



RINL/ VSP/MKTG-ITD/GEN T&C/REV Dt 02/04/2020

**RASHTRIYA ISPAT NIGAM LIMITED  
VISAKHAPATNAM STEEL PLANT  
MARKETING - ITD SECTION  
ADMINISTRATIVE BUDILING  
VISAKHAPATNAM-530031**

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

**GENERAL TERMS & CONDITIONS FOR EXPORT THROUGH SPOT SALES**

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:**

- 1) FOBST VISAKHAPATNAM PORT OR GANGAVARAM PORT ON DIRECT EXPORT BASIS.
- 2) CFR/C&F DESTINATION PORT ON LINER TERMS

3.0 **PAYMENT:** 100% ADVANCE FOR THE TOTAL CONTRACT VALUE OR BY CONFIRMED ON SIGHT / USANCE PAYABLE AT SIGHT / USANCE\* LC IRREVOCABLE WITHOUT RECOURSE TO DRAWER'S LETTER OF CREDIT OPENED AT A FIRST CLASS INTERNATIONAL BANK AS PER THE FORMAT OF RINL IN THE TERMS AND CONDITIONS FOR AGREEMENT FOR SALE BY RINL FOR EXPORT OF IRON AND STEEL PRODUCTS ON FOB/CFR or C&F BASIS. LC SHALL BE OPENED WITHIN 5 (FIVE) BANKING DAYS FROM THE DATE OF SALE CONFIRMATION BY RINL AS PER OUR TERMS AND CONDITIONS. **LC WITHOUT RED CLAUSE SHALL NOT BE ACCEPTED FOR CONTRACTS SIGNED ON FOB TERMS.**

\*USANCE LC WILL BE OPERABLE ONLY IN CASE OF CFR/C&F CONTRACT ON THE FOLLOWING TERMS:

IN USANCE LC, USANCE PERIOD SHALL BE MAXIMUM UPTO 120 DAYS WITH APPLICABLE INTEREST @ 0.5% PER MONTH FOR THE USANCE PERIOD TO BE ADDED TO THE ACCEPTED PRICE ON CFR / C&F TERMS ON SIGHT PAYMENT TERMS AND SHALL BE BORNE BY THE BUYER.

3.1 **OUTSTANDING IMPORT PAYABLE AMOUNT BY RASHTRIYA ISPAT NIGAM LIMITED (RINL) IN USD TO THE BIDDER CAN BE CONSIDERED FOR PAYMENT TOWARDS MATERIAL VALUE COVERING THE AGREEMENT OF SALE AND PURCHASE (EXPORT CONTRACT) SUBJECT TO RECEIPT OF LETTER OF REQUEST FROM THE BIDDER AND CONFIRMATION BY RINL.**

**SUCH SET OFF OF EXPORT RECEIVABLE AGAINST IMPORT PAYABLE SHALL BE REGULATED AS PER RESERVE BANK OF INDIA (RBI) GUIDELINES AND CONFIRMATION OF AMOUNT BY RINL. THE AMOUNT CONFIRMED BY RINL FOR**



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**SUCH SET-OFF AGAINST IMPORT PAYABLE SHALL BE FINAL AND BINDING ON THE BIDDER. NO CLAIM IN THIS REGARD SHALL BE ENTERTAINED.**

**IN CASE THE IMPORT OUTSTANDING PAYABLE AMOUNT CONFIRMED BY RINL FOR SETTING OFF OF THE EXPORT RECEIVABLES IS LESS THAN THE TOTAL EXPORT CONTRACT VALUE, THE BIDDER IS REQUIRED TO OPEN LETTER OF CREDIT FOR THE BALANCE AMOUNT CONSIDERING THE TOTAL TOLERANCE TOWARDS TOTAL VALUE AND TOTAL QUANTITY OF THE EXPORT CONTRACT AS PER CLAUSE NO. 3.0 ABOVE.**

**ALL BANK CHARGES INCURRED IN INDIA SHALL BE BORNE AND PAID BY RINL. ALL BANK CHARGES INCURRED OUTSIDE INDIA SHALL BE BORNE BY THE BUYER.**

3.2 THE BUYER SHALL BE ASKED IN THE SPOT SALES NOTICE TO SUBMIT THEIR BID ON

(I) WITH ON SIGHT PAYMENT TERMS THROUGH IRRECOVABLE LC AS PER THE FORMAT ATTACHED TO THE RESPECTIVE TERMS AND CONDITIONS.

