

01<sup>st</sup> June, 2015



**MMTC LIMITED**  
Corporate Office, Core I, SCOPE Complex,  
7, Institutional Area, Lodhi Road,  
New Delhi – 110 003.

(To be filled by the Tenderer)

The Earnest Money Deposit (EMD) is remitted in the form of DD / PO/RTGS/NEFT

\_\_\_\_\_ dated \_\_\_\_\_ on \_\_\_\_\_.

(Signature of the Tenderer)

**APPOINTMENT OF WET LEASE CONVERSION AGENT (WLA) BY SITE OFFICE,  
NINL FOR PROCESSING OF CAST BILLETS INTO TMT REBARS.**

This Tender document consists of:

1. Notice Inviting Tender
2. Instructions to Tenderers
3. Blank Format of Price Bid
4. Form of Agreement
5. No Claim Certificate
6. Terms and Conditions of Contract
7. Integrity Pact
8. format for SD
9. BG format for Financial arrangement

**Head Office:**

Neelachal Ispat Nigam Limited  
IPICOL House  
(1st Floor, Annexe)  
Janpath  
Bhubaneshwar, 751022 ODISHA  
Phone:  
Fax:

**Site Office:**

Sales Coordination (Commercial Dept.)  
Neelachal Ispat Nigam Limited  
Neelachal House  
Kalinganagar Industrial Complex  
At/PO: Duburi, Dist.: Jajpur  
ODISHA - 755026  
Tele-Fax: 06726-264032 / 264018

**NOTICE INVITING TENDER**

**MMTC LIMITED**

(A Govt. of India Enterprise)  
Corporate Office, Core I, SCOPE Complex,  
7, Institutional Area, Lodhi Road,  
New Delhi – 110 003.  
Visit us at: [www.mmtclimited.gov.in](http://www.mmtclimited.gov.in)

**OPEN TENDER NOTICE NO. MMTC/CO/STEEL/CONV.AGENT/2015-16/01 DT: 01.06.2015**

Sealed tenders in the prescribed form are invited from experienced/established agencies in North India in the state of Rajasthan, Punjab, Haryana, Uttar Pradesh (preferably in Eastern or Central U.P) for Appointment as Wet Lease Conversion Agent (WLA) by Site Office, NINL for processing of Cast Billets of sizes **100 mm** square (in 6M lengths) into TMT Rebars of FE500, FE500D, FE550, **FE550D** and **FE600** in **BIS:1786:2008** quality.

The details are given below:

1. **Availability of tender document:** The tender documents shall be available at **free of cost at the MMTC's CO at above address** and the same *shall also be* available on **MMTC** web site and the same can be down loaded from [www.mmtclimited.gov.in](http://www.mmtclimited.gov.in). It may be noted that the detailed NIT can also be viewed from the Government of India website.
2. MMTC 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. *Any alteration or modification or imposition by the tenderer that are in deviation to the terms and conditions prescribed by MMTC in tender papers shall be ignored.*
3. **Cost of Tender Document: Free of Cost.**
4. **Last date and time for submission of tenders and scheduled time of opening:**
  - i) **Tender documents duly filled in and signed by an authorized person can be submitted** up to **04.30 PM** on **30/06/2015** at the above address.  
(An Authorisation letter from the Company/ firm authorising the person to sign the tender form may be enclosed)  
  
Shri..... Shri .....
  - ii) Tenders can also be submitted by Post/ Courier and should reach the above address by the stipulated date and time mentioned above. MMTC will not be responsible for any postal/courier delay or non receipt of same.
  - iii) The tenders shall be opened on the due date, time and venue as mentioned in the Tender Document, in the presence of such tenderers who may wish to be present.

5. **Important Dates:**
  - 5.1) Bid/Tender hoisting Date: 01.06.2015
  - 5.2) Pre-Bid Meeting Date: 16.06.2015 at 15.00 Hours (Location: MMTC Limited, Corporate office, New Delhi)
  - 5.3) Bid Closing Date: 30.06.2015 at 16.30 Hours
  - 5.4) Technical Bid Opening Date: 01.07.2015 at 11.00 Hours
  - 5.5) Price Bid Opening Date: 03.07.2015 at 14.30 Hours.
6. Tender is to be submitted in the manner as specified in the Instructions to the Tenderers (ITT).
7. **Contract Period:** 3 (Three) years with a provision for extension by 2 (two) more years with mutual consent on terms, conditions and prices.
8. **Special conditions:**
  - i) The tenderers ***should*** be ***re-rollers*** having a Rolling Mill with available facilities for processing of Cast Billets into TMT Rebars of **FE500, FE500D, FE550, FE550D and FE600** quality with minimum 3 preceding years production of TMT. NINL shall supply Cast Billets of sizes **100 mm** square (in 6M lengths).
  - ii) 4 rakes  $\pm$  2 rakes (of approx. 2,750 MT each) per month depending upon the demand in the market.
  - iii) ***The tenderers are required to have valid FE500, FE500D, FE550 & FE550D & FE 600 BIS Licence.*** In case any of the BIS License is not available, the tenderer must obtain BIS licence within 3 months of becoming WLA.
  - iv) ***The tenderers are required to be registered with Central Excise and Sales Tax Authorities / Departments and Service Tax Authorities.***
  - v) ***The tenderers are required to have valid ISO:9001-2008 Licence/ Certificate.***
  - vi) ***The tenderers are required to have valid IT Return for FY: 2014-15 & audited Balance Sheet for FY:2014-15.***
  - vii) ***The Tenderers are required to have credit agency rating certificate by approved credit rating agency such as CRISIL/ ICRA/ CARE/ ONICRA/ FITCH/ SMERA (either minimum BBB for Long Term OR A4 for Short Term Rating Scale of CRISIL, or equivalent rating of other agencies as above) valid upto 31.03.2015.***
9. **EMD:** The tender document should be submitted with necessary EMD as detailed in the Instructions to Tenderers. EMD .....
10. The tenderer should submit the documents as per details given in the tender document along with the tender.
11. *It may be noted that by merely inviting the tenderer to submit the tender, there is absolutely no commitment, implied or otherwise, at this stage from MMTC's side as to award of actual contract and no correspondence in this regard will be entertained by the MMTC. MMTC shall also not be liable in any manner whatsoever, for costs and expenses etc. incurred in responding to this invitation.*
12. *MMTC reserves the right to accept or reject any one or all the tenders in part or in full or to accept more than one tender or to cancel the total tender process without assigning any reason thereof and without any liability to MMTC.*
13. *MMTC reserve the right to amend/modify/cancel the tender in partial or whole during the tender process without assigning any reasons whatsoever.*

**GENERAL MANAGER (Steel)**

**MMTC LIMITED**

Corporate Office, Core I, SCOPE Complex, 7, Institutional Area, Lodhi Road,  
New Delhi – 110 003.

**INSTRUCTIONS TO TENDERERS (ITT)**

Appointment of Conversion Agent by Site Office, NINL for processing of **100 mm square** Cast Billets (IS: 2830:2012 C20MMn grade B/C quality), into TMT Re-bars of **FE500 / FE500D / FE550 / FE550D / FE600 BIS: 1786-2008** quality.

1. The tenderer should duly sign on every page of the tender documents including the Notice Inviting Tender, Instructions to tenderers, Form of Agreement, Terms and Conditions of Contract along with the rubber seal of their Firm, indicating the name and the status of the signatory.
2. NINL shall supply Cast Billets of sizes **100 mm** square (in 6M lengths) to the extent of around 4 rakes  $\pm$  2 rakes (of approx. 2750 MT each) per month for a period of Three years subject to further extension of Two more years (i.e. 4<sup>th</sup> & 5<sup>th</sup> years) by mutual consent on terms, conditions & prices. Indicative quantities are 11,000 MT/ month for TMT. These are the indicative quantities and projected only to enable the tenderer to assess and in arriving at the value of the tender and the approximate facilities required to be provided by him. NINL will not be liable in any way if the actual quantities supplied, vary from the above *due to Force Majeure/ Acts of God/ demand fluctuation/ non-availability of conversion of TMT*.
3. Tenders should be accompanied by Earnest Money deposit (EMD) of an amount of Rs 5,00,000/- (Rupees Five Lakhs Only) in the form of RTGS/NEFT/ account payee Demand Draft / Pay Order drawn in favour of MMTC Limited on any Scheduled Bank (excluding Co-operative Banks) payable at New Delhi, ..... Tenders without EMD shall be summarily rejected and PART B shall be returned unopened. The successful tenderer shall submit required security deposit *for an amount as detailed in the "terms & conditions of the contract"* in the form of BG's as per the prescribed format enclosed. *In the case of the successful tenderer, the Earnest Money Deposit shall be retained by the company till Security Deposit, as stipulated in the Contract, is submitted.* In case the tenderer fails to submit the SD within 30 days from the date of issuance of LOA, EMD shall be forfeited. In case of the unsuccessful tenderers, EMD shall be refunded within 21 days from the opening date of price bid only through E-payment. Details of E-Payment to be submitted by bidder along with the tender document. No interest shall be paid on the EMD.
4. Tenderer should have had **minimum average annual TMT Conversion (with SAIL/TATA/RINL/JSW/JSPL) OR/AND own TMT production, of 75,000 MT in the preceding total 3 financial years average. Tenderer must have minimum Rs. 50 crores Net Worth as of 31.03.2015 as evidenced by Audited Balance Sheet (FY: 2014-15).** Tenderer shall have to submit their production figures (in MT) for the preceding 3 financial years with necessary supporting documents.

5. The successful tenderer shall be required to conclude a formal agreement with NINL in the prescribed Format on a non-judicial stamp paper of Rs.100/- purchased in the respective location after the Company conveys acceptance of the tender.

**6. Submission of Bids:**

Bids are to be submitted through **Electronic mode** for which Bidders may log on to website <https://mmtc.eproc.in> (OR) through **Physical mode** for which bidders have to submit their bids in sealed covers in two parts as mentioned below.

