OF INDIA:**

It is expressly understood and agreed by and between the SELLER and the PURCHASER that the PURCHASER is entering into this Acceptance to Tender solely on its own behalf and not on behalf of any other person or entity. In particular, it is expressly understood and agreed that the Govt. of India is not a party to this Acceptance to Tender and has no liabilities, obligations or rights hereunder. It is expressly understood and agreed that the PURCHASER is an independent legal entity with power and authority to enter into contracts solely in its own behalf under the applicable laws of India and general principles of Contract Law. The SELLER expressly agrees, acknowledges and understands that the PURCHASER is not an agent, representative or delegate of the Govt. of India. It is further understood and agreed that the Govt. of India is not and shall not be liable for any acts, omissions, commissions, breaches or other wrongs arising out of this Acceptance to Tender. Accordingly, the SELLER hereby, expressly waives, releases and foregoes any and all actions or claims, including cross claims, impleader claims or counter claims against the Govt. of India arising out of this Acceptance to Tender and covenants not to sue the Govt. of India as to any manner, claim, cause of action or thing whatsoever arising of or under this Acceptance to Tender.

16.0 All other terms and conditions shall be as per VSP’s G.C.C for supply of Material (Annexure – X) which is also placed on our website: www.vizagsteel.com (Visit www.vizagsteel.com, click on “Tenders”, click on “Materials Management
Department, click on “Detailed Terms and conditions of Invitation to Tender (ITT)” and click on “General Conditions of Contract for supply”.

*****

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.

******
ANNEXURE - VII TO TENDER NO. PUR.0.84.0073/0034, DATED 23.08.2010

GENERAL CONDITIONS OF CONTRACT FOR SUPPLY

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<td>Parties to the Contract</td>
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<td>4.</td>
<td>Specification &amp; Samples</td>
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<td>5.</td>
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<tr>
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<td>Non-Waiver of Defaults</td>
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<td>20.</td>
<td>General</td>
</tr>
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</table>
Article-1: DEFINITIONS

The following terms or expressions as used in the General Conditions of Contract and in the appertaining Invitation to Tender and Tender specifications, shall have the meaning defined, hereunder:

1.1 Purchase shall mean the Rashtriya Ispat Nigam Ltd, Visakhapatnam Steel Plant incorporated under the companies Act 1956 having their registered office at Main Administrative Building, Visakhapatnam - 533 031 and shall include their successors or assigns.

1.2 "The Contractor" shall mean the person firm or Company whose tender has been accepted and shall be deemed to include his/its/their successors, (approved by the Purchaser), representatives, heirs, executors and administrators unless excluded by the Contractor.

1.3 The “Contract” shall mean and include Invitation to Tender (In), Acceptance of Tender (A/T) and amendments to A/T thereof issued by the Purchaser in writing and General Conditions of Contract for supply.

1.4 “Stores” shall mean all or any part of materials and/or services as per the description of Stores in the Acceptance of Tender.

1.5 “Delivery” shall mean delivery of the stores acceptable to Purchaser as per the Acceptance of Tender and as per delivery schedule indicated in the Acceptance of Tender.

1.6 “The Inspector” shall mean any person or agency nominated by or on behalf of the Purchaser to inspect Stores under the Contract.

1.7 “Contract price” shall mean the sum accepted by Purchaser or the sum calculated in accordance with the prices accepted by the Purchaser as indicated in the acceptance of Tender.

1.8 “Test” shall mean such test or tests as are prescribed by the specification or considered necessary by the Inspector.

Article -2: PARTIES TO THE CONTRACT

2.1 The parties to the Contract are the Contractor and the Purchaser.

2.2 Authority of person signing documents: A person signing the tender or any other documents forming part of the Contract on behalf of another shall be deemed to warrant that he has authority to bind such other.

2.3 Notices on behalf of the Purchaser: Notices on behalf of the Purchaser, in connection with the Contract, may be given by any authorised officer of the Purchaser dealing with the contract.

Article -3: RESPONSIBILITY FOR EXECUTING THE CONTRACT
3.1 General: The Contractor is to be entirely responsible for the execution of the Contract in all respects in accordance with the terms and the conditions as specified in the Acceptance of Tender. Any approval which the Inspector may have given in respect of the Stores (whether with or without the Test carried out by the Contractor or the Inspector) shall not bind the Purchaser and notwithstanding any approval or acceptance given by the Inspector, it shall be lawful for the Purchaser to reject the Stores on arrival at the destination or when put to use if it is found that the Stores supplied by the Contractor are not in conformity with the terms and the conditions of the Contract.