AND

(II) WITH LOAD TERMS OF DEMURRAGE/DESPATCH AS PER CLAUSE NO. 5.4.1 OF GENERAL AND SHIPPING TERMS AND CONDITIONS FOR AGREEMENT FOR EXPORT OF IRON AND STEEL PRODUCTS ON FOB TERMS

3.3 THE BIDDER WILL BE GIVEN THE FOLLOWING ADDITIONAL OPTIONS TO OPT FOR SUBJECT ACCEPTANCE OF CHARGES AS DETAILED IN CLAUSE NO. 6.2:

A) SHIPMENT TERMS:

1) CFR / C&F

BUYER TO ENTER THE PORT OF DISCHARGE IN THE SPACE PROVIDED IN THE SPOT SALES NOTICE.

B) PAYMENT TERMS:

1) USANCE PAYBLE AT SIGHT

2) USANCE LC APPLICABLE ONLY FOR CFR / C&F SHIPMENT WITH MAXIMUM USANCE PERIOD UP TO 120 DAYS.

C) LOADING TERMS

1) FOR MATERIAL ABOVE 10000 MTS +5% OF STEEL PRODUCTS AND 10000 MTS +1% OF PIG IRON ON CQD LOADING TERMS WITH NO DETENTION PAYABLE BY RINL ONLY BE APPLICABLE FOR SHIPMENT UNDER FOB ST.

4.0 **INSPECTION:**

4.1 FOR STEEL: BY AN INDEPENDENT INSPECTION AGENCY AT SELLER'S COST.



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5.0 **CUTTING CHARGES FOR STEEL** : NORMALLY BLOOMS/BILLETS/ROUNDS/STRUCTURALS WILL BE SUPPLIED IN 12 MTR (+/-250 MM) LENGTHS. HOWEVER, FOR SPECIFIC REQUIREMENTS, THE SAME CAN BE SUPPLIED IN 6 MTR LENGTHS (CENTRE CUT) WITH ONE END GAS CUT. AN ADDITIONAL RATE OF **USD 4 (FOUR) PER MT** WILL BE CHARGED EXTRA FOR SUPPLYING CUT LENGTHS OVER AND ABOVE THE ACCEPTED PRICES.

6.1 APPLICABLE RATES ARE BOOKING PRICE OFFERED BY RINL AND CONFIRMATION OF ACCEPTANCE BY THE BUYER.

6.2 BUYERS WHO HAVE CHOSEN ANY OPTIONS AS PER CLAUSE 3.3 ABOVE, THE FOLLOWING CHARGES SHALL BE ADDED TO APPLICABLE RATES:

**I) SHIPMENT TERMS CFR / C&F**

THE SUCCESSFUL BUYER OPTING FOR CFR/C&F SHIPMENT, THE FREIGHT CHARGES WILL BE INTIMATED TO THE BUYER AFTER CONFIRMATION OF SALE ON FOB TERMS. THE FREIGHT CHARGES WILL BE ADDED TO FOB ST. PRICE, CONFIRMED TO THE BUYER TO ARRIVE AT THE CFR / C&F PRICE. IF SUCH CFR/C&F PRICE IS ACCEPTED BY THE SUCCESSFUL BUYER THE AGREEMENT FOR SALE AND PURCHASE CONTRACT WILL BE EXECUTED ON CFR/C&F DISCHARGE PORT TERMS. IN CASE THE SUCCESSFUL BUYER DOES NOT AGREE TO SUCH CFR/C&F PRICE, THE SALE AND PURCHASE CONTRACT WILL BE EXECUTED ON FOB TERMS.

