# GENERAL TERMS & CONDITIONS (GTC) OF NIT
# FOR PROCUREMENT OF IMPORTED RAW-MATERIALS/ FERTILIZERS

**1.00** **Definition:** The terms used in the contract shall have the following meanings:

**1.01** The term **"CONTRACT"** shall mean and include the Notice Inviting Tender (NIT), the Instructions to tenderer, the Tender, Letter of Intent accepting the tender in part or full, Special & General Terms & Conditions, directions and comments conveyed in writing, the Purchase Order or Work Order, and its subsequent variations, if any, or any other authorized contract documents and those general and special conditions that may be added subsequently.

**1.02** The term **"SUPPLIER"** shall mean the person(s) firm, or company with whom a CONTRACT has been entered into and shall be deemed to include their representatives, heirs, executors and administrators, successors and permitted assignees of such person(s), firm or company.

**1.03** The term **"RCF"** shall mean Rashtriya Chemicals & Fertilizers Limited having its Registered Office at "Priyadarshini" Building, Eastern Express Highway, Sion, Mumbai – 400 022, India and shall be deemed to include their successors and / or assignees, and shall include the Administrative and Executive Officers authorized to deal with matters relating to the contract.

**1.04** The term **"TENDERER / BIDDER"** shall mean the person(s), firm or company, who offers a tender or quotation duly signed in response to this Notice Inviting Tenders (NIT) issued by RCF and shall include their representatives, heirs, executors and administrators, successors and permitted assignees of such person(s) firm or company.

**1.05** The term **"PRODUCT"** shall mean the product specified in Clause 2.00 of NIT.

**1.06** The term **"SPECIFICATION"** shall mean the quality of the product as specified in Clause 3.00 of NIT.

**1.07** The term **"QUANTITY"** and delivery period shall be as specified in Clause 4.00 & 12.00 of NIT subject to:

**a)** The quantity mentioned at Clause 4.00 of NIT is indicative and actual shipping schedule will be mutually agreed to by RCF and tenderer. However, **RCF reserves the right to order part quantity at its sole discretion.**

**b)** The loading schedule and the quantity specified therein are tentative and actual shipping details shall be specified at the time of placement of Purchase Order. The product will be shipped to designated discharge port at RCF's option. However, RCF reserves the right to change the discharge port prior to shipment.

**c)** The quantity indicated above is dependent on normal functioning of RCF Plants. However, in case of any limitations/ breakdowns of any of the Plants, the quantity may be reduced which will be intimated separately.

**d)** Delivery /shipment of the product shall be effected within a period as mentioned in Clause 12.00 of NIT.

**e)** Should RCF relinquish ownership of the business, whether by sale, cessation, fusion or any other cause, outstanding quantities remaining to be delivered under this contract, shall ipso facto be taken by or transferred to new Owners or successors. Nevertheless, tenderer reserves the right in this event to cancel such quantities: the cancellation not giving rise to any right to indemnify.

**1.08** **Date of Shipment:** The date of shipment shall be the date of Bill of Lading. In case multiple Bills of Lading are issued, the Bill of Lading date, which is the latest shall be considered as the date of shipment.

**2.00 Instruction for submission of tender:**

**2.01** All tender documents shall be in English language. All other information shall also be supplied by the tenderer in English language. All quoted prices shall be indicated by tenderer both in figures and words and where there is difference between quoted in figures and quoted in words, the prices quoted in words shall prevail. Tenders should be duly signed on all pages by the tenderers or by legally authorized representative, in longhand alongwith the firm's/ company's seal. No oral, telephonic or telegraphic tenders or modifications in the tenders shall be considered under any circumstances.

**2.02** Tenderers who are not manufacturers must furnish the name of the manufacturer who shall supply the product and the country of origin alongwith the technical & un-priced commercial part of the tender.

**2.03** **Submission of Tenders**: The bids shall be uploaded in Two Bid System in electronic form only through e-tendering system on www.eprocure.gov.in website as mentioned in the NIT.

**2.04 Right of acceptance and Rejection of Tenders:**

RCF reserves the right to accept at their sole and unfettered discretion any tender for whole or part quantities or reject any or all tenders without assigning any reason thereof. No claims for compensation or otherwise whatsoever will be considered by RCF from the tenderers.

**2.05 Compensation for submission of Tenders:**

The tenderers shall not be entitled to claim any cost, charges or incidentals for or in connection with the preparation and submission of the tenders.