3.2 Subletting of Contract: The Contractor shall not sublet, transfer or assign the contract or any part thereof to any one without the written permission of the Purchaser. In the event of Contractor contravening this condition, the Purchaser shall be entitled to cancel the Contract and to purchase the same or similar Stores elsewhere on the Contractor’s account and at his risk and cost.

3.3 Acceptance of the higher tender: If a contract is placed on a higher tender as a result of this Invitation to Tender in preference to the lowest acceptable offer on consideration of offer of earlier delivery, the tenderer will be liable to pay to Visakhapatnam Steel Plant the difference between the contract rate and that of the lowest acceptable tender in case of failure to complete supplies in terms of such contract within the date of delivery specified in the tender and incorporated in the contract. This is without prejudice to other rights under the terms of contract.

3.4 TAXES AND DUTIES:

3.4.1 EXCISE DUTY:

i) The contract price is inclusive of excise duty prevailing as on the date of Acceptance of Tender.

ii) During the original contractual delivery schedule, in case the rate of excise duty for relevant Tariff Item number varies on account of statutory amendments to the Act or Rules made after the date of Acceptance of Tender, the same is to the account of Purchaser.

iii) After the expiry of original contractual delivery schedule, provided the Purchaser accepts the Stores, rate of excise duty as at the end of the original contractual delivery schedule or the rate on the date of delivery, whichever is lower, shall be the basis for the variation amount which shall be to the account of Purchaser.

iv) The Contractor shall produce documentary evidence, namely excise duty gate pass, notification on statutory amendments and any other evidence to the satisfaction of the Purchaser for the purpose of 3.4.1 (ii) and 3.4.1 (iii) above.

v) The adjustment at 3.4.1 (ii) and 3.4.1 (iii) above shall be applicable only on the value indicated in the various documentary evidences as at 3.4.1 (iv) and in any case this shall be limited to a value equal to the contract price after deducting the excise duty, sales tax and freight (5%) already included in the contract price.

vi) Any credit/relief/refund/concession allowed or allowable to the supplier under any Act/Rules etc, made after the date of Acceptance of Tender shall be passed onto the Purchaser.

vii) The Contractor shall furnish certificate to the effect that no refund of excise duty paid has been obtained / claimed by him. In case any refund of excise duty paid is obtained in
future by the Contractor, the same shall be passed on to the Purchaser. The Contractor shall take all steps to avail all statutory concessions under the relevant Acts and Rules framed there under and the Purchaser shall have the right to call for all necessary information/documents in this regard from the Contractor.

3.4.2 SALES TAX:

i) Any variations in the rate of CST/APGST as applicable on account of amendments made to the respective Acts made after the date of Acceptance of Tender but during the contractual deliver schedules shall be borne by the Purchaser.

ii) In case of acceptance of stores beyond the original delivery schedules, the rate of APGST or CST on the last day of original delivery schedule or the actual rate of APGST or CST on the date of delivery whichever is lower, shall be to the account of Purchaser.

iii) The Purchaser shall reimburse the variation above based on documentary evidence like relevant Gazette Notification or any other documents to the satisfaction of the Purchaser after considering any credit / relief /concession etc allowable or allowed to the Supplier under the respective Act or Rules made after the date of Acceptance of Tender.

3.4.3 GENERAL:

i) Any new taxes and duties leviable on the subject contract due to change in legislation during the contract period shall be reimbursed subject to the applicability of the said Act to the contract to the satisfaction of Purchaser and production of documentary evidence after availing of statutory concessions, benefits etc.

ii) The Contractor shall pay and bear all other liabilities, taxes and duties not specifically agreed to by the Purchaser in the contract.

iii) Where the contract price is indicated in Indian Rupees, Foreign Exchange variations shall not be payable by Purchaser to the Contractor unless specifically provided in the Acceptance of Tender.

Article-4: SPECIFICATIONS AND SAMPLES

4.1 The Contractor shall supply the Stores in accordance with the specification / description of Stores given in the Acceptance of Tender.