**The tender submission shall be as follows:**

- a) **PART A** in a sealed **1st envelope** which shall contain the following:
- I. Covering letter
  - II. EMD in the form of DD/PO/RTGS/NEFT.  
Bank details for RTGS/NEFT are as under:  
State Bank of Hyderabad, Scope Complex branch, New Delhi, IFSC Code: SBHY0020511, Favouring account no: 52142903753 in the name of MMTC Limited, Core-1, SCOPE Complex, Lodhi Road, New Delhi.
  - III. Tender document or downloaded from MMTC's website containing all the pages and shall be duly signed by the tenderer including the Terms and Conditions of Contract as a token of acceptance.
  - IV. Details of the tenderer's Rolling Mill including all facilities, testing facilities etc and its capacity.
  - V. Valid BIS (1786-2008) license for FE500/FE500D/FE550/FE550D TMT.
  - VI. Valid Pollution Certificate / Letter of Clearance / NOC
  - VII. Valid Industrial License.
  - VIII. Valid ISO:9001 - 2008 License / Certificate
  - IX. Details of TMT Production/TMT Conversion & Net worth as mentioned at para-iv above.
  - X. Credit Rating Certificate/ Letter from CRISIL/ICRA/CARE/ONICRA/ FITCH & SMERA with validity up to 31.03.2015.
- b) **PART B** in a sealed **2nd envelope** which shall contain the following:
- Price Bid** indicating the Conversion charges per tonne as per the format enclosed. The envelope containing the above **PART A & PART B** shall be kept in a 3<sup>rd</sup> envelope superscribed with "Tender for appointment of Conversion Agent by Site Office, NINL for processing of Cast Billets into TMT Rebars". Tender reference No. and Tender Submission Date shall also be mentioned on the envelope.
- c) The tenderer should not alter the Terms and Conditions of Contract and other documents forming part of the Tender Document issued by MMTC or downloaded from the website of MMTC.
- No conditions shall be entertained for the price bid, submitted.

## **7. Terms and conditions for E-Tender:**

Class III Digital signature (DSC) is mandatory to participate in E-Tendering. Participating bidders have to make sure that they have the valid DSC in their name. If not, they can procure from any of the RAs approved by Controller of Certifying Authority (CCA) and have to register with e-procurement portal <https://mmtc.eproc.in> (a onetime activity).

The procedure for obtaining Digital certificate is given in the web site <https://mmtc.eproc.in>. In case of any difficulty either mail or talk to the technical support engineer through <https://mmtc.eproc.in> -> contact us/helpdesk. General support and assistance for E-Tender is given in the website <https://mmtc.eproc.in>-> FAQ.

8. MMTC reserves the right to accept/ reject any or all tenders either in part or in full or to cancel the tender process without assigning any reason thereof and without any liability to MMTC.
9. Tenders should be kept valid for **60 days** from the date fixed for opening of the tender.

## **10. Evaluation of the Tender / L-1 rates:**

- I. ***Initially PART-A contained in 1<sup>st</sup> Envelope will be opened on next day after the tender closing date. Subsequently, after technical evaluation of PART-A, PART-B contained in 2<sup>nd</sup> envelope of those tenderers who are qualified in PART-A requirements shall be opened within 3 working days, under information (by email) to all such qualified tenderers. MMTC's decision in this aspect is final.***
  - II. The tenderer shall quote their rate for conversion charges **inclusive** of transportation of 100 mm square in 6 Mtr length Cast Billets from nearest NINL stock yard per tonne for the items as per the Price Bid format (in words and figures) enclosed. In case of any discrepancy between rate quoted in figures and words, the rate quoted in words shall prevail.
  - III. A comparative statement shall be made by indicating the rates quoted by various tenderers as at 9(II) above based on which the status of tenderers shall be arrived at and contract shall be awarded to L-1 Tenderer for northern region, subject to satisfactory plant inspection and track record of the tenderer's rolling mill by officials from MMTC & NINL jointly.
11. Tenderers shall comply with all statutory provisions as required by the state and central Governments w.r.t. taxes, labour, safety, pollution and other relevant aspects. *NINL shall not take any responsibility for any default by the tenderer regarding these aspects. The tenderers shall indemnify and keep indemnified NINL regarding this.*
  12. MMTC shall hold a Pre- Bid Conference at its registered corporate office in New Delhi after 15 (fifteen) days of posting the above tender on its website
  13. Any clarifications/modification arising during Pre-Bid conference shall form part of the tender process and suitable addendum/corrigendum to the tender be issued by MMTC to facilitate the prospective bidders to submit their bids/tender in a

more transparent manner to avoid any ambiguity, whatsoever.

14. All prospective bidders are therefore requested to kindly participate in the Pre-Bid conference and may submit their offer after Pre-Bid conference upto the validity period of tender.

**ANNEXURE-3**

**INTEGRITY PACT FORMAT**

**NEELACHAL ISPAT NIGAM (NINL)** hereinafter referred to as “**The Principal**”

And

..... hereinafter referred to as “**Conversion Agent/ Bidder**”

**Preamble**

The Principal intends to award, under laid down organizational procedures, a Conversion contract for converting of Cast Billets into finished products such as TMT Rebars of NINL against NIT Ref NO. .... The Principal values full compliance with all relevant laws of the land, rules, regulations, economic use of resources, and of fairness / transparency in its relations with its Conversion Agent.

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 DGM (Vigilance) of NINL and in addition can initiate disciplinary action.

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



- (1) The Bidder(s)/ Contractor(s) commits to take all measures necessary to prevent corruption. He commits to observe the following principles during his participation in the tender process and during the contract execution.
  - (a) The Bidder(s)/Contractor(s) will not, directly or through any other person or firm, offer, promise or give to any of the Principal's employees involved in the tender process or the execution of the contract or to any third person any material or other benefit which he/she is not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract or to vitiate the Principal's tender process or contract execution.
  - (b) The Bidder(s)/ Contractor(s) will not enter with other Bidders into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process or to vitiate the Principal's tender process or execution of the contract.
  - (c) The Bidder(s)/Contractor(s) will not commit any offence under the IPC/ PC Act; further the Bidder(s)/Contractor(s) will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship regarding plans, technical proposals and business details including information contained or transmitted electronically.
  - (d) The Bidder(s)/Contractor(s) of foreign origin shall disclose the name and address of the Agent(s)/representative(s) in India, if any. Similarly the Bidder(s)/Contractor(s) of Indian Nationality shall furnish the name and address of the foreign supplier/contract Agency, if any. Further details, as mentioned in the Guidelines on Indian Agents of Foreign "Suppliers/contract agencies", shall be disclosed by the Bidder(s)/Contractor(s) wherever applicable. Further, as mentioned in the Guidelines, all the payments made to the Indian agent(s)/representative(s) have to be in Indian Rupees only.  
**Copy of the Guidelines on Indian Agents of Foreign "Suppliers/contract agencies" is enclosed.**
  - (e) The Bidder(s)/ Contractor(s) will, when presenting his bid, disclose any and all payments he has made or committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.
- (2) The Bidder(s)/Contractor(s) will not instigate third persons to commit offences outlined above or be an accessory to such offences.

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

- (1) A transgression is considered to have occurred, if the principal after due

consideration of the available evidence, concludes that a reasonable doubt is possible.

- (2) If the Bidder(s)/Contractor(s), before award of contract or after award of contract has committed a transgression through a violation of Section 2 above or in any other form such as to put his reliability or credibility in question, the Principal is entitled to disqualify the Bidder(s) from the tender process or to terminate the contract, if already awarded, for that reason, without prejudice to other remedies available to the Principal under the relevant GCC of the tender/contract.
- (3) If the bidder/Contractor has committed a transgression through a violation of any of the terms under Section 2 above or in any other form such as to put his reliability or credibility into question, the Principal is entitled also to exclude the bidder / Contractor from future tenders/Contract award processes. The imposition and duration of the exclusion will be determined by the principal keeping in view the severity of the transgression. The severity will be determined by the circumstances of the case, in particular the number of transgressions, the position of the transgressors within the company hierarchy of the bidder /Contractor and the amount of the damage.
- (4) If it is observed after payment of final bill but before the expiry of validity of Integrity pact that the contractor has committed a transgression through a violation of any of the terms under Section 2 above during the execution of contract, the Principal is entitled to exclude the Contractor from future tenders/Contract award processes.
- (5) The exclusion will be imposed for a minimum period of six (6) months and a maximum period of three (3) years.
- (6) If the bidder / Contractor can prove that he has restored/ recouped the damage to the principal caused by him and has installed a suitable corruption prevention system, the Principal may revoke the exclusion before the expiry of the period of such exclusion.

#### **Section 4 – Compensation for Damages:**

- (1) If the Principal has disqualified the bidder from the tender process prior to the award in accordance with Section 3 above, the Earnest Money Deposit (EMD)/ Bid security furnished, if any, along with the offer as per the terms of the Invitation to Tender (ITT) shall be forfeited.

This is apart from the disqualification of the Bidder as may be imposed by the Principal as brought out at Section 3 above.

- (2) If the Principal has terminated the Contract in accordance with Section 3 above, or if the Principal is entitled to terminate the Contract in accordance with Section 3 above, the Security Deposit/performance bank guarantee furnished by the contractor, if any, as per the terms of the ITT/Contract shall be forfeited without

prejudicing the rights and remedies available to the principal under the relevant General conditions of contract. This is apart from the disqualification of the Bidder, as may be imposed by the Principal, as brought out at Section 3 above.

#### **Section 5 – Previous transgressions:**

- (1) The Bidder declares that, to the best of his knowledge, no previous transgression occurred in the last five (05) years with any Company or Organization or Institution in any country or with any Government in any country conforming to the anti-corruption approach that could justify his exclusion from the tender process.
- (2) If the Bidder makes incorrect statement on this subject, he can be disqualified from the tender process. The contract, if already awarded, can be terminated for such reason.

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

- (1) The Bidder(s)/Contractor(s) undertakes to demand from all his subcontractors a commitment in conformity with this Integrity Pact, and to submit it to the Principal before seeking permission for such subcontracting.
- (2) The Principal will enter into agreements with identical conditions as this one with all Bidders and Contractors.
- (3) The Principal will disqualify from the tender process all bidders who do not sign this Pact or violate its provisions.