**2.06 Splitting of Tender:**

RCF reserves the right to split the tender in whole or in part at its sole discretion without assigning any reason and can place the Purchase Order(s) on more than one supplier.

**2.07 Past Performance of the Tenderer:**

RCF reserves the right to reject the tender on receipt and/or on evaluation, if the past performance of the tenderer has not been found satisfactory.

**3.00 Tender Opening**:

**3.01 Date & Time:**

Tenders shall be opened in two stages. **Part-I of the tender shall be opened** at the time and date specified in the NIT. The opening of **Part-II** of the tender will be communicated separately.

**3.02** RCF reserves the right to postpone the opening of tenders and will intimate all tenderers in advance of such postponement along with the fresh date and time of opening of the tenders.

**4.00 Earnest Money Deposit (EMD):**

**4.01** Tenderers shall furnish EMD in accordance with Clause 5.00 of the NIT as per the category to which they belong as under:

**a)** Category – I: Reputed producers / manufacturers of the product.
**b)** Category – II: Traders / suppliers with proven track record of satisfactory supplies to India for at least two years during the past five years.
**c)** Category-III: Tenderers other than mentioned in a) and b) above.

Earnest Money deposit for the quantity offered shall be furnished by means of Bid Bond, in original, as per the prescribed proforma at **Annexure-II** valid for three months from the date of closing of tender issued by any bank listed in Annexure-I.

Offers without Earnest Money / valid Bid Bond, in original, shall be rejected. EMD will not carry any interest.

**4.02 Forfeiture of Earnest Money Deposit:**

If, for any reason whatsoever, any tenderer withdraws his tender at any time prior to the expiry of the validity period or after issue of Letter of Intent / Purchase Order or fails to execute the order or to furnish the prescribed Performance Guarantee within stipulated period for faithful performance of the contract, the amount of EMD shall be forfeited.

**5.00 Performance Guarantee Bond (PGB):**

In the event of offer being accepted, the tenderer shall furnish to RCF within 10 days of issuing Letter of Intent (LOI) / Purchase Order (PO), a Performance Guarantee in the prescribed proforma attached as **Annexure-III** through any Bank listed in **Annexure-I**.

The Performance Guarantee Bond shall be as per category to which the Tenderer belongs as specified in Clause 4.01 above and shall be provided at the rates indicated in Clause 6.00 of NIT.

The Performance Guarantee Bond shall be kept valid till 90 days of completion of discharge of the last shipment under the contract in case of suppliers at **Category-II & III.**

The Performance Guarantee Bond shall not be released till supplier has settled all claims.

If, for any reason whatsoever, Supplier has committed breach of the term(s) and/or condition(s) contained in the Purchase Order and/or failed to comply with the terms and conditions as stipulated in the Purchase Order or amendment(s) thereto, the Performance Guarantee Bond shall be invoked.

**6.00 Pricing:**

**i)** Foreign suppliers shall quote in US$ both on FOB and C&F basis for the designated discharge port/s.

The price should be quoted for payment by **Letter of Credit (L/C) at sight** against presentation of shipping documents.

In addition, **the Tenderer must quote the interest rate applicable for availing credit upto 180 days**. RCF may opt for availing credit for 30 / 60 / 90 / 180 days from the date of Bill of Lading.

**ii)** In case of offers from indigenous suppliers, the price quoted should be for delivery at RCF's factory in Chembur with payment by local Letter of Credit at sight or Cheque or any valid electronic mode against delivery in part or full as the case may be as mutually agreed.

**iii) Taxes & Duties:**

Taxes & Duties, if any, payable outside India shall be to supplier's account and in India to buyer's account. Indigenous suppliers should indicate all taxes and duties wherever applicable and shall also specify their GST registration number.

**7.00 Quantity Discount:** If any, to be indicated.

**8.00 Franchise:** If any, to be indicated.

**9.00 Payment Terms:**

Payment will be effected through Letter of Credit. The Letter of Credit (L/C) shall not be transferable, divisible and assignable. The L/C shall be opened on receipt of Performance Guarantee Bond.

The charges for establishing L/C and bank charges in India shall be borne by RCF. All Bank charges outside India and the L/C confirmation charges will be to the account of supplier.