4.2 The Purchaser reserves the right to alter the description of Stores including Drawings given in the Acceptance of Tender. In the event any such alteration results in any implication to the delivery and price, such implications shall be mutually agreed between the Purchaser and the Contractor.

4.3 In case certified sample has been issued by the Purchaser and the specifications/drawings also exists in the Acceptance of Tender then the certified sample will govern the supply only to the extent of material (if material specifications are not stipulated in A/T), workmanship and finish. However, if neither a specification flora drawing has been mentioned in the Acceptance of Tender then certified sample issued by the Purchaser shall govern the supply of Stores in all respects.

4.4 Where neither specifications/drawings nor samples have been given by the Purchaser and a sample submitted by the Contractor has been approved, the Stores shall conform to the sample submitted by the Contractor and approved by the Purchaser.
4.5 If any discrepancies are noticed in the drawings, the Contractor shall bring such discrepancies to the notice of the Purchaser whose decision shall be final. If certified/approved sample differs with the specification/description of Stores given in the Acceptance of Tender, the Contractor shall bring the discrepancy to the notice of the Purchaser and obtain the decision of the Purchaser with regard to final specification/description of the Stores to be supplied.

4.6 Submission of samples: Submission of samples will be governed by the following:

4.6.1 Marking: All samples submitted must be clearly labelled with the Contractor's name and address and the Acceptance of Tender Number and date.

4.6.2 Advance sample: Where an advance sample is required to be approved before effecting the bulk supplies, the Contractor shall submit the sample within the time specified in the Acceptance of Tender. If the Contractor is unable to do so, he must apply immediately to the office issuing the Acceptance of Tender for extension of time, stating the reasons for the delay. If the Purchaser is satisfied that a reasonable ground for an extension of time exists such additional time may be allowed as considered to be justified (and the decision of the Purchaser shall be final) with or without alteration in the Delivery period stipulated in the Acceptance of Tender and on such conditions as deemed fit. In the event of the failure of the Contractor to deliver the advance sample by the date specified in the Acceptance of Tender or any other date to which the time may be extended as aforesaid by the Purchaser or the rejection of the sample, the Purchaser shall be entitled to cancel the Contract and, purchase the Stores at the risk and cost of the Contractor.

4.6.3 Free: All samples required for Test shall be supplied by the Contractor free of cost unless the Contract provides otherwise. Where the samples which is supplied free is rejected after examination and test, the same or whatever remains of the sample after examination and test will be returned to the Contractor at his cost on request made within one month of the date of rejection.

4.6.4 If the Contractor submit a sample with his tender the same shall not govern the standard of supply except when it has been specifically stated in the Acceptance of Tender.

Article - 5: RETURN OF SPECIFICATIONS, DRAWINGS, CERTIFIED SAMPLES ETC

5.1 The Purchaser reserves the right to ask and receive in good condition from all the parties to whom ITT has been sent the specifications/drawings/certified samples, if any, issued by the Purchaser.

5.2 The specifications, drawings and other technical details indicated in the ITT are exclusive property of RINL, VSP and the party to whom the ITT has been sent, has no right to use these documents for purposes other than for use by RINL, VSP.

Article - 6: PACKING

6.1 The Contractor shall be responsible for the Stores being properly packed for transport by Rail, Road, Air and Sea (as the case may be) so as to ensure their being free from loss.
or damage on arrival at their destination. The Contractor should comply with the standard packing conditions prescribed by the Railway/Transport companies/Steamer/Air carries.

6.2 Marking of Packages

Each package shall be marked by and at the expense of the Contractor with indelible paint / metallic tags as follows:

i) A/T No. and Date.
ii) Description and quantity of Stores.
iii) Gross weight
iv) Net weight (if applicable).
v) Name of the Contractor/distinct mark for identification of the Contractor.
vi) Name of the Purchaser with full address.

6.3 All packing materials shall be the property of the Purchaser unless otherwise stated in the Acceptance of Tender.

6.4 Each package shall contain a packing note giving the details of each item of the Acceptance of Tender, giving Sl. No. of A/T, Qty, Catalogue No. as applicable as marked on the package.

6.5 For wagon loads, necessary instructions provided in the Acceptance of Tender shall be followed. Further the Contractor shall ensure that the freight is charged on right weight and under the correct classification through most economical route.

6.6 If the Stores are not packed and marked in accordance with the instructions, the consignments are liable to be rejected by Purchaser whose decision as to the sufficiency or otherwise of compliance with the instructions shall be final.