#### **Section 7 – Criminal charges against violating Bidder(s) /Contractor(s)/ subcontractor(s):**

If the Principal obtains knowledge of conduct of a Bidder, Contractor, Sub-contractor or of any employee or a representative or an associate of a Bidder/Contractor/ Subcontractor which constitutes corruption, or if the Principal has substantive suspicion in this regard, the Principal will inform the same to DGM (Vigilance), NINL/MMTC.

#### **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-MMTC/NINL. 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-MMTC/NINL.
- (4) The Bidder(s)/Contractor(s) accepts that the IEM has the right to access without restriction, to all tender/contract documentation of the Principal including that provided by the Bidder/Contractor. The Bidder/Contractor will also grant the IEM upon his request and demonstration of a valid interest, unrestricted and unconditional access to his tender/contract documentation. The same is applicable to Subcontractors also. The IEM is under contractual obligation to treat the information and documents of the Bidder(s)/ Contractor(s)/Subcontractor(s) with confidentiality.
- (5) The Principal will provide to the IEM sufficient information about all meetings among the parties related to the tender/contract for the cases referred to IEM, provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the IEM the option to participate in such meetings.
- (6) As soon as the IEM notices, or believes to notice, a violation of this pact, he will so inform the Principal and request the Principal to discontinue or take corrective action or to take other relevant action. The IEM can in this regard submit non binding recommendations. Beyond this, the IEM has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.
- (7) The IEM will submit a written report to the CMD-MMTC/NINL within four (04) 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 DGM (Vigilance), NINL 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 NINL as per terms of appointment of IEMs.
- (10) The word '**Monitor**' means Independent External Monitor and would include both singular and plural.

### **Section 9 – Duration of the Integrity Pact:**

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

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

**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. Bhubaneswar, Odisha.
- (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 remain 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

_____	_____
(For & On behalf of the Principal)	(For & On behalf of Bidder/ Contractor)
(Office Seal)	(Office Seal)
Place .....	
Date .....	
Witness 1:	Witness 2
(Name & Address)	(Name & Address)
	_____

**GUIDELINES FOR INDIAN AGENTS OF FOREIGN  
“SUPPLIERS/CONTRACT AGENCIES”**

- 1.0 There shall be compulsory registration of Indian Agents of foreign suppliers/ contract Agencies with NINL in respect of all Global (Open) Tenders and Limited Tenders. An agent who is not registered with NINL shall apply for registration in the prescribed Application Form.
  - 1.1 Registered agent needs to submit before the placement of order by NINL, 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 NINL 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/along with 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 NINL 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 NINL. Besides this, other actions like banning business dealings with NINL, payment of a named sum etc., may also follow.

Note: The following persons have been appointed as Independent External Monitors (IEMs) to oversee the implementation of 'Integrity Pact' in NINL/MMTC.

- **Shri Bijoy Chatterjee, IAS (Retd.) and Shri D.R. S. Choudhary, IAS (Retd.).**
- All correspondence to him regarding implementation of IP should be addressed to : Shri Bijoy Chatterjee, IAS (Retd.) and Shri D.R. S. Choudhary IAS (Retd.), Independent External Monitor , MMTC Limited, Core-1, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003.
- The e-mail ids are bijoychat@gmail.com and dilip.chaudhary@icloud.com respectively.
- Bidders are requested not to communicate any commercial enquiry to IEMs except query/complains relating to integrity Pact.

For details please see our website: ([www.mmtclimited.gov.in](http://www.mmtclimited.gov.in))

**ANNEXURE-4**

**Price Bid Format**

**Conversion of the Cast Billets (IS:2830:2012 C20MMn grade B/C quality of sizes 100 mm square (in 6M lengths) into TMT rebars of FE500, FE500D, FE550, FE550D and IS:2830:2012 C20 HMn grade C quality of size 100 mm square (in 6M lengths) into TMT re-bars of FE600 BIS:1786 – 2008 quality in standard lengths (of 9-12 M)\*.**

<b>DESCRIPTION OF THE ITEM</b>	RATE QUOTED FOR WLA CONVERSION CHARGES in Rs. PMT. (WLA TO LIFT CAST BILLETS AT HIS OWN COST FROM NINL's YARD to WLA's PREMISES)		
	Input Material (100 mm square billets in 6M lengths)		
<b><u>TMT Rebars</u></b>	<b>Weightage (%)</b>	<b>Conversion Charges (Rs)</b>	<b>Weighted Average (Rs. PMT)</b>
8 mm TMT (A)	15%		
10mm TMT (B)	20%		
12mm TMT (C )	25%		
16mm TMT (D)	20%		
20/25/28/32 mm TMT (E)	20%		

**Total Weighted Average is calculated on the consolidation of Conversion Charges & weighted Average basis i.e. (A x 15% + B x 20% + C x 25% + D x 20% + E x 20%)**

**Total Weighted Average Price: Rs. \_\_\_\_\_ Per MT.  
(Rupees.....Per MT)**

**Specific Length Charges for all items: Rs. ....Per MT extra.**

**Monthly Lease Rental (in words) for 2 acres land for NINL local yard & site office with yearly lease rent increase percentage, if any. (Lease rental is inclusive of all taxes, duties as applicable on date of Tender to be quoted by the bidders):**

**Yard lease rental of Rs.....per acre/ per month.**

**Yearly Lease Rental increase percentage: .....% per annum every year.**



**Note:**

1. The evaluation shall be done on the basis of Total Weighted average conversion price & the plant inspection by MMTC/NINL wherein MMTC/NINL shall also consider the minimum landed cost of billets by rake from NINL to the WLA location, the expected market demand, price realisation & future prospects for TMT in the WLA area and any other critical factors affecting the Conversion at WLA location in the sole discretion of MMTC/NINL.
2. Company shall eventually appoint one WLA region wise (North/South/East/West India) for all sections of TMT rebars, at it's sole discretion. WLA must convert entire size & quality range of TMT from 8mm upto 32 mm in standard diameters from input of 100 mm square cast billets of 6M length
3. \*Upto 3% TMT may be supplied in shorter lengths (4 -9 M).
4. WLA shall make it's own arrangement for lifting of steel billets from NINL's local stockyard to WLA's premises at no extra cost.
5. The differential Excise Duty shall be reimbursed by NINL. Refer clause no. 10.0 of Terms and Conditions of the Contract.
6. **Indicative quantities are 4 rakes  $\pm$  2 rakes (of approx. 2750 MT each) for billet conversion to TMT re-bars.**
7. NINL shall supply minimum 4  $\pm$  2 rakes (of approx. 2,750 MT in each rake) billets per month for the entire period of Wet Lease. NINL will not be liable in any way if the actual quantities supplied vary from the above, due to demand fluctuation/non-viability of conversion of TMT/ force majeure/ reasons beyond it's control. **However, for first month of Wet Lease Conversion, minimum 2 rakes of 2,750 MT each of billets shall be supplied by NINL.**
8. The L-1 bidder shall be determined based on the weighted average price as mentioned above. The lowest of the total shall be considered as to be L-1. In case L-1 rate is obtained acceptable then the tender evaluation committee may recommend placement of contract to L-1 tenderer. In case L-1 rates so obtained are considered high, the tender committee may hold negotiation with successful L-1 tenderer for bringing down rates to best extent possible. It is to be noted that negotiation can held only with the L-1 tenderer and also rates cannot be increased after negotiations. In case, L-1 tenderer fails/refuses to justify his quoted rates, his tender will be rejected.

**ANNEXURE-5**

**Neelachal Ispat Nigam Limited**  
**FORM OF AGREEMENT**

This Agreement made this ....DD.... day of MM..... Two Thousand Fifteen between Neelachal Ispat Nigam Limited, Kalinga Nagar, Duburi 755026, Odisha, a Company registered under the Companies Act 1956 having its registered office at (1st Floor Annexe), IPICOL House, Janpath, Bhubaneshwar 751022, Odisha, hereinafter called the "Company" (which expression shall, unless excluded by or repugnant to the context, include its successors and assigns) of ONE PART and M/s..... an existing Company or a Company registered under the Companies Act 1956 or a firm/partnership firm having its registered office at..... hereinafter called the "**Wet Lease Conversion Agent**" (**WLA**) (which expression shall, unless excluded by or repugnant to the context, include its successors or assigns) of the OTHER PART.

Whereas pursuant to the MMTC's advertisement inviting offer (on behalf of "Company") where MMTC has the sole and exclusive marketing rights to sell all the finished products produced by the "company" including CC Steel Billets for conversion into TMT Re-bars. And Whereas WLA vide his letter no \_\_\_\_\_ dated. \_\_\_\_\_ offered to do the job. And whereas by its letter no. \_\_\_\_\_ dated. \_\_\_\_\_ the MMTC Limited (on behalf of "Company") accepted the offer of the WLA and whereas it is necessary and expedient to set out the terms and conditions of appointment in an instrument in writing.