**II) PAYMENT TERMS:**

THE SUCCESSFUL BUYER WHO OPT FOR CFR/C&F TERMS ALONG WITH USANCE PAYMENT TERMS (UP TO MAXIMUM 120 DAYS FROM THE DATE OF BILL OF LADING), INTEREST AMOUNT @ 0.5% PER MONTH WILL BE ADDED TO THE PRICE CONFIRMED ON CFR/C&F TERMS AT SIGHT PAYMENT BASIS. USANCE PAYMENT TERMS WILL ONLY BE APPLICABLE FOR CFR SHIPMETNS.

**III) CQD LOADING TERMS:**

THE SUCCESSFUL BUYER WHO OPT FOR CQD TERMS, USD 1.5 PER MT WILL BE CHARGED ADDITIONALLY AND WILL BE ADDED TO THE PRICE CONFIRMED AT LOADING TERMS OF DEMURRAGE/DESPATCH.

**7. SECURITY DEPOSIT (SD)**

THE SUCCESSFUL BUYER SHALL SUBMIT SECURITY DEPOSIT @USD 2 PMT WITHIN 4 BANKING DAYS AS PER **ANNEXURE-1**, FROM THE DATE OF SALE CONFIRMATION BY RINL.



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SECURITY DEPOSIT AMOUNT DEPOSITED WILL NOT CARRY ANY INTEREST

**8 (A) SECURITY DEPOSIT (SD): SECURITY DEPOSIT SHALL BE SUBMITTED 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.**

**(B) ADJUSTMENT OF OUTSTANDING IMPORT PAYABLE AMOUNT IN USD TOWARDS SD:**

**OUTSTANDING IMPORT PAYABLE AMOUNT IN USD CAN BE CONSIDERED TOWARDS SD SUBJECT TO RECEIPT OF REQUEST FROM THE BIDDER AT LEAST TWO INTERNATIONAL BANKING DAYS BEFORE THE TENDER OPENING DATE AND CONFIRMATION FROM RINL.**

**8.1 THE PAYMENT FOR SECURITY DEPOSIT OTHER THAN THE FINANCIAL ARRANGEMENT ASPER PARA 8.0(B) ABOVE IS TO BE MADE TO "STATE BANK OF INDIA" AS PER THE FOLLOWING DETAILS:**

<b>PAY TO</b>	STATE BANK OF INDIA, 460, PARK AVENUE, NEW YORK NY 10022 USA BIC: SBINUS33
<b>FOR CREDIT OF</b>	STATE BANK OF INDIA COMMERCIAL BRANCH, 1 <sup>ST</sup> 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
<b>BENEFICIARY</b>	A/C NO: 31563188242 RASHTRIYA ISPAT NIGAM LTD. VISAKHAPATNAM STEEL PLANT VISAKHAPATNAM

**8.1.1 WHERE THE SECURITY DEPOSIT IS SUBMITTED IN THE FORM OF BG, THE SAME SHALL EITHER BE ISSUED DIRECTLY BY ANY NATIONALIZED/SCHEDULED BANK HAVING BRANCH IN VISAKHAPATNAM OR SHALL BE ON THE ADVICE OF A FOREIGN BANK**



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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.

**8.1.2 SECURITY DEPOSIT WILL NOT BE ACCEPTED IN THE FORM OF CHEQUES.**

**8.1.3 CURRENCY OF SECURITY DEPOSIT: US DOLLARS**

8.1.4 “SECURITY DEPOSIT OF THE SUCCESSFUL BUYER 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.”