Article -7: DELIVERY AND RISK PURCHASE

7.1 The time for and the date of delivery of the Stores stipulated in the NT shall be deemed to be the essence of the contract and delivery must be completed as per delivery schedule specified in the A/T.

7.2 The Contractor shall deliver the Stores at the place specified as per the Acceptance of Tender. No Stores shall be deliverable at the Purchaser’s Consignee’s premises on Sunday and Public Holidays without written permission of the Purchaser.

7.3 As soon as it is apparent to the Contractor that the delivery dates as stipulated in the contract can not be met, he should apply for extension of the delivery dates to the Purchaser giving reasons for delay along with supporting documents, if any, and also the date up to which the extension of delivery period is required. The Purchaser will consider such request depending on the nature of the case and either agree for such extension suitably or reject the said request of the Contractor. In case of non supply during the stipulated delivery period, the Purchaser will be free to cancel the Contract or a portion
thereof and also purchase stores at the risk and cost of the Contractor. In any case the Contractor shall have no claims whatsoever in respect of cancellation of the contract.

7.4 The Purchaser reserves the right to cancel the contract or a portion thereof and purchase the stores at the risk and cost of Contractor after giving due notice to the Contractor even before completion of the contractual delivery schedule if it becomes apparent that Contractor will not be able to fulfill the contractual obligations.

7.5 Incase the Contractor fails to complete the supply of stores or a portion thereof within the contractual delivery schedule, the Purchaser has the right to purchase the stores or a portion thereof at the risk and cost of Contractor without serving any notice to the Contractor.

7.6 In the event of cancellation of the contract by Purchaser at the risk and cost of the Contractor, the Contractor shall be liable for any loss which the Purchaser may sustain on account of risk purchase. But the Contractor shall not be entitled to any gain on such purchase made against such default. The manner and method of such purchase shall be at the entire discretion of the Purchaser, whose decision will be final.

7.7 The Purchaser reserves the right to suspend the business with such Contractors who default in adhering to the contractual delivery schedule, quality of stores etc as per the contract after giving show cause notice to the Contractor and considering his reply if any.

**Article-8: INSPECTION AND REJECTION**

8.1 At Supplier’s premises.

8.1.1 Inspection Notice: Where inspection at Suppliers premises is stipulated in the A/T, adequate advance notice in writing shall be sent by the Contractor to the Inspection Authority mentioned in the A/T intimating that the Stores are ready for inspection with a copy to the officer issuing the A/T. On receipt of such notice the Purchaser shall depute the inspecting officer within a reasonable time. However, if the inspecting officer finds that the Stores are not ready for inspection at Suppliers premises as per the aforesaid advance notice, the Purchaser reserves the right to recover the expenses incurred in deputing the inspecting officer.

8.1.2 Facilities for Test and Examination.

8.1.2.1 The Contractor shall provide the Inspector at his own expense all reasonable space and facilities for satisfying himself that the Stores are being or have been manufactured in accordance with the specification and for this purpose the Inspector shall have full and free access at any time during the Contract to the Contractor’s work premises and may require the Contractor to make arrangements for anything to be inspected at his premises or at any other place and the Contractor shall reserve similar right as regards any sub-contract he may make.

8.1.2.2 The Contractor shall also provide and deliver, free of charges at such a place as the Inspector may direct such material as he may require for Tests by analysis (e.g. Chemical, Biological, Pharmacological and by other means of testing commonly in use according to the nature of Stores) or at a place where an independent testing machine is available.

8.1.2.3 In case of failure to provide these facilities (in regard to which the Inspector will be the sole judge) at his own premises for making the Tests, the Contractor shall bear the cost of carrying out such Tests elsewhere.
8.1.3 The inspector shall have the right to conduct necessary tests to ascertain whether the stores are in accordance with the specification provided in A/T. The Contractor shall bear all costs towards testing of Stores unless specifically mentioned in the A/T.

8.1.4 The Inspecting Officer shall issue an Inspection Certificate indicating acceptance/rejection of the Stores, as the case may be.

8.1.5 Wherever inspection at Supplier’s premises is stipulated in the A/T, Stores shall be delivered or despatched as per terms of A/T only after the Stores have been inspected and Inspection Certificate has been issued by the inspector indicating acceptance.