Payment against L/C shall be made on negotiation of documents through bank in India or after 30/90/180 days from Bill of Lading date, as the case may be, **on presentation of following documents:**

**i)** Certified commercial invoice in original alongwith four copies.

**ii)** Negotiable Clean Bill of Lading and three non-negotiable copies. Charter Party (C/P) Bill of Lading (B/L) acceptable provided it bears an endorsement that all terms and conditions of relevant C/P are deemed to have been incorporated therein.

**iii)** Certificate of Quality (Analysis Report) from independent inspection agency in triplicate.

**iv)** Certificate of weight and Draft Survey Report from independent surveyor in triplicate.

**v)** Copy of Fax / E-mail from supplier sent to General Manager / Deputy General Manager (Commercial), R.C.F. Ltd., Chembur, Mumbai – 400 074, India and to RCF's underwriters (whose details shall be furnished alongwith LOI/ Purchase Order) within 24 hours of sailing of each vessel, stating name of vessel, quantity loaded and date of sailing of ship and ETA at designated discharge port.

**vi)** Certificate of origin issued by Local Chamber of Commerce / Industry, in triplicate.

**vii)** Certificate from the supplier that the material supplied under the contract are correct as to quantity, quality, rate, total value and that the payment is due in accordance with the terms of contract at the time of presentation.

**viii)** Supplier's certificate to the effect that two negotiable sets of documents with two non-negotiable sets have been couriered/faxed/e-mailed immediately on sailing of each vessel directly to RCF or to the addressee specified by RCF.

**ix)** STOWAGE PLAN – Three copies.

**10.00 Insurance:**

Insurance for the product shipped shall be arranged by RCF through their underwriters whose detail shall be furnished while issuing the LOI/Purchase Order. The supplier shall intimate RCF's underwriters/ Dy. General Manager (Commercial), RCF immediately on shipping the product informing the name of the ship, quantity value of material, port of loading etc.

**11.00 Inspection & Testing:**

**11.01** The supplier shall ensure that the goods shipped conform to the agreed quality and specifications and shall not ship goods which do not conform to the agreed quality and specification.

**11.02** RCF reserves the right, at its option and cost, to have material inspected before shipment in regard to quality and specifications. The supplier / shipper shall tender the material for inspection to the agency to be nominated by RCF and shipment shall be effected only after the material is inspected. The supplier / shipper will provide free of cost facilities to the inspection agency at the load port for taking samples.

**11.03** Irrespective of whether RCF appoints inspection agency or not, it will be obligatory on the part of the supplier to obtain Certificate of Inspection from internationally reputed Inspection Agency to the effect that material is in accordance with the specifications laid down in the contract. This shall accompany the shipping documents. The inspection fee shall be borne by supplier.

**11.04** For the purpose of determining quality, the Inspection Agency may at their discretion draw samples of the material at the producing factory as specified in the contract but shall draw samples in all cases in the customary manner during the loading of the vessel with a view to ensure that the material conforms to the contractual specifications. Analysis report should specify the nutrients and other requirements of the contractual specifications. The report shall specify the methods of analysis used, type of sieve used for determination of particle size and also the contract number, the quantity loaded and name of the vessel. A clear inspection note will be released by the Inspection Agency only if they are satisfied that the cargo meets contractual specifications.

**11.05 Analysis / Sampling & Weighment:**

Analysis / Sampling & Weighment shall be in accordance with Clauses 13.00 & 14.00 of NIT.

**12.00 Bill of Lading (B/L) & Invoice:**

**12.01** The bill of Lading issued for the product will stipulate the name of the port in India. Any change of discharge port shall be on mutually agreed basis.

**12.02** The Invoice quantity shall be based on weighment as per Clause No.14.00 of NIT.

Rebate / penalty for excess moisture beyond the permissible limit shall be as per NIT Clause 3.01.

**13.00 Shipping conditions in respect of C&F / CIF contracts**:

The supplier shall abide by the following terms for C&F shipments:

**13.01** Supplier shall arrange for chartering of suitable geared single deck vessel(s) to load the agreed quantity.

**13.02** Vessels to have Test Certificate covering vessel's gear in accordance with International Dock Safety Convention, valid for the duration of the Charter.

**13.03** Vessels shall be chartered on the basis of one / two safe berth, one / two safe port on West Coast / East Coast of India as required.

**13.04 Extra Port & Port Charges:**

In case RCF could not receive the vessel at the nominated port, a second port will be nominated. Extra freight for the additional steaming will be to RCF's account.