9 DEBARRING AND FORFEITURE OF SD :

9.1 THE BUYER SHALL BE BARRED FROM PARTICIPATING IN THE IMMEDIATE NEXT OCEAN EXPORT TENDER/SPOT SALES SECURITY DEPOSIT SUBMITTED BY HIM SHALL BE FORFEITED IF THE BUYER FAILS TO COMPLY WITH ANY OF THE FOLLOWING CONDITIONS:

9.2 IN CASE THE BUYER BACKS OUT AFTER THE PRICE BIDS ARE OPENED WITHIN THE VALIDITY PERIOD.

9.3 IF THE BUYER DOES NOT HONOR THE COMMITMENT TO SIGN THE CONTRACT AFTER AWARD OF THE CONTRACT

9.4 IF THE BUYER DOES NOT SUBMIT SD / BG IN THE FORM INDICATED AT ANNEXURE-1 COVERING FULL VALUE OF THE QUANTITY OF MATERIAL AT THE PRICE AND ON THE TERMS ACCEPTED BY RINL, WITHIN 4 **(FOUR) BANKING DAYS** FROM THE DATE OF ISSUANCE OF CONTRACT

9.5 THE BUYER SHALL BE BARRED FROM PARTICIPATING IN THE IMMEDIATE NEXT EXPORT TENDER/SPOT SALES AND SECURITY DEPOSIT WILL BE FORFEITED IF THE BUYER FAILS TO COMPLY WITH ANY OF THE FOLLOWING.

9.6 IF THE BUYER DOES NOT ESTABLISH A LETTER OF CREDIT / FINANCIAL ARRANGEMENT IN FAVOUR OF RINL, IN THE FORM INDICATED IN THIS INVITATION TO TENDER COVERING FULL VALUE OF THE QUANTITY OF MATERIAL AT THE PRICE AND ON THE TERMS ACCEPTED BY RINL,



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WITHIN **5 (FIVE) BANKING DAYS** FROM THE DATE OF SALE CONFIRMATION BY RINL.

- 9.7 IF THE BUYER FAILS 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.
- 9.8 IF THE MATERIAL IS DIVERTED BY THE PARTY TO ANY COUNTRY/REGION OTHER THAN THAT SPECIFIED IN THE CONTRACT.
- 10 CONTRACT:** CONTRACT WILL BE ENTERED INTO WITH THE SUCCESSFUL BUYER AND THE NEGOTIABLE SHIPPING DOCUMENTS WILL BE MADE ONLY IN THE NAME OF THE SUCCESSFUL BUYER.

IN CASE ADVANCE PAYMENT IS RECEIVED FOR FULL CONTRACT VALUE OR UPON REALIZATION OF INVOICE VALUE AGAINST RED CLAUSE OF THE LC

- 1) NAME OTHER THAN THE BUYER CAN BE MENTIONED AS NOTIFY PARTY ON THE BILL OF LADING SUBJECT TO SPECIFIC CONDITIONS IN LC

OR

- 2) MATE'S RECEIPT SIGNED BY MASTER / CHIEF OFFICER OF THE VESSEL CAN BE ACCEPTED IN PLACE OF BILL OF LADING SUBJECT TO SPECIFIC CONDITIONS IN LC.

- 11 ALL OTHER TERMS WILL BE AS PER THE STANDARD TERMS AND CONDITIONS OF VSP REF.NO. *RINL/VSP/MKTG-ITD/FOB T&C/REV Dt 02/04/2020*, GENERAL AND SHIPPING TERMS AND CONDITIONS FOR AGREEMENT FOR EXPORT OF IRON AND STEEL PRODUCTS ON FOB TERMS, WHICH ARE AVAILABLE IN RINL WEBSITE. SUBMISSION OF BID/OFFER CONFIRMS THAT THE BIDDER HAS GONE THROUGH ALL THE TERMS AND CONDITIONS AND ACCEPTS AND AGREE TO ABIDE BY THE SAME.
- 12 RINL RESERVES THE RIGHT TO CANCEL OR ACCEPT OR REJECT ANY OR ALL OFFERS FURTHER IN WHOLE OR IN PART OR TO APPORTION THE QUANTITIES IN ANY FORM WITHOUT ASSIGNING ANY REASON AND THE DECISION OF RINL IN THIS REGARD WILL BE FINAL AND BINDING.
- 13 INTEGRITY PACT:** BUYER 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 BUYER RECEIVED WITHOUT INTEGRITY PACT DULY SIGNED, SHALL NOT BE CONSIDERED. PRESENTLY, SHRI SIVA PRASADA RAO, MD, SAIL RETIRED, SRI VVR SASTRY, RETD CMD, BEL AND SRI PK VIJAY KUMAR, IRS, RETD DG, INCOME TAX HAVE BEEN APPOINTED AS EXTERNAL INDEPENDENT MONITORS (EIMs) FOR RINL.