NOW THESE PRESENTS witness and it is hereby agreed to and declared by and between the parties as follows:

1. In consideration of the payments to be made at the time and upon the terms and conditions as hereinafter mentioned, the WLA covenants and agrees with the Company that the WLA shall undertake the job of converting the Cast Billets into TMT Rebars on the terms, stipulations and conditions and in such manner and in all respects as are mentioned in the annexure hereto and the WLA agrees to do and perform all such acts, works or jobs as are mentioned or described in the said annexure or as may be reasonably necessary or incidental for completion of such acts, works or jobs in accordance with the true intent and meaning thereof in the manner and subject to the terms and conditions and stipulations as herein mentioned.
2. The documents set out below and hereto annexed marked respectively Annexure 1 to 5 shall form part of the Contract for the purpose of construction, interpretation of the effect and scope of the Contract Terms and Conditions.
  - i) Letter of Acceptance No..... Dated..... from the Company
  - ii) Letter no..... Date..... from M/s.....
  - iii) Notice Inviting Tender at Annexure-1

- iv) Instructions to Tenderers at Annexure-2
  - v) Integrity Pact format at Annexure-3
  - vi) Price Bid at Annexure-4
  - vii) Terms & Conditions at Annexure-5
3. In consideration of the due performance, execution and completion of the works covered by this Agreement the Company covenants and agrees to pay the WLA at the agreed rates as aforesaid but subject in all respects to the Conditions of Contract contained herein and the documents/ annexures as detailed at para.2.
  4. The contract shall be effective from dd/mm/2015 and shall remain in force for a period of 3 (Three) years with a provision for extension by 2 (two) more years by mutual consent on terms, conditions and rates.
  5. The contents of the correspondence between the parties hereto in respect of the contract except in so far as they have been specially incorporated in the Annexure hereto shall not in any way affect this Agreement which will in all respects be governed by the provisions contained herein and the Annexure hereto. There is no other Agreement or understanding between the parties in respect of anything said or done in connection with the Agreement apart from the contents of these presents or the said Annexure hereto.
  6. No modification or amendment of this Agreement shall be valid and binding between the parties unless the same is made in writing and is signed by the parties and termed as amendment to this Agreement.
  7. Failure to enforce any of the terms and conditions contained in this Agreement shall not operate as a waiver of the terms or breach thereof.
  8. In case of any conflict between the Annexure-1 to 5, the Terms and Conditions of Contract at Annexure-5 will prevail. Mutually agreed deviations to the terms and condition as contained in Letter of Acceptance shall prevail over Annexure-1 to 5.
  9. All disputes arising out of or in any way connected with the Agreement shall be deemed to have arisen at New Delhi and only the Courts at New Delhi shall have jurisdiction to determine the same.

IN WITNESS WHEREOF both parties have set their hands and subscribed their signature to this instrument after fully going through the contents hereof and after fully understanding the implications and significance.

Signed, Sealed and Delivered for and on behalf of NINL at

Witness:  
Name and Address

Signed, Sealed and Delivered for and on behalf of (WLA) M/s.

Witness:  
Name and Address:

(ON NON JUDICIAL STAMP PAPER OF Rs 100/-  
PURCHASED IN THE NAME OF EXECUTING BANK)

**PRO FORMA OF BANK GUARANTEE TOWARDS PERFORMANCE GUARANTEE  
(FROM ANY SCHEDULE BANK EXCEPT GRAMIN/COOPERATIVE BANKS,  
DHANLAXMI BANK & NAINITAL BANK)**

Name & Address of the Bank:

Bank Guarantee No. & Date:

Date of expiry:

Limit of liability:.....

Ref: NINL's Letter of Acceptance Ref No:.....

For Conversion of Cast Billets of NINL into TMT Rebars

Subject: **Security Deposit.**

To

Neelachal Ispat Nigam Limited  
Kalinganagar Industrial Complex  
At PO: Duburi, Dist.: Jajpur  
Odisha - 755026

In consideration of NINL, a Company incorporated under the Companies Act, 1956 having its registered office at 1st Floor Annexe, IPICOL House, Janpath, Bhubaneswar 751022, Odisha (hereinafter called the Company) having agreed to accept this Bond towards the Security Deposit of Rs...../- (Rupees.....) under the terms and conditions of the contract awarded vide Letter of Acceptance No..... dated ..... (Hereinafter called 'the said Agreement') made between the Company and M/s. .... (hereinafter called "Wet Lease Conversion Agent" **(WLA)** for conversion of Cast Billets of standard sizes 100 mm square (in 6M lengths) into TMT Rebars covered under the said agreement as a guarantee for the security of materials dispatched to the said Wet Lease Conversion Agent in terms of the said agreement as also for the due fulfilment of all the terms and conditions contained in the said agreement on furnishing of a Bank Guarantee for (Rupees\_\_\_\_\_ only), we \_\_\_\_\_ (Name of the Bank) (hereinafter referred as the said Bank) do hereby covenant and agree with you as under:

We undertake to indemnify you and keep you indemnified from time to time to the extent of Rs..... /- (Rupees ..... 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 Wet Lease Conversion Agent of any of the terms and conditions contained in the said agreement and in the event the Conversion Agent shall make any defaults in carrying out any of the works under the said agreement 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 Rs...../- (Rupees.....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 WLA.

1. Notwithstanding anything to the contrary, your decision as to whether the WLA 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.
2. 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 Rs...../- (Rupees.....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 herein above and this guarantee shall hold good in favour of the Company to the extent of the balance amount covered under this Guarantee.
3. This Guarantee shall continue and hold good until it is released by you on the application by the WLA after the WLA had discharged all its obligations under the said contract and produced a certificate of the due completion of the work under the said contract and submitted a No Demand Certificate. 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 WLA 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 through WLA till such time as may be required.
4. You will have the fullest liberty without our consent and without affecting this guarantee from time to time to vary (by mutual written consent with WLA) any of the terms and conditions of the said agreement or extend time of performance of the WLA or to postpone for any time or from time to time any of your rights or powers against WLA 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 WLA or any other forbearance, act or omission on your part or any indulgence by you to the WLA 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 Rs...../- (Rupees .....only) as aforesaid or extend the period of Guarantee beyond the said day of .....2015, unless expressly agreed to by us in writing.

5. This guarantee shall not in any way be affected by your taking or varying or giving up any sureties from the WLA 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 WLA.
6. 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 WLA 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.
7. Subject to the maximum limit of our liability as aforesaid this guarantee will cover all your claim or claims against the WLA 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.
8. 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 un cancelled and that this guarantee is not intended to and shall not revoke or limit such guarantee or guarantees.
9. This guarantee shall not be affected by any change in the constitution of the WLA 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.
10. This guarantee during its currency shall not be revocable by us except with your previous consent in writing.

11. The bank shall extend the BG for a suitable period at the request of WLA.
12. It shall not be necessary for you to proceed against the WLA 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 WLA at any time or when proceedings are taken against us hereunder be outstanding or realised.
13. 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 ..... (NINL's controlling Branch) and they shall honour such demand in any case not later than next working day.
14. Issuance of this Bank Guarantee may also be got confirmed from our controlling branch/ office/higher Authority as per the name & address mentioned below:

\_\_\_\_\_

\_\_\_\_\_

Yours faithfully,

**PROFORMA OF BANK GUARANTEE (Financial Coverage) FOR WET LEASE  
CONVERSION AGENT (WLA) CONTRACT  
(On non-judicial stamp paper of appropriate value from a Scheduled Bank  
except Gramin/Co-Operative Banks, Dhanlaxmi Bank & Nainital bank)  
(to be vetted by Finance of Branch Sales Office)**

To

Sales Coordination (Commercial Dept.)  
Neelachal Ispat Nigam Limited  
Kalinganagar Industrial Complex  
At/PO: Duburi, Dist: Jajpur  
Odisha - 755026

1. In consideration of Neelachal Ispat Nigam Limited, a company incorporated under the Companies Act, 1956 having its registered Office at 1st Floor Annexe, IPICOL House, Janpath, Bhubaneshwar 751022, Odisha also having interalia, one of its Site Office at Kalinganagar Industrial Complex, At/PO-Duburi, Dist: Jajpur, Odisha - 755026 (hereinafter called 'The Company') having agreed to accept this Guarantee for due security and safe custody of the materials dispatched to M/s.....(herein after called CA) for Conversion of Cast Billets supplied by NINL under the LOA dated..... (hereinafter called 'the said Agreement' which expression shall include any formal agreement entered into subsequent thereto or in suppression thereof and all modifications to and amendments in the said Agreement) made between the Company and the said WLA for conversion of the Steel materials covered under the said Agreement on furnishing a Bank Guarantee for Rs ..... Lacs (Rupees .....) only, we \_\_\_\_\_ (Name of the Bank) ... (hereinafter referred to as 'the Bank') do hereby undertake to pay to the Company an amount not exceeding Rs ..... (Rupees .....) only against any shortage, loss or damage or deterioration caused to or suffered by or would be caused to or suffered by the company in respect of the said materials by reason of any breach(es) of any of the terms and conditions contained in the said Agreement.
2. We ..... do hereby undertake to pay (name of the Bank) the amount or amounts due and payable under this Guarantee from time to time up to the extent of Rs .....(Rupees .....) only without any demur / protest / question, merely on receipt of a demand from the Company stating that the amount (s) claimed is / are by way of loss or damage caused to / suffered by or would be caused to or suffered by the Company in respect of the said materials by reason of any breach of any of the terms and conditions contained in the said agreement by reason of the WLA's failure to perform the said agreement or for any reason whatsoever. Any such demand made on the Bank shall be conclusive as regards the amount or amounts due and payable by



the Bank after this Bank Guarantee.

3. It is hereby expressly agreed and declared that 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 Rs .....(Rupees ..... ) only, as referred to above and this guarantee shall not become invalid or infructuous because of the partial demand(s) made by the company upon us for payment under the circumstances stipulated herein above and it is further declared that this Guarantee shall hold good in favour of the Company to the extent of the balance amount covered under this guarantee. It is further agreed and declared that the Company shall be the sole judge of and as to whether the said WLA has committed any breach or breaches of any of the terms and conditions of the said agreement the extent of loss and damage, caused to or suffered by or that may be caused to or suffered by the Company on account thereof and the decision of the Company that the said WLA has committed such breach or breaches and as to the amount or amounts of loss and damages shall be final and binding on us. Any such demand or demands made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this Guarantee. However, our liability under this guarantee shall be restricted to an amount, not exceeding Rs ..... (Rupees ..... ) only.
4. We, the said Bank, further agree that the Guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said agreement and that it shall continue to be enforceable till all the dues of the Company under or by virtue of the said agreement have been fully paid and its claims satisfied or discharged or till the Company certifies that the terms and conditions of the said agreement have been fully and properly carried out by the said WLA and accordingly discharges this guarantee. Unless a demand or claim under this guarantee is made on us in writing on or before the expiry of the said BG and payment is made by us, we shall be discharged from our liability under this guarantee thereafter.
5. We, the said Bank, further agree that the Company shall have the fullest liberty, without our consent and without affecting in any manner our obligations hereunder contained to vary / modify (by written mutual consent with WLA) any of the terms and conditions of the said agreement or to extend time of performance from time to time or to postpone for any time or from time to time any of the powers exercisable by the Company against the said WLA and to forbear or enforce any of the terms and conditions relating to the said agreement and we shall not be relieved of our liability by reason of any such variation/ modification or extension being granted to the said WLA or for any forbearance, act or omission on the part of the Company or any indulgence by the Company to the said WLA or by

any such matter or thing whatsoever which under the law relating to sureties would but for this provision have effect of relieving us.