8.2 At Purchaser’s premises.

8.2.1 Where the A/T stipulates inspection at Purchaser’s site, the Purchaser will arrange inspection of the Stores immediately after receipt at Purchaser’s premises and a certificate of acceptance/rejection will be issued.

8.3 The Purchaser shall have the power to reject the Stores if it is found that the same have not been manufactured in accordance with the standard engineering practices for manufacture of such Stores.

8.4 The Inspector’s decision as regards rejection of the Stores shall be final and binding on the Contractor.

8.5 Removal of Rejections: Any Stores submitted for inspection and rejected by the Inspector must be removed by the Contractor within thirty days from the date of the receipt of the intimation of rejection, provided that in case of dangerous, infectious or perishable Stores the Inspector (whose decisions shall be final) shall inform the Contractor to remove such Stores within 48 hours of the intimation of the rejection and it shall be the duty of the Contractor to remove them accordingly. Such rejected Stores shall lie at the Contractor’s risk and cost after the expiry of aforementioned period and if not removed within this period the Purchaser shall have the right either to return the rejected Stores to the Contractor at his risk and cost by such modes of transport as the Purchaser may select or to dispose off or segregate such Stores as they may think fit at the Contractor’s risk and cost and on his account or to retain such portion of the proceeds as may be necessary to recover any loss or expenses incurred by the Purchaser in connection with the said sale. Freight to Contractor’s destination on Stores rejected after examination at destination shall be recoverable from the Contractor at the Public Tariff Rate.

8.6 If Stores are rejected after inspection at Purchaser’s premises and the nature of the stores segregation of rejected stores with that of earlier accepted Stores is not possible, the Purchaser shall not be under obligation to return such rejected Stores to the Contractor as per the Article 8.5 above. Such rejected stores shall be paid by the Purchaser as considered reasonable and the Purchaser’s decision shall be final in this regard.

Article -9: RECOVERY OF SUMS DUE

9.1 Whenever under this Contract any sum of money is recoverable from and payable by the Contractor, the Purchaser shall be entitled to deduct such sum from any amount then found payable to the Contractor by the Purchaser or which at any time thereafter may be found to be payable to the Contractor by the Purchaser under this or any other contract with the Purchaser or any other unit of Rashtriya Ispat Nigam Ltd. Should this sum be not sufficient to cover the full amount recoverable, the Contractor shall pay to the Purchaser
on demand the remaining balance amount. This action is without prejudice to the right of
the Purchaser to take legal action against the Contractor for the breach of the contract.

Article -10: SYSTEM OF PAYMENT

Unless otherwise agreed to between the parties, the payment for the delivery of the Stores
will be made on submission of bills in the prescribed form in accordance with instruction
given in the Acceptance of Tender by a crossed Cheque payable at Visakhapatnam.

Article-11 : LAWS GOVERNING THE CONTRACT

11.1 The Contract shall be governed by the Laws of India for the time being in force.

11.2 The marking of all stores supplied must comply with the requirement of the Indian
Acts relating to the merchandise marks and the rules made under such Acts.

Article -12: INDEMNITY

12.1 The Contractor shall at all times indemnify the Purchaser against all claims which
maybe made in respect of the Stores for infringement of any right protected by patent
Registration of Design or Trade Mark and shall take all risk of accidents or damage
which may cause a failure of the supply from whatever cause arising and the entire
responsibility for the sufficiency of all means used by him or the fulfillment of the
Contract, provided, always that in the event of any claim in respect of alleged breach of
patent Registered Design or Trade Mark being made against the Purchaser, the Purchaser
shall notify the Contractor of same, and the Contractor shall be at liberty at his own
expense, to settle any dispute or to conduct any litigation that may arise therefrom.

Article -13: BRIBES, COMMISSION, CORRUPTION, GIFT ETC.

13.1 Any bribe, commission, gift or advantage given, promised or offered by or on behalf
of the Contractor or his partner, agent or servant, or any one of his on their behalf to any
officer, servant, representative or agent of the Purchaser or any person on his or on their
behalf in relation to the obtaining or to the execution of this or any other contract with the
Purchaser or disfavor to any person in relation to this or any other contract as aforesaid
shall result in cancellation of this and all or any other contract as aforesaid and the
Contractor shall also be liable for payment of any loss or damage resulting from such
cancellation to the extent as is provided under Article 7 hereof.