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**14.0 OPERATION OF RED CLAUSE IN THE CONTRACT:** NOTWITHSTANDING THE CLAUSE NO.6.8 OF GENERAL AND SHIPPING TERMS AND CONDITIONS FOR AGREEMENT FOR EXPORT OF IRON AND STEEL PRODUCTS ON FOB TERMS, *RINL/VSP/MKTG-ITD/FOB T&C/REV Dt 02/04/2020*, 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. IN CASE 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.

**15.0 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 NOTICE OF READINESS UNDER RED CLAUSE, 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 RINL AFTER IT CALLS AT THE LOAD PORT):

- I) FOR THE FIRST 30 DAYS FROM THE DATE OF NOTICE OF READINESS FOR CARGO ISSUED BY SELLER : NIL
- II) FOR PERIOD BEYOND 30 DAYS FROM THE DATE OF NOTICE OF READINESS @ USD 1.0 PMT PER WEEK OR PART THEREOF FOR THE UNSHIPED QUANTITY.

THE BUYER SHALL ENSURE THAT AMOUNT TOWARDS DELAY CHARGES IS REMITTED AND REMITTANCE INSTRUCTION DULY FORWARDED BY SWIFT MESSAGE BEFORE PLACEMENT OF VESSAL THE VESSEL SHALL BE ACCEPTED FOR LOADING AFTER RECEIPT OF THE DELAY CHARGES. TIME LOST DUE TO DELAY IN ACCEPTANCE OF THE VESSEL FOR LOADING, ARISING OUT OF DELAY IN REMITTANCE, WILL BE TO THE ACCOUNT OF THE BUYER.

**16.0** BUYER SHALL SUBMIT DECLARATION AS MENTIONED IN THE FORMAT FURNISHED AT **ANNEXURE-2** AT THE TIME OF SUBMISSION OF SPOT SALES NOTICE.

**17.0** IN CASES WHERE THE SUCCESSFUL 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), THE PROOF OF DOCUMENT OF IMPORT AT DESTINATION PORT (WITHOUT PRICE) AS ACCEPTABLE BY DGFT IS TO BE PRODUCED BY THE BUYER.



**SECURITY DEPOSIT**

APPLICABLE SECURITY DEPOSIT RATES SHALL BE **USD 2 PMT** FOR THE CONTRACTUAL QUANTITY.

SECURITY DEPOSIT SHALL BE SUBMITTED WITHIN 4 INTERNATIONAL BANKING 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 BANK GUARANTEE, THE BANK GUARANTEE SHOULD BE STRICTLY AS PER FORMAT GIVEN BELOW THROUGH STATE BANK OF INDIA, COMMERCIAL BRANCH, VISAKHAPTAM, AS STIPULATED IN CLAUSE NO.9.1

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**FORM OF BANK GUARANTEE FOR SECURITY DEPOSIT**

**(ON NON JUDICIAL STAMP PAPER OF APPROPRIATE VALUE PURCHASED IN THE NAME OF EXECUTING BANK)**

Name & Address of the Bank :

Bank Guarantee No.& Date :

Date of expiry :

Limit of liability :

Ref:

- i) NIT No..... Dt.....
- ii) Contract No. ....Dt.....

Subject: **Security Deposit**

To

Rashtriya Ispat Nigam Limited  
Visakhapatnam Steel Plant  
Visakhapatnam- 530031

1. WHEREAS Rashtriya Ispat Nigam Limited (RINL), Visakhapatnam Steel Plant (hereinafter referred to as 'Company') have entered into contract vide contract No. .... **Dt.....** against Tender **No. \_\_\_\_\_** dt \_\_\_\_\_ 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



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amount of **USD .....** valid up to **six months from the date of issue of contract**, as guarantee.