6. We ..... (name of the Bank) agree and declare that this Guarantee will be valid and effective for a period of 6 (six) months from the date of its issue and we further agree that the Guarantee herein contained shall not be affected by any change in the constitution of the said WLA . 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 WLA in respect of completion of work in the said contract or otherwise we undertake to extend the period of this Guarantee and confirm you in writing, the extension of time, on WLA request till such time as may be required.
7. We, the said Bank, lastly undertake not to revoke this Guarantee during its currency except without the previous consent of the Company in writing.
8. We undertake to extend the BG for a suitable period at the request of WLA.
9. 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 ..... and they shall honour such demand in any case not later than next working day.
10. Issuance of this Bank Guarantee may also be got confirmed from our controlling branch/ office/higher Authority as per the name & address mentioned below:

Yours faithfully,

Designated Officer of Bank with Seal

Dated : ..... day of ..... (month) ..... (year)

for \_\_\_\_\_

(Name of the Bank)

**PROFORMA FOR NO-CLAIM CERTIFICATE**

To

DGM (Commercial)  
Neelachal Ispat Nigam Limited  
Kalinganagar Industrial Complex  
At/PO- Duburi, Dist.-Jajpur,  
Odisha – 755 026

Dear Sir,

**Sub: No claim certificate**

I/We hereby certify that, except for the unpaid bills mentioned hereunder for work done as per our Contract No ..... dated..... with you for Conversion of Cast Billets in to TMT Rebars, I / We have no claims against your company.

Bill No.:

Date:

Amount (Rs.):

Date:

.....  
(Signature of the Conversion Agent)

Place:

Name of the signatory:

Seal of the Company:

**Tender for Conversion Agent at .....**

Ref.No.

Dt.

**COVERING LETTER FOR SUBMISSION OF TENDERS**

To

**GM (Steel)  
MMTC Limited  
Corporate Office, Core I, SCOPE Complex, 7, Institutional Area, Lodhi Road,  
New Delhi – 110 003.**

Dear Sir,

Sub: Tender for entering into contract as Wet Lease Conversion Agent (WLA) of Neelachal Ispat Nigam Limited for Conversion of TMT rebars at .....

1. Subject to the instructions and conditions given in the tender document, terms and conditions of contract and draft agreement annexed thereto, I/We hereby tender for the contract for working as WLA for Neelachal Ispat Nigam Ltd. I/We hereby certify that I/We have examined and am/are familiar with all the provisions of this tender document and agree to abide by all the terms and conditions laid therein.
2. The following certificates/ documents are enclosed:
  - i) Self declaration stating that I have the resources to undertake the Conversion job envisaged in the tender.
  - ii) Self Declaration as to whether I have any relative within the meaning of Section 6 read with Schedule 1A of the Companies Act 1956, employed in any capacity in NINL. This tender document with all pages intact and duly signed by the authorized person.
3. A sum of Rs. (Rupees.....) only is forwarded herewith as Earnest Money in the form of demand draft / PO / Banker's Cheque No. drawn on in favour of Neelachal Ispat Nigam Ltd payable at ...../RTGS/NEFT.
4. I/We agree to keep this tender open for a period of 60 (Sixty) days from the date fixed for opening and the same cannot be withdrawn from the said period of 60 (Sixty) days.
5. I/We do hereby declare that the entries made in the tender document and the annexures / appendices attached there are true.

Yours faithfully,

Signature of authorised representative of Tenderer

(Name of the authorised signatory):

Tenderer's address:

Address:

Telephone No.:

E-mail address:

Signature of Witnesses

Address of Witnesses

1. \_\_\_\_\_

**NEELACHAL ISPAT NIGAM LIMITED**  
Kalinganagar Industrial Complex  
At/PO: Duburi, Dist: Jajpur, Odisha – 755026

**Tender for Conversion Contract at .....**

Ref.No.....

Dt.....

**LETTER OF ACCEPTANCE (LOA)**

To

M/s. \_\_\_\_\_

Dear Sir,

Sub: Our Tender Notice No ..... Dt.....for conversion of TMT Rebars under Wet Lease Conversion Agent Contract at .....

Ref: Your Tender Quotation no. .... dt..... in response to the subject Tender Notice.

**(All other relevant references)**

- 1 Please refer to your above Tender Quotations opened on..... and also (strike out whatever is not applicable) the subsequent negotiation held on ..... and/or your correspondence dated.
- 2 We have the pleasure to inform you that your above tender has been accepted by us. You are, therefore, requested to submit BG towards Security Deposit for performance of the contract for Rs.Ten Lakhs to us on or before dd/mm/2015 the following documents, amongst others, as already stipulated in the Tender Terms. Any other documents necessary as per the local conditions.
3. In the event of your **failure to submit** the above document(s) within the prescribed time, the acceptance of your tender shall be withdrawn and you will be held responsible for all consequences.
4. On your compliance of the above within the time and prescribed herein, we shall issue you a Work Order enabling you to commence Conversion work envisaged under the contract awarded to you. Issue of Conversion Work is solely at the discretion of NINL.

On non compliance/ non submission of any of the documents indicated above by the date indicated at para 2 above, the EMD deposited by you shall be liable for forfeiture/ encashment by the Company. Till the date of signing the agreement, this LOI along with Tender, NIT, ITT, Terms and conditions, all other Annexures and the letters under reference shall be considered as contract.

Please acknowledge receipt.

Thanking you,

Yours faithfully,

For Neelachal Ispat Nigam Limited

DGM (Commercial)

**NEELACHAL ISPAT NIGAM LIMITED**

**TERMS & CONDITIONS OF THE CONTRACT FOR CONVERSION OF CAST BILLETS** (IS:2830:2012 C20MMn grade B/C quality & C20Hmn grade C quality), **OF SIZE 100 mm square (in 6M lengths) INTO TMT REBARS of FE500, FE500D, FE550, FE550D, FE600 (BIS:1786- 2008 Quality) BY NEELACHAL ISPAT NIGAM LIMITED, AT PO: DUBURI, DIST: JAJPUR, ODISHA, SITE OFFICE.**

**1.0 DEFINITIONS:**

The following words and expressions used in this Contract shall have the meaning assigned to them except where the context otherwise requires.

The '**Company**' shall mean Neelachal Ispat Nigam Limited (NINL) with its Registered Office at 1st Floor Annexe, IPICOL House, Janpath, Bhubaneswar 751022, Odisha And also having its Site Sales Office at Kalinganagar Industrial Complex, At/PO: Duburi, Dist.: Jajpur, Odisha – 755026.

'**DGM (Commercial)**' shall mean the Authorised Officer of the Company for the time being.

'**Tenderer**' shall mean the person, firm/ company or corporation/Rolling Mills submitting a tender against the Invitation to Tender and shall include his / its successors and assigns approved by the 'Company'.

'**Wet Lease Conversion Agent (WLA)**' shall mean the tenderer whose tender has been accepted by the "Company" and shall include WLA's successors and assigns approved by the Company.

'**Contract/Conversion Contract**' shall mean and include the Agreement between the Company and the WLA duly signed by the parties thereto for the execution of the work together with all documents annexed / attached therewith or referred to therein.

'**Public Railway Siding**' shall mean the Railway Goods shed where Railway wagons are placed for unloading and/ or booking of goods including Iron & Steel materials (This goods shed may not be a public booking point in the strict literal sense).

'**Private Siding**' shall mean the Railway siding as defined in the siding agreement with the railways inside the WLA's Yard and where railway wagons are placed for unloading and/ or booking of Iron & Steel materials.

'**Company's Materials / Raw Materials / Materials**' shall mean Iron and steel materials dispatched from the Company's Plant at Kalinganagar Industrial Complex, Duburi Jajpur, ODISHA / materials from Company's stockyards / other locations or other Iron and Steel materials received from time to time by WLA on Company's account.

'**Excepted Matters**' mean those matters in respect of which decision of the Company shall be final and binding upon the successful tenderer/ WLA.

'**Force Majeure/ Acts of God**' means those actions or events beyond human control, such as failure of electricity supply from Grid, major plant break downs, non-availability of wagons rake, strikes, terrorist acts, natural disasters (ex. lightning, earthquake, fire, tempest, storm, floods) etc, including lower billet production by NINL.

## 2.0 PRODUCTS TO BE CONVERTED AND FINISHED PRODUCTS

### 2.1 RAW MATERIALS (CAST BILLETS)

**CONVERSION OF CAST BILLETS** (IS:2830:2012 C20MMn grade B/C quality & C 20 HMn grade C quality) **Billets of sizes 100 mm square (in 6M lengths)**  
**INTO**

C20MMn grade B	<b>FE500, FE550</b>
C20MMn grade C	<b>FE500,FE500D, FE550 &amp; FE550D</b>
C20HMn grade C (Mn = 0.90 -1.20 %)	<b>FE600</b>

**TMT rebars (8 to 32 mm in std. sizes) FE500,FE500D, FE550, FE550D & FE600**  
**The relevant BIS standard 1786:2008 for respective grades, TS/YS ratio will be applicable.**

- 2.2 Only the tenderers having valid FE500, FE500D, FE550, FE550D BIS Standard: 1786 - 2008 License & a valid ISO: 9001- 2008 License shall be considered for appointment as Conversion Agents. (Tenderer must obtain FE600 endorsement on BIS: 1786-2008 Licence within 3 months of appointment date as WLA). The tenderer should be registered with central excise and sales tax departments and should fulfill the related statutory requirements.
- 2.3 The tenderer should have a monthly capacity to produce at least 15,000 MT per month TMT bars from steel billets along with the flexibility of converting a wide range of steel billets from 100 mm square into FE500/FE500D/FE550/**FE550D/FE600** TMT bars of **8/10/12/16/20/25/28/32** mm diameters. WLA should have **TMT Industrial Licence** evidencing minimum **180,000MT/year** installed capacity.
- 2.4 The tenderer should have adequate Pollution Control equipments as evidenced by **valid Pollution Control Consent Letter**.
- 2.5 The tenderer should have a **Universal Testing Machine of 100 MT capacity** for testing tensile strengths of TMT Bars., with **valid Calibration Test Certificate**.
- 2.6. Tenderer should have **Minimum average annual TMT Conversion (with SAIL/TATA/RINL/JSW/JSPL) OR/AND own TMT production, of 75,000 MT in the preceding total 3 years average. Tenderer must have minimum Rs. 50 crores Net Worth as of 31.03.2015 as evidenced by Provisional/Audited Balance Sheet (FY:2014-15).**Tenderer shall have to submit their production figures (in MT) for the preceding 3 *financial years with necessary supporting documents*.