Article -14: INSOLVENCY AND BREACH OF CONTRACT

14.1 The Purchaser may at any time by notice in writing summarily determine the
Contract without compensation to the Contractor in any of the following events that is to
say:

14.1.1 The Contractor, he being an individual, or if a firm, any partner in the Contractors
firm shall at any time be adjudged insolvent or shall have a Receiver appointed or order
for administration of his Estate made against him or shall take any proceedings for
liquidation or composition under any Insolvency Act for the time being in force or make
any conveyance or assignment of his effects or enter into any arrangement or composition with his creditors or suspend payment or if the firm be dissolved under the Partnership Act.

Or

14.1.2 If the Contractor being a company shall pass a resolution or the Court shall make an order for the liquidation of its affairs or Receiver or Manager, on behalf of the debenture holders shall be appointed or circumstances shall have arisen which entitled the court on behalf of the debenture holders to appoint a Receiver or Manager

Or

14.1.3 If the Contractor commits any breach of this contract not herein specifically provided for, provided always that such determination shall not prejudice any right of action or remedy which shall have accrued or shall accrue thereafter to the Purchaser and provided also that the Contractor shall be liable to pay the Purchaser of any extra expenditure he is hereby put to but shall not be entitled to any gain on re-purchase.

Article -15 : FORCE MAJEURE

15.1 If at any time during the continuance of this contract the performance in whole or in part by either party of any obligation under this contract shall be prevented or delayed by reasons of any war, hostility, acts of public enemy, civil commotion, sabotage, fire, floods, explosions, epidemics, quarantine restriction, or acts of God (herein after referred to as eventualities”) and provided notice of the happenings of any such eventuality (duly certified by International Chamber of Commerce in case of foreign parties) is given by either party to other within 21 days from the date of occurrence thereof, neither party shall by reasons of such eventuality be entitled to terminate this Contract nor shall either party have any claim for damages against the other in respect of such non-performance or delay in performance. Deliveries under this Contract shall be resumed as soon as practicable after such eventuality has come an end or ceased to exist and the decision of the Purchaser as to whether the deliveries have so resumed or not shall be final and conclusive. Provided further that if the performance in whole or in part of any obligations under this Contract is prevented or delayed by reasons of any such event for a period exceeding 60 days either party may at its option terminate the Contract. Provided also that the Contract, if terminated under this clause, the Purchaser shall be at liberty to take over from the Contractor at a price to be fixed by the Purchaser which shall be final, all unused, undamaged arc acceptable material, bought out components and stores in course of manufacture in the possession of the Contractor at the time of such termination or such portion thereof as Purchaser may deem fit except such material, bought Out components and stores as the Contractor may, with the concurrence of the Purchaser, elect to retain.

Article -16: ARBITRATION CLAUSE FOR CONTRACTS WHERE CONTRACT PRICE IS RS. 5.00 LAKHS AND ABOVE

16.1 All disputes or differences whatsoever arising between the parties out of or relating to the construction, meaning and operation or effect of this contract or breach thereof shall
be settled by arbitration in accordance with the rules of arbitration of the Indian Council of Arbitration and the award made in pursuance thereof shall be binding on the parties.

16.2 The arbitration bench shall make a reasoned award. The venue of arbitration shall be at Visakhapatnam, Andhra Pradesh, India

16.3 Work under the contract shall be continued by the Contractor during the arbitration proceedings, unless otherwise directed in writing by the Purchaser or unless the matter is such that the work cannot possibly be continued until the decision of the arbitrators is obtained and save as those which are otherwise expressly provided in the contract, no payment due or payable by the Purchaser shall be withheld on account of such arbitration proceedings, unless it is the subject matter or one of the subject matter thereof.

16.4 The Arbitration’s fee expenses and all other costs and other expenses relating to the holding of arbitration shall be borne by both the parties equally. However the fees and expenses of Advocates and expenses relating to presentation of witnesses shall be borne by the respective parties. Should the arbitrator give a specific award in respect of costs then it would prevail.