**AND WHEREAS**

M/s .....(hereinafter referred to as the said Buyer) wish to enter into contract for the purchase of Pig Iron / Steel products 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 the contract, this Bank shall pay (through the .....Branch of this Bank at Visakhapatnam) to Rashtriya Ispat Nigam Limited, Visakhapatnam Steel Plant, Visakhapatnam, India on demand and without protest or demur USD ..... (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 contract, shall be final and binding.

2. We ..... (Name of the Bank) ..... (hereinafter referred as the said Bank) do hereby covenant and agree with you as under:
3. We undertake to indemnify you and keep you indemnified from time to time to the extent of USD..... (US Dollars.....only) against any loss or damage or costs caused to or suffered by or that may be caused or suffered by you by reason of any breach or breaches on the part of the Buyer of any of the terms and conditions contained in the said contract and in the event the Buyer shall make any defaults in carrying out any of the works under the said contract or otherwise in the observance and performance of any of the terms and conditions relating thereto, we shall forthwith without any protest or demur pay to you such sum or sums not exceeding in total the said sum of USD..... (US Dollars .....only) as may be claimed by you as your losses and/or damages, costs, charges or expenses by reason of such default / defaults on the part of the Buyer.
4. Notwithstanding anything to the contrary, your decision as to whether the Buyer has made any such default or defaults and the amount or amounts to which you are entitled by reason thereof shall be binding on us and we shall not be entitled to ask you to establish your claim under this Guarantee but will pay the same on demand from you without any objection.
5. The Company shall have the fullest liberty to claim payment of the amount or amounts from time to time under this Guarantee subject to the ceiling limit of USD..... (US Dollars.....only) as referred to above and this Guarantee shall not become invalid or infructuous because of the partial demands made by the Company upon us for payment under the circumstances stipulated hereinabove and this guarantee shall hold good in favour of the Company to the extent of the balance amount covered under this Guarantee.
6. This Guarantee shall continue and hold good until it is released by you on the application by the Buyer after the Buyer had discharged all its obligations under the



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said contract. Should it be necessary to extend this Guarantee beyond the said date on account of any extension of time being granted by you to the Buyer under the said contract or otherwise we undertake to extend the period of this Guarantee and confirm to you in writing the extension of time on your request till such time as may be required.

7. You will have the fullest liberty without our consent and without affecting this guarantee from time to time to vary any of the terms and conditions of the said contract or extend time of performance of the Buyer or to postpone for any time or from time to time any of your rights or powers against Buyer and either to enforce or forbear to enforce any of the terms and conditions of the said contract and we shall not be released from our liability under this Guarantee by the exercise of your liberty with reference to matters aforesaid or by reason of any time being given to the Buyer or any other forbearance, act or omission on your part or any indulgence by you to the Buyer or by any variation or modification of the said contract / or by any other act matter or thing whatsoever which under the law relating to sureties would but for the provisions hereto have the effect of so releasing us from our liability hereunder provided always nothing herein contained will enlarge our liability herein beyond the limit of USD..... (US Dollars .....only) as aforesaid or extend the period of Guarantee beyond the said day of .....20..... unless expressly agreed to by us in writing.
8. This guarantee shall not in any way be affected by your taking or varying or giving up any sureties from the Buyer or any other person, firm or company on its behalf or by the winding up, dissolution, insolvency reconstruction, or death as the case may be of the Buyer.
9. In order to give full effect to the guarantee herein contained you shall be entitled to act as if we were your principal debtors in respect of all your claims against the Buyer hereby guaranteed by us as aforesaid and we hereby expressly waive all our rights of suretyship and other rights, if any, which are in any way inconsistent with the above or any other provisions of this guarantee.
10. Subject to the maximum limit of our liability as aforesaid this guarantee will cover all your claim or claims against the Buyer from time to time arising out of or in relation to the said Contract and in respect of which your demand or notice in writing is received by us.
11. This guarantee and the powers and provisions herein contained are in addition to and not by way of limitation of our substitution for any other guarantee or guarantees thereto given to you by us (whether jointly with other or alone) and now existing uncanceled and that this guarantee is not intended to and shall not revoke or limit such guarantee or guarantees.
12. This guarantee shall not be affected by any change in the constitution of the Buyer or us nor shall it be effected by any change in your constitution or by any amalgamation or absorption or reconstruction thereof or therewith but will ensure for and be available to and enforceable by the absorbing or amalgamated reconstructed Company or concern.