- 2.7 The tenderer should have adequate existing space to stock 7,500 MT of Cast Billets & TMT at any given time. Adequate space should exist to stock all TMT sizes separately in lots in accordance with BIS procedures.
- 2.8 The WLA location must be suitable for:
- (a) Supply of cast billets in full rakes of 2750 MT each by Rail from NINL plant to Railways rake siding designated for steel billet rakes located not more than 50 km by road from WLA.
  - (b) Adequate availability of trailers for TMT evacuation to customers & NINL yard
- 2.9 The WLA should have computerized internet based system to interface with NINL system for daily updates, billing, stock position & reporting.
- 2.10 The WLA for TMT Rebars shall possess any of the following technologies: Turbo-quench, Thermax, Tempcore or Evcon processes of TMT rebars so as to ensure various grades of **TMT (FE500/FE500D/FE550/FE550D)**. Documentary proof shall be provided, example endorsement on BIS licence, etc.
- 2.11 The WLA shall have mechanized raw material handling for billets and In-line Tandem finishing mill stands rolling mill to ensure highest quality of TMT rebars.
- 2.12 The WLA should have existing equipment & technical capability to roll FE600 TMT rebars, so as to position brand quality of NINL TMT rebars at par with current large integrated TMT producers in the future. (Tenderer must obtain FE600 endorsement on BIS:1786-2008 Licence within 3 months of appointment as WLA.)
- 2.13 WLA shall have SPARKONIX roll embossing machine installed on his premises to ensure high quality tamper proof embossing of logo & brand name as specified by NINL.
- 2.14 WLA will arrange minimum two acres of land with road access for heavy trailers and boundary wall/ fence, for NINL, for its local stockyard & site office, within/ immediately adjacent to its factory premises, at a monthly lease rental (including all taxes & duties) to be quoted in the Tender document, with no escalations, Period of lease to be for the duration of the Wet Lease Conversion contract plus 2 months thereafter.



2.15 WLA shall have insurance cover, at its own cost, for full value (+10%) of billets and TMT lying within its premises at all times. Copy of the insurance cover should be provided to NINL as documentary evidence.

3.0 PERIOD: The Contract is for a period of 3 (Three) years from the date of Agreement. However, it can be extended for 2 (Two) more years on mutual consent on same terms, conditions and rates.

4.0 Company reserves the right to appoint more than one WLA, but not in the same geographical area (example, North, South, East, West India).

4.1 Guarantee of work, penalty and Force Majeure: for Wet Lease

**(A)** NINL shall endeavour to utilise full capacity of the Wet Lease Conversion Agent (WLA) on a monthly basis, but a minimum monthly conversion volume of 2 rakes (of approx. 2750 MT each) shall be guaranteed by NINL subject to Force majeure/ Acts of God/demand fluctuation/non-viability of conversion of TMT.

**(B)** The Wet-Leasing Agent shall have to ensure above minimum monthly guaranteed production of 2 rakes (of approx. 2750 MT each) failing which penalty equal to the 50% of conversion charges shall be paid for differential quantity by WLA.

**(C)** It is expressly provided that the WLA cannot manufacture TMT re-bars in any form, on his own account during the period of "Wet Lease", unless billets supplied from NINL are less than 2 rake loads of total 5,500 MT per month. In case, the conversion volume is less than 2 rake in a particular month, the WLA can use the facility for his own material/some other conversion. However, the WLA is obliged to fulfil his minimum monthly guaranteed production of TMT re-bars to Company, notwithstanding the above.

5.0 TEST CERTIFICATE: While issuing raw materials, Test Certificate will be issued to the WLA and basing on the chemistry of the material, the WLA has to issue Test Certificate in respect of finished products including mechanical properties as per proforma given by the Company. However, the Company shall have the right to re-test the material in case of any requirement and the WLA has to abide by the decision of the Company.

- 5.1 (i) On appointment, WLA shall apply to the BIS to obtain permission for allowing issuance of Test Certificate in the name of the Company. For this purpose, a copy of the agreement between the Company and WLA shall be provided by the WLA to the BIS unit which grants licenses to the Re-rollers.
- ii) Test Certificate shall incorporate the following in addition to the regular

information:

- a) Name, address of the re-rollers, ISI mark and their BIS license number.
  - b) NINL/MMTC logo and the brand name "NINL-MMTC TMT" for TMT rebars.
  - c) The draft format of TC is to be provided, may be got approved from BIS, as per Jurisdiction of the marks area of BIS.
- iii) Holding of a valid BIS standard 1786 - 2008 License is a requirement of the contract. Therefore, if the BIS License has been suspended by the concerned authorities, the same shall be intimated by the WLA to DGM (Commercial). Then the Company shall suspend supply of input materials (Cast Billets) and the rolling operation is also to be suspended until the license is reinstated. In case there is a delay of more than 30 days in revoking of the suspension, action may be taken for removal/ disposal of the inventory of Cast Billets and finished products by the Company from the premises of the WLA at the cost of WLA. The WLA would also be liable for any losses on account of non-certified (BIS) finished materials, if any, and will indemnify and keep indemnified the Company regarding this. After due review by and written clearance from the Company, the activities can be resumed by the WLA.

6.0 SECURITY DEPOSIT (SD) (towards performance of contract): The WLA shall have to submit security deposit in the form of Bank Guarantee for an amount of Rupees Ten lakhs, whereupon the earnest money of Rupees Five lakhs shall be refunded within 7 days.

6.1 WLA shall be required to furnish SD for the aforesaid amount by way of Bank Guarantee in the format enclosed at Annexure-A issued by a scheduled Bank for performance of his obligations under this contract within 30 (thirty) days from the date of issue of LOA. BG shall remain valid for a period of One year and subsequently shall be extended yearly, before expiry. WLA may furnish one or more BGs. The SD shall not carry any interest.

7.0 SPECIFIC LENGTHS: In case of requirement of specific lengths of the finished products, the WLA has to arrange for the same as per instructions of the Company. If some extra amount will be payable to the conversion agent, for specific lengths the same has to be quoted in the tender itself in Annexure 4. In

case this charge is not quoted in the tender it is presumed that specific lengths (up to 12M length maximum) shall be produced free of cost. In such case no extra charges shall be paid by the Company in this regard.

8.0 **CONVERSION CHARGES:**

**The conversion charges will be deemed to include\*:**

- I. Cost of transportation of Cast Billets from closest NINL Yard and unloading at WLA’s premises.
- II. Conversion cost for finished products
- III. Storage / stacking charges
- IV. Bending, Bundling & Metal Tagging
- V. Weighing charges
- VI. Testing & Inspection charges (excluding Third Party Inspection Agency)
- VII. Handling expenses for delivery into customers trucks
- VIII. Profit Margin of WLA.

\* Service tax on conversion charges, if any shall be paid extra by NINL.

9.0 **The WLA shall be paid conversion charges per tonne of converted products (TMT) and will be allowed Burning Loss/ Wastage at 5% on the weight of raw material (cast billets from 100 mm square in 6M standard lengths) issued for conversion. Billet weight at NINL’s weighbridge at Duburi is final.**

9.1 **WLA will be compensated for metal loss/ wastage to the extent of 5% of the quantity of cast billets supplied for conversion. In other words, for every ton of cast billets supplied, WLA shall return 0.95 tonnes of the finished products.**

9.2 No shortage allowance/ any other allowance except the burning loss/ wastage will be given to the WLA. In case of any shortage or short delivery by the WLA, the WLA shall compensate the cost of loss to NINL.

9.3 **Escalation/ De-escalation Clause:**

**Wet Lease** Conversion Agent shall be given yearly escalation or de-escalation in conversion rates, starting **after** completion of **first eighteen months** of Conversion, from mid of 2<sup>nd</sup> year onwards, each year, based on the formula below:

Components	Weightage	Neutralization	Basis
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Labour	15%	100%	Minimum or statutory wages as per latest notification of Labour department of the concerned State Govt. applicable to immediately preceding month
Fuel (Furnace oil)	25%	60%	Rates as per immediately preceding month invoice from closest IOC Refinery/ Depot for furnace oil unit electricity charge.
Electricity	25%	60%	Including Minimum Demand, KWH rate & duties & taxes as applicable on Connected Load), based on immediately preceding month actual Electricity Bill from electricity supplier or SEB, as applicable.
Overhead	15%	50%	End month/ End year RBI Index on "Machinery and Machine Tools", and "Transport Equipment and Parts" on a simple average basis.
Transportation	5%	60%	Increase/decrease in transportation costs based on immediately preceding month invoice of diesel from closest IOC retail outlet
Profit (WLA)	15%	NIL	

**Escalation/ De-escalation Period:** clause shall be applicable yearly to both the initial period of 3 years & further renewal period of two years of conversion contract as may occur. The revision of rates shall be given annually, at the commencement of every year of the contract, from mid of 2<sup>nd</sup> year onwards, as also for the two years extension, after the initial 3 years period, with yearly escalation to be given to both the extension years on the same continuing basis.