16.5 In the event of a dispute between PSE and Govt. Department / Ministry, the following be noted and acted upon to resolve the dispute:

ii. Public Sector Enterprises means a Govt. Company as defined under Section 617 of Companies Act, 1956.

iii. If at any time any question, dispute or difference whatsoever shall arise between the Purchaser and the Contractor / Supplier upon, or in relation to or in connection with the contract, either party may forthwith give to the other notice in writing of the existence of such question, dispute or difference and the difference shall be referred to the adjudication of the arbitrator in the Permanent Machinery of Arbitration in the Department of Public Enterprises of Govt. of India.

iv. However, if the dispute / difference relates to an amount of the value of less than Rs.2,00,000/-, the same shall be settled by the Purchaser and the Contractor / Supplier by mutual consultation.

v. The Purchaser and the Contractor / Supplier agree to the inclusion of the following Arbitration clause in the Contract.

“ In the event of any dispute or difference relating to the interpretation and application of the provisions of the contracts, such dispute or difference shall be referred by either party for Arbitration to the sole Arbitrator in the Department of Public Enterprises to be nominated by the Secretary to the Govt. of India in-charge of the Deptt. Of Public Enterprises. The Arbitration and Conciliation Act, 1996 shall not be applicable to arbitration under this clause. The award of the Arbitrator shall be binding upon the parties to the dispute, provided, however, any party aggrieved by such award may make a further reference for setting aside or revision of the award to the Law Secretary, Deptt. of Legal Affairs, Ministry of Law & Justice, Govt. of India. Upon such reference, the dispute shall be decided by the Law Secretary or the Special Secretary / Addl. Secretary, when so authorized by the Law Secretary, whose decision shall bind the parties finally and conclusively. The parties to the dispute will share equally the cost of arbitration as intimated by the Arbitrator.”
Article -17: ARBITRATION CLAUSE FOR CONTRACTS WHERE CONTRACT PRICE IS LESS THAN RS. 5.00 LAKHS

17.1 If at anytime, any question, dispute or difference whatsoever shall arise between the Purchaser and the Contractor upon, or in relation to or in connection with the Contract, either party may forthwith give to the other notice in writing of the existence of such question, dispute or difference and the same shall be referred to the adjudication of an Arbitrator to be nominated by the Purchaser. The award of the arbitrator shall be final and binding on both the parties and the provisions of the Indian Arbitration Act, 1940 and the rules there under and any statutory modification thereof shall be deemed to apply to and be incorporated in this Contract.

17.2 The arbitrator shall make a reasoned Award. The venue of arbitration shall be at Visakhapatnam, Andhra Pradesh, India.

17.3 Work under the contract shall be continued by the Contractor during the arbitration proceedings, unless otherwise directed in writing by the Purchaser or unless the matter is such that the work cannot possibly be continued until the decision of the Arbitrator is obtained and save as those which are otherwise expressly provided in the contract, no payment due or payable by the Purchaser shall be withheld on account of such arbitration proceedings, unless it is the subject matter or one of the subject matter thereof.

Article -18: HEADINGS OF ARTICLES

18.1 The marginal headings of Articles hereto shall not affect the construction thereof.

Article -19: NON-WAIVER OF DEFAULTS

19. Failure of the Purchaser to insist upon strict performance of any terms and conditions of the contract will not be deemed a waiver of any rights or remedies that the Purchaser may have and will not be deemed a waiver of any subsequent default under the terms and conditions of the contract. No right or remedy of the Purchaser will be exclusive of any other right or remedy and the Purchaser will have all rights and remedies given under the Contract and now or hereafter existing in law or by statute. The despatch or delivery by the Contractor or receiving of or payment by the Purchaser for the stores under this contract, will not be deemed a waiver of any rights for any prior failure by the Contractor to comply with any of the provisions of the contract.

Article -20 : GENERAL

20.1 In case of any conflict between the provision of General Conditions of Contract and Acceptance of Tender, the provision of Acceptance of Tender shall prevail.

Article-21 : JURISDICTION

21.1 That in case any legal proceedings are instituted against Rashtriya Ispat Nigam Ltd, Visakhapatnam Steel Plant they shall be instituted in the appropriate Civil Courts of Visakhapatnam and the Courts at Visakhapatnam only shall have jurisdiction.

Article – 22: LIQUIDATED DAMAGES :

22.1 To recover from the supplier / contractor, liquidated damages not by way of penalty a sum of 0.5% of the price of any stores which the supplier / contractor has failed to deliver as aforesaid for each week or part of week, during which the delivery of such stores may be in arrears subject to a maximum of 10% of value of such stores / item(s).