However, if the nomination of the changed port is done 72 hours in advance, extra freight to the extent of additional distance only shall be paid.

**13.05** RCF shall declare the discharge port at the time of accepting the vessel offered by tenderer.

**13.06** Co-shipment not permitted.

**13.07** GIC Approval & Extra Insurance Premium:

**13.07.01** Only GIC approved vessel should be chartered. Supplier shall furnish following information to RCF immediately on nomination of each vessel for obtaining GIC approval in time:

**i)** Name of the Vessel, Ex-name, if any.

**ii)** Details of ship:
**a)** Flag.
**b)** Classification.
**c)** Month & Year of built.
**d)** G.R.T. / N.R.T.
**e)** Voyage Number.
**f)** E.T.D.
**g)** Whether ISM regulations have been complied with & validity period.
**h)** Name of Hull underwriters. If vessel is not insured, reasons thereof.

**iii)** Name and capacity of the Shipping Line (Vessel Owner) who will be issuing the Bill of Lading to the Shipper e.g. Owners / Managers / Charterers / Slot Charterers / etc. alongwith complete address with Telephone & Fax numbers.

**iv)** Name of the P&I Club of the vessel operator named above.

**v)** a) Name & full address of the registered owners.
b) Name & full address of the managers, if any.
c) Name & full address of the disponent owners, if any.
d) Name & full address of the bareboat charterers, if any.
e) Name & full address of the time charterers, if any.
f) Name & full address of the voyage charterers, if any.

**vi)** a) Loading Port.
b) Discharge Port.

**vii)** a) Name & address with telephone & fax numbers of the agents at loading port.
b) Name & address with telephone & fax numbers of the agents at discharging port.

**viii)** Nature of Cargo.

**ix)** Name of the supplier of cargo

**x)** Name of the cargo underwriters

**13.07.2** The vessel upto 25 years are only acceptable to RCF underwriters. However, necessary clearance from port authorities on account of Age/Class/Flag to be obtained by suppliers/vessel owners.

**13.07.3** Supplier shall ensure that the vessel employed is not more than 20 years old. Such vessels are not allowed entry in the port by Mumbai Port unless she has been cleared by Mumbai Port State Control Authorities within the preceding six months. In case the ship chartered by the supplier is 20 years or more of age, the shipping agents of the suppliers shall obtain necessary clearance from the authorities and the time taken

to obtain such clearance shall be to ship owners' / suppliers' account and the same shall be excluded while calculating the laytime.

**13.08** Supplier shall ensure that the owner of the vessel obtains certification by approved surveyor that the ship's hatches prior to loading of each shipment of the product are commercially free from any impurity whatsoever, including contaminations if any, which remain in the ships cargo as residue from earlier shipments. Supplier shall also ensure that cargo owner's right of recovery against the ship owners would not be lost or waived in any manner in the charter party. If the recovery rights are not included in the Charter Party by the supplier, against the ship owner for any reason, the receivers shall have the right to recover losses / damages to material during voyage from the supplier.

**13.09 Prior Notice of Expected Time of Arrival (ETA):**

At least 7 days prior to the date of commencement of loading of the ship, supplier shall notify RCF, by electronic mode the quantity of product to be shipped, the value of the product and any other relevant details that may be required by RCF.

As soon as the vessel sails from the supplier's / shipper's jetty, supplier shall notify RCF by electronic mode the name of the vessel, date and time of sail and estimated date and the ETA at designated discharge port together with other details as may be required by RCF.

Master of vessel/ authorized agency shall intimate sailing message through electronic mode and fax to RCF on vessel leaving loading port, giving sailing date, speed, commodity, total quantity loaded, estimated draft, fore and aft on arrival at disport and ETA at disport and also intimate through electronic mode & fax the latest estimated date of arrival while passing from Aden / Cape of Good Hope / Suez Canal.

Further, supplier shall either give or arrange with the Master of vessel/ authorized agency of the vessel to give 96 hours, 72 hours, 48 hours and 24 hours notice to RCF or their nominee indicating the ETA of the vessel at the port of unloading. Thereafter, for any change in the ETA of the vessel by more than a period of 24 hours, the supplier shall either advise or arrange with the Master of vessel/ authorized agency of the vessel so that RCF is advised about the revised ETA of the vessel.