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- 13. This guarantee during its currency shall not be revocable by us except with your previous consent in writing.
- 14. It shall not be necessary for you to proceed against the Buyer before proceeding against us and the guarantee herein contained shall be enforceable against us, notwithstanding any security which you may have obtained or obtain from Buyer at any time or when proceedings are taken against us hereunder be outstanding or realized.
- 15. We (mention the name of the Bank), hereby agree that any claim due and arising under this guarantee shall be enforceable against our Bank's Branch ..... (mention the name and address of the Branch) at VISAKHAPATNAM and they shall honour such demand in any case not later than next five working days.
- 16. Issuance of this Bank Guarantee may also be got confirmed from our controlling branch/ office/higher Authority as per the name & address mentioned below.

THIS BANK FURTHER undertakes that this Guarantee shall remain irrevocably valid and in force up to .....

**Claim period : One year from the date of expiry of validity period of BG.**

**This guarantee will be governed and construed in accordance with URDG 758 and Indian Laws and subject to exclusive jurisdiction of Courts in India.**

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

Place : \_\_\_\_\_

Date : \_\_\_\_\_



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**Annexure - 2**

**DECLARATION**

Ref. No.:

Date:

To

General Manager (Marketing)-ITD I/C  
Rashtriya Ispat Nigam Limited,  
Visakhapatnam Steel Plant,  
**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 BUYER /  
Authorized Representative



**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 **only one email id, i.e. the Company's official e-mail id only** (email id of third party or representative is not acceptable)
  - 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.**



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## **INTEGRITY PACT**

**Rashtriya Ispat Nigam Limited (RINL)** hereinafter referred to as “**The Principal**”,

And

..... hereinafter referred to as “**The Buyer/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 FY19-20. 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 Buyer/Bidder(s)/contractor(s) :**

- (1) The **Buyer /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 **Buyer /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.

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- (b) The **Buyer** /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 **Buyer** /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 **Buyer** /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 **Buyer** /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 **Buyer** /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 **Buyer** /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 **Buyer** /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 **Buyer** /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 **Buyer** /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 **Buyer** /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 **Buyer** /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 **Buyer** /bidder /Contractor and the amount of the damage.



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- (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 **Buyer/** 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 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 Buyer 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/spot sales process.
- (2) If the Buyer 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 Buyer/ 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 Buyer/ Bidder, Contractor, Sub-contractor or of any employee or a representative or an associate of a Buyer/Bidder/Contractor/ Subcontractor which constitutes corruption, or if the



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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 Buyer/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 Buyer/Bidder/Contractor. The Buyer/ 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 Buyer(s)/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 Buyer/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



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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)**

\_\_\_\_\_  
**(For & On behalf of Bidder/Contractor)**  
**(Office Seal)**

Place -----

Date -----

**Witness 1:**  
**(Name & Address)**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Witness 2:**  
**(Name & Address)**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



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**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).



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- 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 Siva Prasad Rao, Retd MD, SAIL ] (for details please see our
- 2. Sri VVR Sastry, Retd CMD, BEL ] website [www.vizagsteel.com](http://www.vizagsteel.com)
- 3. Sri PK Vijay Kumar, IRS, Retd DG, Income Tax]

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**RINL VIGILANCE - TOLL FREE NO. 1800 425 8878**