The base indices for the above elements will be considered as on a date which is 15 days prior to the date of opening of the tender.

#### **10.0 TAXES AND DUTIES:**

- a) The WLA shall, in accordance with prevailing procedure prescribed by VAT/Sales Tax and Excise Authorities, comply with all necessary formalities such as Registration with VAT/Sales Tax; Excise Dept, etc. and also shall undertake the documentation and timely furnishing of return as stipulated by Taxation Authorities.
- b) The WLA shall ensure that the delivery of converted/finished products is made after payment of the excise duty as applicable. The WLA shall ensure

that the applicable excise duty is paid within due date as per Excise law on delivery of converted/finished products.

- c) The WLA will furnish to Company Excise Duty differential statement/ Bill (the differential Excise Duty between the ED paid on the finished products and the ED as mentioned in the invoices towards the supply of the raw materials subject to Excise law in force) on 1st or 2nd of every month, which will be reimbursed to WLA latest within 4th of every month, so that the same is deposited to Excise authorities on or before the 5th day of the month, being the last date of payment for Excise, as per Excise Law.
- d) All other relevant and applicable taxes and duties (**other than** excise duty, CST, state sales tax, state entry tax, service tax, as applicable) are to be borne by the WLA and the Company will have no liability regarding this. However, any new levies after the date of tender opening/date of negotiation (as the case may be) shall be reimbursed to the WLA by NINL with documentary evidence. Likewise any reduction in the new levies after the date of tender opening/date of negotiation (as the case may be) shall be reimbursed by the WLA to NINL with documentary evidence.
- e) Any new change/ legislation which enables NINL to obtain credit of any of the taxes and duties etc, during the operation of the contract shall be enabled by the WLA by providing required documents and complying with such legislation.

#### **11.0 QUALITY COMPLAINTS:**

The WLA shall be responsible for all quality complaints of the converted products and have to bear all the losses, if any, suffered by the Company in this regard. The WLA will indemnify and keep indemnified the Company regarding this. No conversion charges shall be payable for such rejected quantity due to quality complaints at WLA plant duly verified jointly.

- 11.1 a) WLA shall be responsible for all the losses/damages and deterioration (other than rusting) caused to materials while these are in the custody of WLA. The materials shall be deemed to be in the custody of the WLA as soon as the Stock Transfer Challans (STC) are handed over to WLA. Such loss/damage/deterioration

and/or pilferage in the WLA's premises/custody will be compensated in full by the WLA. Assessment of loss made by the Company on damage/deterioration (other than rusting) to the materials in the custody of the WLA shall be final and binding on the WLA. The STC weight is final for the receipts of cast billets to WLA. Company shall transfer any TMT lying with WLA within 7 days to its own yard/ designated premises. WLA shall not be responsible for any loss due to deterioration of TMT at WLA premises if not lifted by the Company or its customers within 21 days.

- b) The WLA shall be informed about the quality complaints in writing or by email by the Company. Any quality complaint received from the company for converted products supplied by WLA shall be inspected jointly by the WLA & the Company and the 3rd party Inspection Agency at WLA's plant. Joint decision on the matter will be final and binding on the WLA.
- c) Converted products rejected under quality complaint confirmed as per clause 11.1(b) shall be returned to WLA by the Company and WLA will be debited for the cost of the billets (Landed cost) by the Company. WLA shall have to settle such loss within 21 days of the intimation by the Company of such loss. In case of failure, the same shall be recovered from the pending/ forthcoming bills of the WLA. The Company shall also have the right to recover the amount due from the WLA under any of the above heads from the BG submitted by the WLA. Rejected TMT shall be mutilated (cut) by the WLA and become his property as scrap.

## 12. **EMBOSSING:**

- a) All converted products produced from NINL Cast Billets by WLA will be 100% embossed as per NINL specification i.e. example "**NINL - MMTC TMT**" for **TMT re-bars** or as decided by NINL/MMTC officials.
- b) The WLA shall have to undertake 100% embossing of the converted materials as per design and direction given by NINL (same shall conform to BIS).
- c) To have embossing of TMT for branding purposes the rolls will have to be cut

as per NINL design by machines like **SPARKONIX** by the WLA.

- d) The NINL's embossing should not be used for any other products produced by WLA. If any such case is noticed WLA shall be held responsible for all the losses due to such duplication and same shall be recovered from WLA. The WLA will indemnify and keep indemnified NINL against any losses/ damages/ claims regarding this.
- e) After completion of the contract period/ termination/short closing the emboss on existing rolls with WLA should be removed in presence of NINL official.

### **13.0 TRANSPORTATION:**

- 13.1 Transportation of the Billets (6M lengths) from nearest NINL stockyard is to be arranged by the WLA and at the time of submission of the tender, the WLA has to quote a rate for conversion charges including above transportation charges. The WLA has to refer the Price Bid format and quote the rates accordingly.
- 13.2 Loading of billets at NINL premises/ yard shall be done free of cost by NINL. WLA shall have to make their own arrangements for unloading the material at its premises.
- 13.3 The weight at NINL's weighbridge shall be final & no allowance shall be allowed on transit or weighbridge tolerance and no dispute in this regard shall be entertained.

- 14.0 **Bank Guarantee** for financial coverage (towards value of the raw materials): Besides the performance Security Deposit, the successful tenderer shall submit one more BG (as per the format provided at Annexure A1) before commencement of operations, for covering the value of raw materials to be supplied by NINL (i.e. (Basic Cost of Billet + Excise Duty + VAT+ Railway Freight) < than 18 crores) for conversion (with 6 months validity to be renewed on min. 6 monthly basis before expiry). At any point of time the prevailing value of the material at the time of issue held by the WLA should not exceed the amount of BG submitted by WLA. Conversion Agent shall submit additional BG to cover additional material for conversion whenever required or any shortfall in the SD amount in case of any recovery.

**BG shall be in favour of NEELANCHAL ISPAT NIGAM LTD., Bhubaneswar.**

#### **14.1** Recovery of amount in case of non-performance/ non-compliance of contractual Obligations

- a)** If the Company suffers any losses or damages due to any negligence and/ or non-performance of any of the obligations under the contract by the WLA, the Company may with 21 days notice and without prejudice to any other right, recover the amount(s) and appropriate the same from the Security Deposit and/ or the BG towards the settlement of all loss or damage.
- b)** However, the Company reserves the right to recover such losses and/ or damages by enforcing the Bank Guarantee and/ or by deduction from any of the WLA's Bills pending for payment with the company without prejudice to any other legal remedies/recourse available to the Company to proceed against the WLA for recovering such losses/ damages.
- c)** The decision of the Company, after due notice to WLA, with documentary evidence as to the amount of loss(es)/ damage(s) suffered by the company shall be final and binding upon the WLA.
- d)** In the event of BGs being inadequate or fully encashed, the balance of the total sum recoverable shall be deducted from any sum due to the WLA under this or any other existing current contract with the Company. Should such sum also be not sufficient to cover the full amount recoverable, the WLA, on demand, shall pay to the Company the balance due.
- e)** Wherever the BGs fall short of the amount specified in clauses above by the virtue of any recoveries made by the Company, the WLA shall enhance the value of BGs within 21 days so that the total amount of security shall not at any time be less than the specified amount.
- f)** The Security Deposit will be released to the WLA on termination/ expiry of the contract on his production of:-
  - No pending demands pertaining to TMT Conversion from statutory authorities, as certified by Chartered Accountant.
  - No claim certificate by WLA in favour of the Company.

#### **15.0** **CONVERSION CYCLE** :

- 15.1** The conversion cycle (issue of raw materials to removal of finished products from the WLA premises) should be completed generally within 7-10 days.



**15.2** If the material is not converted to TMT as required by the Company within 21 days, WLA has to pay a fine of Rs.10/- per MT per day after the 21st day from the date of issue of the raw material, subject to Force Majeure/ Acts of God.

**16.0 MATERIAL RETENTION:**

**16.1** WLA is responsible for retention of the raw material and also finished products while in transit and in their premises. Any damage or loss of material shall be the responsibility of WLA. The Company will have the right to recover the losses due to damage or lost material from WLA in all means. The decision of the Company will be final and binding on the WLA. For any loss/damage/shortage of material 100% of cost of material on the basis of prevailing branch MOP shall be recovered from WLA. However, WLA shall not be responsible for deterioration/rusting arising from delay by Company in lifting of TMT after 14 days.

**16.2** After carrying out conversion in the mill of WLA, the finished products may be directly delivered to the customers or transferred to NINL designated place by the Company appointed transporter on stock transfer basis for sale to customers against the orders or normal sales as per the instructions of the Company. Until the delivery from WLA, the responsibility of the custody of material will be with WLA.

**16.3** The WLA shall supply converted products to the customers of the Company against valid delivery order from WLA's premises. All TMT deliveries to customers shall be on ex – WLA yard or NINL local yard basis, loaded free of cost on the customer's truck/ trailer. Weight is to be recorded at WLA's/ NINL's local yard weighbridge respectively, which shall be treated as final.

Converted product may also be brought to the designated place of the Company by authorized transporter of the Company for onward delivery to the customer.

Any TMT stock lying with WLA shall be transferred by Company to its stockyard or designated place within 7 days.

In case of stock transfer of converted products from WLA's premises to any of the Company's designated place the weight will be recorded at WLA weighbridge and Company's Transport contractor shall be held responsible for any shortages with reference to WLA weighment.

16.4 The WLA shall have a weigh-bridge at their premises, an electronic weighbridge with printout facility of 80 MT capacity or more, with a 15 M or longer platform along with a calibration certificate issued by Weights & Measures Dept. The WLA shall have an AMC to ensure that the weigh-bridge at their premises is kept in order. If there is a weigh-bridge at company's stock yard, then:

- For despatch of finished products directly to the customer, weighment at WLA's weigh-bridge may be treated as final.

- For bringing finished goods to NINL stock yard, weighment at company's weigh-bridge may be treated as final.