**13.10 Discharge Rate and excepted period:**

The cargo shall be discharged from the vessel at an average rate as stipulated in Clause 12.00 of NIT basis **four** or more available and workable hatches / holds and prorata if less, per weather working day of 24 consecutive hours, Sundays and Holidays excepted, even if used (WWDSHEXEIU).

Time shall not be counted between 12.00 noon on Saturday and 8.00 a.m. on Monday and not between 5.00 p.m. (Noon if Saturday) on the last working day preceding a local and legal holiday and 8.00 a.m. on the first working day thereafter even if used, unless the vessel is already on demurrage. Receivers have the right to work during excepted period such time used not to count as lay time.

**13.11 Notice of Readiness & Commencement of Laytime:**

The Master shall give notice of readiness to RCF or nominated agents during official working hours. The time at discharging port shall begin to count from 24 running hours after the vessel's arrival within the port limits and Notice of readiness tendered and accepted during official working hours, reported and in free pratique, whether in berth or not, but not between the hours of 5 p.m. and 8.00 a.m. on a week day or during any of the periods excepted (for discharge port) even if used.

**13.12** The Non-weather / half weather working days as declared by Local Chamber of Commerce not to count as laytime even if used when the vessel is on berth, whether discharging or not. Laytime calculation as per prevailing standard Fertilizer Voyage Charter party terms.

**13.13** Surf days not to count as weather working days even if used.

**13.14** No cargo is to be loaded in twin decks, deep tanks, wing tanks or bunker spaces. The master is, however, to have the liberty of loading in such spaces for the purpose of stability of the vessel but any extra expenses incurred by reasons of discharging from such spaces not easily accessible is to be to the ship owner's / supplier's account and the laytime admissible will be calculated at half the specified normal rate for discharging.

**13.15** Cost of shifting to second berth (if used) including fuel shall be to the vessel owner's / supplier's account and time used in shifting not to count as laytime.

**13.16** Cost of opening and closing of hatches shall be to ship owner's / supplier's account and time used not to count as laytime.

**13.17** Supplier / Ship owners to undertake that vessel's arrival draft at the discharging port in India not to exceed the norms as per Clause 12.00 of NIT of designated discharge port. Any lighterage cost over agreed draft on arrival shall be on ship owner's supplier's risk and cost and time used not to count as laytime.

**13.18** Lighterage, if any, at the disport to RCF's risk and expenses subject to Clause 13.17.

**13.19** Rigging gangs employed at discharging port to be on buyer's account.

**13.20** The vessel shall give free use of all available gears for discharging also lights for night work on board. If all gears are not available discharge rate to be reduced proportionately.

**13.21** **Demurrage / Despatch:**

Demurrage / Despatch rate shall be as per Charter Party. RCF shall be intimated the rate of Demurrage / Despatch at the time of nomination/fixing of the vessel.

Supplier shall pay to RCF despatch money and RCF to pay to supplier demurrage money at the rate and in the currency as mentioned at the time of fixing of vessel per day and prorata for part of a day for all working time saved in discharging.

However, if demurrage is incurred at the port of discharge by reasons of stoppage or restraint of labour of master, officers and crew of the vessel or any other force majeure circumstances, no demurrage will be payable.

**13.22** It will be agreed that RCF or its nominee shall have to sign the Statement of Facts and other customary documents together with the Master of the vessel and ship owner's agent at disport.

**13.23** Overtime to the account of party ordering the same. Officers' / Crews' overtime to be always for supplier's / ship owner's account.

**13.24** Supplier's / charterer's shall appoint RCF's agent at discharge port and the fees shall be payable by the ship owners at usual tariff.

**13.25** After arrival of the vessel at the customary anchorage at the port of unloading, the master / his agent shall give RCF or their agent notice by letter, telephone, fax, electronic mode to RCF / their nominees confirming that the vessel is in all respects ready to discharge the product.

**13.26** When delay is caused to vessel getting into berth giving notice of readiness for any reason over which RCF has no control, such delay shall not count as used lay time.

**13.27** Time consumed by the vessel in moving from the discharge port / anchorage to the anchorage / discharging berth will not count as lay time.

**13.28** **Safe Berth & Shifting:**

The vessel having a draft as indicated in the tender shall discharge at any safe berth. RCF has the right of shifting the vessel from one berth to another berth / anchorage i.e. one/two shifting shall be permitted and shifting charges upto two shifting shall be to supplier's / owner's account.

**13.29** **Port Dues:**

At discharging port, vessel related charges will be for the supplier's / owner's account and product/cargo related charges will be to RCF's account.

**13.30** **Completion of Discharge:**

The vessel shall have the liberty to sail immediately on completion of discharge and final joint draft survey unless obstructed by weather, fog or port conditions, for which RCF shall not be responsible by any manner.

**14.00** **Shipping Conditions in respect of FOB Contracts:**

**14.01** The supplier will give to RCF a firm shipment schedule indicating quantities, which shall be as per RCF's requirement. Supplier shall make available the agreed quantity to enable RCF to charter suitable vessel. Dispatches will be as per agreed shipment schedule.

**14.02** RCF/their charterer will arrange and coordinate shipment and will charter or arrange to charter a ship according to the schedule given by the supplier.

**14.03** RCF to ask for supplier's / shipper's stem approval before fixing vessel giving the vessel details. After obtaining stem approval from supplier / shipper entire responsibility & liability arising out of delay in berthing, loading, availability of cargo shall be to supplier's account.

If cargo is not available after ship has arrived in the port of loading according to schedule, the tenderer shall be responsible for the costs and demurrage of the vessel, and dead freight, if any due to incomplete loading because of the un-readiness of either part or whole of the goods when the vessel has been in port at due time, and the notice of readiness has been served and accepted.

**14.04** Vessels to be fully fitted with winches and derricks in good working order, capable of being worked simultaneously and to their full capacity. The vessel shall give free use of winches and steam or power for same if required, but not exceeding their ordinary capacity and all available gear for loading and discharging, also light for night work on board, winchman from crew to be used if permitted, otherwise shore winchman will be for supplier's account.

**14.05** Vessels nominated by RCF to be dry and clean.

**14.06** The supplier agrees to load from one / two safe berth(s) always accessible from the port. In case, two berths are used for loading, shifting expenses including bunker / fuel consumed, tug hire and crew's overtime will be to vessel's account and time for shifting not to count as laytime. Cost involved for more than one shifting is to be on supplier's account.

**14.07** If cargo has to be loaded into deep tanks or places not easily accessible for stability of the vessel, any extra costs for loading shall be borne by the owners.

**14.08** At load port time to commence at 1.00 p.m. if notice of readiness to load is tendered during office hours before noon and 8.00 a.m. next working day if notice of readiness is tendered during office hours after noon whether in the port or in the roadstead, whether in berth or not, whether free pratique granted or not or notice of readiness accepted or not. Fridays / Sundays (as the case may be) and Holidays excluded unless used and if used actual time used to count as laytime. If loading starts before commencement of laytime, only half of such time used to count as laytime.

**14.09** The supplier / shipper will load, stow and trim the vessel at the port of loading at the minimum rate indicated in Clause 15.00 of GTC per weather working day of 24 consecutive hours, Thursday / Saturday afternoon (as the case may be), Friday / Sunday and Holiday exempted, at their own cost. Time shall not count between noon Thursday / Saturday and 8.00 a.m. on Saturday / Monday nor between 5.00 p.m. (Noon Thursday /Saturday) on the last working day preceding a legal holiday and 8.00 a.m. on the first working day thereafter unless used and if used actual time used to count unless the vessel is already on demurrage.

**14.10** Port charges, quay dues and similar dues on ship to owner's account. Supplier to pay all dues, taxes and duties on the cargo in the country of origin.

**14.11** RCF to be responsible towards supplier for despatch money on all working time saved at loading port.

**14.12** First opening and last closing of hatches, to be for owner's account and time used not to count.

**14.13** The cargo shall be loaded by supplier / shipper free of expenses and risk to the vessel but under the supervision of Master.

**14.14** Overtime for account of the party ordering it. Officers' / crew's overtime to owner's account. Overtime if ordered by port and custom authorities same to be shared equally between owners and supplier at loading port.

**14.15** Ship Owner's to give supplier's / shipper's seven running days approximate notice of vessel's expected readiness to load, stating approximate quantity required in metric tons or cause such notice to be served on shipper's port representative. Five running days definite notice of vessel load readiness at loading port will be given to supplier's / shipper's or their representative, time of arrival to be confirmed through electronic mode by the Master of vessel/ authorized agency not later than 48 hours in advance.

**14.16 The Terms FOB Vessel Port of Export means:**

**a)** Loaded, stowed and trimmed on board overseas vessels at named port of export free of expense to RCF.

**b)** That it shall be the responsibility of the supplier to do the following:

**i)** Provide for and pay and bear all charges incurred in placing goods actually on board the vessel designated and provided by or for RCF on the date of within the period fixed. The cost of any extra cargo battens, dunnage, required and rigging of the same will be to vessels account.