17.0 MONITORING: The Company shall closely supervise the operations of the WLA with regard to receipt of materials, conversion, sales/delivery, stock, regulation of Bank Guarantee etc on continuous basis.

17.1 The Company may at its sole discretion post its employee(s)/surveyors in the premises of WLA to oversee the conversion activities and it will be the responsibility of the WLA to provide all the necessary help, support and infrastructural and co-ordination facilities regarding the same. However, this will not dilute the responsibility of the WLA to ensure proper utilization of cast billets supplied for conversion, process, inspection including TMT sample testing, and quality control of converted materials. Visits, inspections etc. from the Company's technical staff/ employees/ representatives shall also exist. WLA shall provide all the required help, assistance etc. during the visit, inspection etc. of the Company's technical staff / employees/ representatives. Third party inspection agency would also inspect the process activities. The conversion details on weekly basis shall be submitted by WLA to the Company. Company shall assume all liabilities due to any accident, death or physical injury suffered by such people above mentioned, with no liability to WLA & such persons shall take all such prudent safety precautions whilst inside the WLA premises.

**18.0** WLA shall have to submit weekly reports regarding receipts / conversion / delivery and stock item wise to the Company. In addition to this, in case any information is required by the Company at any time, WLA shall have to provide the same.

**18.1 Reports & Returns:**

- a) The WLA shall keep proper daily account of the raw material viz. quality, size, quantity of billets rolled & actual size, quality, quantity of converted/finished products, actual quality yield test results, inspection notes etc. and arrange for delivery of material against original delivery orders issued to company's customers or their representatives against proper letter of authorization, the copy of which are to be properly retained.
- b) The WLA shall keep delivery order register indicating therein company's delivery order(s) number and date, names and addresses of company' s customers, size, quality and quantity of materials indicated on the delivery orders, as also the size, quality and quantity of the materials actually delivered to company's allottee(s) against specific challan number and date.
- c) The WLA shall, for every delivery to the customers, raise four copies of invoices meant for following purposes:
  - i) The original being marked as **ORIGINAL FOR BUYER** shall be handed over to the customer.
  - ii) The duplicate copy being marked as **DUPLICATE FOR TRANSPORTER** shall be handed over to the transporter of finished goods
  - iii) The triplicate copy being marked as **TRIPLICATE FOR ASSESSEE** shall be retained by the WLA.
  - iv) The fourth copy being marked as **'NOT FOR CENVAT PURPOSES'** shall be sent to the company.
  - v) Every invoice shall clearly indicate the amount of excise duty paid
  - vi) Every invoice shall invariably bear signature of WLA or his duly authorized representative (for which he will attest the signature) as also the signature of the authorized representative of company's Customer. The details of the invoices shall be entered on the reverse side of the delivery order immediately on each delivery.

- d)** The Tax Invoice (Not for CENVAT) shall also be generated by the WLA In three copies on the stationery of NINL. In the Tax Invoice Just below the word "TAX INVOICE", the Words "NOT FOR CENVAT PURPOSES" shall be printed in bold letters.
- The original copy of Tax Invoice being marked as "ORIGINAL -BUYER'S COPY" shall be handed over to the customer
  - The next copy being marked as "SELLER'S COPY" shall be sent to concern Branch.
  - The extra copy being marked as "EXTRA COPY" shall be retained by the WLA.
- e)** The WLA shall, on completion of delivery against each delivery order, return executed delivery order(s) along with a copy of the related into the company.

**19.0 PAYMENTS:**

19.1 For payment of bills for conversion charges the WLA shall submit:

- a) Fortnightly Bills of conversion charges, on the first & sixteenth of every month.
- b) Copies of Delivery Challans.
- c) Copies of Excise Invoices issued under extant excise rules pertaining to 19.1(b) above.
- d) Test certificates pertaining to 19.1(b)

19.2 WLA shall submit bills on fortnightly basis with all relevant documents and payment shall be made by the Company through RTGS/ E-cheque within 7 days from the date of submission of bills.

**20.0 EXPIRY/ SHORTCLOSURE/ TERMINATION OF THE CONVERSION CONTRACT:**

NINL shall have the one time right to review and exit the Wet Lease Conversion agreement between 4 to12 months, by giving one month written notice to WLA, if the TMT sales do not result in incremental profits to it by then.

20.1 In case the WLA does not perform his duty as per the terms and conditions of the contract, the Company may terminate the contract by giving three months written notice, in which case no Lock-in period shall apply.

20.2 In case the Company is not in a position to supply the billets to the WLA due to its own internal consumption, the contract can be short closed after Lock-in

period of one year, by giving three months written notice to WLA.

20.3 The WLA also has the right to terminate the contract after equal periods by giving three months written notice to Company.

20.4 Before termination/ short closure/ expiry of the contract and/or immediately after termination/ short closure/ expiry of the contract, the stock from the WLA's premises shall be cleared (delivered to the customers or transferred to the Company) through Company appointed transporter as per the written direction of the Company to WLA. WLA should return both raw material/ converted material lying in his premises and submit total accounts to the Company, within 30 days. WLA may submit bill for conversion charges, if any for the same, for payment by WLA within 1 week.

**20.5 Liabilities / Obligations on Expiry / Terminations:**

Notwithstanding the expiry/termination of the contract, the liabilities and obligation of both the Company and the WLA as set out herein will continue to be in force, until all the materials supplied/ despatched by the Company to the WLA up to the date of the said expiry/termination are delivered by the WLA. After termination/expiry of the contract, the materials if any, lying in the WLA's yard shall be cleared by the WLA and delivered to customers or nearest Company stockyard through Company appointed transporter within 30 days from the date of the termination/expiry of the contract for which the Company shall be responsible to arrange delivery of the materials through it's appointed transporter. WLA shall be compensated as per terms of the contract, for the same, within 1 week.

**21.0 RESOLUTION OF DISPUTES**

21.1 In the event of any dispute/difference whatsoever arising between the parties relating to or arising out of the contract, the parties shall endeavour to resolve such dispute (within 60 days) through conciliation as per provisions of the SCOPE Forum Conciliation Rules – 2003.

**21.2 Conciliation**

'Any dispute or difference whatsoever arising between the parties relating to or

arising out of contract, shall be settled (within 60 days) first by Conciliation in accordance with the Rules of Conciliation of SCOPE and the settlement so rendered between the parties in pursuance thereof shall be final and binding on the parties.'

### **21.3 Arbitration**

21.3.1 In the event the dispute/ difference is not resolved through conciliation as per the provisions of clause (1) and (2) above, either party may upon giving notice to the other party refer the dispute to Arbitration under the SCOPE Forum of Arbitration Rules – 2003.

21.3.2 'Any dispute or difference whatsoever arising between the parties and of or relating to the construction, interpretation, application, meaning, scope, operation or effect of this contract or the validity or the breach thereof, shall be settled by arbitration (within 120 days) in accordance with the Rules of Arbitration of the 'SCOPE' and the award made in pursuance thereof shall be final and binding on the parties.'

21.4 Excepted matter as per the contract shall not be the subject matter of Conciliation/ Arbitration.

21.5 The venue of the Arbitration shall be at SCOPE, New Delhi.

21.6 The Courts at New Delhi shall have jurisdiction over all matter of dispute.

21.7 Work/ supply under the contract shall be continued by the Contractor/ Supplier under the contract and pending Conciliation/ Arbitration proceedings and recourse to Conciliation/ Arbitration shall not be bar to continue with the work/ supply.

22.0 The Courts at New Delhi shall only have jurisdiction regarding this contract.

### **23.0 GENERAL CONDITIONS:**

a) Proper security arrangements shall have to be made by WLA at their costs for the safe custody of materials supplied by the Company. Any loss, damage or deterioration whatsoever and/or pilferage in premises/custody of WLA shall

be solely to the account of WLA who will be bound to compensate the Company suitably for such losses, damages, expenses and/or deterioration. The decision of the Company regarding this will be final and binding on the WLA.

- b)** At the end of contract period the rolls are to be disfigured in front of the authorized executive of the Company to erase impression of Logo embossing. Refund/ return of Security deposit and Custody & indemnity bond shall be dependent on the Company satisfying itself about such defacement.
- c)** WLA shall not receive or accept any payment from customers of the Company.
- d)** All the information provided by the Company to the WLA regarding or in connection with this contract is to be treated as confidential information and it is the sole responsibility of the WLA to ensure the confidentiality of all such information. No such information is to be given/passed on to any third party without written consent of the Company.
- e)** The Company reserves right to supply less material during any month based on exigencies caused due to force majeure or acts of God.
- f)** WLA shall be responsible for any losses incurred by the Company in case WLA's failure (subject to force majeure or acts of God) in making conversion products as required by the Company. The losses shall be recovered from WLA from his pending bills/ BG.
- g)** WLA shall comply with all rules and regulations of the Company at the time of lifting material including safety rules of the Company. The WLA will be solely responsible towards the safety of its equipment, vehicles, employees etc. engaged by the WLA in its as well as the Company's premises and the Company will have no liability whatsoever.
- h)** WLA shall comply with all statutory requirements of Central, State and local authorities including all tax related statutory requirements/ obligations, applicable labour laws, etc. and the Company will not have any liability whatsoever.
- i)** WLA must not hypothecate Company's finished products to any bank for any purpose.

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**PROCEDURE FOR CALCULATING EMD/ SD/ FINANCIAL ARRANGEMENT BG**

(For the use of branches)

- 1.0 **Earnest Money Deposit (EMD) shall be Rs. 5 (five) Lakhs.**
- 2.0 Security Deposit (SD) shall be Rs.10 (Ten) Lakhs against performance of Wet Lease Conversion Agreement. EMD paid shall be applied towards SD amount above OR on furnishing of BG for Rs.10 (Ten) Lakhs, the EMD shall be refunded in full within 7 days.
- 3.0 Bank Guarantee of Rs. 18 (eighteen) crores towards supply of Billets (2 rakes of 2,750 MT each) (Basic Cost of Billet + Excise Duty + VAT+ Railway Freight) < than 18 crore).