**ii)** Provide clean 'ON BOARD', Ocean bill of Lading.

**iii)** Be responsible for any loss or damage or both until goods have been placed actually on board the vessel on the date or within the period fixed and clean 'ON BOARD' Bill of Lading or clean Mate's receipt is delivered to the shipper by the Master and

**iv)** Render RCF or their authorized agents assistance in obtaining the documents issued in the country of origin or of shipment or of both, which may be required for purpose of exportation or of importation at destination.

**14.17** Demurrage at load port will be to supplier's account and it will be paid by the supplier to RCF at the rate stipulated in the Charter Party.

**14.18** Demurrage / Despatch rates will be as per relevant Charter Party payable in US Dollars / Indian Rupees whichever applicable.

**15.00 Loading Rate:**

Bidders to specify load rate.

**16.00 Shipping / Documentation:**

Immediately on sailing of a vessel, the supplier shall advise RCF by courier service and also by electronic mode/ fax, the name of the vessel, date of sailing, quantity shipped and invoice value.

Simultaneously, supplier shall despatch directly to RCF, two negotiable sets with two non-negotiable sets of following documents through courier:

**i)** Two of the three negotiable copies of the Clean Bill of Lading showing Rashtriya Chemicals & Fertilizers Ltd., Chembur, Mumbai – 400 074, India as consignee and marked "Freight Prepaid" or "Freight Payable" as per C/P and two copies of non-negotiable B/L.
**ii)** Certified commercial invoice in duplicate.
**iii)** Certificate of origin in duplicate.
**iv)** Draft Survey Report in duplicate.
**v)** Analytical report in duplicate.
**vi)** Certificate from supplier to the effect that the material supplied under the contract is correct as to the quality, quantity, rate and total value.
**vii)** Fax / E-mail copy of intimation to our underwriters for insuring the cargo.
**viii)** Stowage Plan in duplicate.

**17.00 Quality Claims:**

RCF shall lodge claims, if any, for quality within 90 days of discharge of cargo at the destination ports based on the analysis result obtained at load port / disport and the supporting documents shall be sent by RCF to the supplier by courier/ electronic mode within 30 days of lodging the claims. If the supplier do not accept the same, the sample drawn at load port / disport for umpire analysis shall be got analyzed from umpire laboratory and the cost of such umpire's analysis shall be borne by the losing party. The result of such umpire analysis shall be final and binding on both the parties.

**18.00 Mutually Agreed Damages:**

**18.01 For Domestic Supplies:**

In the event of failure to deliver the material within the time stipulated in the contract, it is agreed that RCF shall have the right to exercise any or all of the following options as the case may be:

**i)** To cancel the contract either entirely or to the extent of non-supplied portion thereof and purchase the material at the risk and cost of the supplier. RCF shall be entitled to recover such additional cost including by invoking the PG Bond.
**ii)** To purchase from other source without notice to the supplier, at the risk and cost of the supplier, the material not delivered or material of similar description for which RCF shall have unfettered right to decide such option without cancelling the contract in respect of the consignment(s) not yet due for delivery. RCF shall be entitled to recover such additional cost including by invoking the PG Bond.
**iii)** To recover mutually agreed damages for the delay in delivering the material for the period of such delay beyond the contractual delivery period until actual delivery or until RCF secures the material from other sources, a sum equivalent to 0.15 % per day

delay, subject to maximum of 5%. In case of single shipment contract, the mutually agreed damages shall be applicable on the contract value and in case of multiple shipment contract, the mutually agreed damages shall be applicable on the undelivered quantity

**18.02 For Imports :**

In the event of failure to ship the material within the time stipulated in the contract, it is agreed that RCF shall have the right to exercise any or all of the following options as the case may be:

**i)** To cancel the contract either entirely or to the extent of non-supplied portion thereof and purchase the material at the risk and cost of the supplier. RCF shall be entitled to recover such additional cost including by invoking the PG Bond.

**ii)** To purchase from other source without notice to the supplier, at the risk and cost of the supplier, the material not shipped or material of similar description for which RCF shall have unfettered right to decide such option without cancelling the contract in respect of the consignment(s) not yet due for shipment. RCF shall be entitled to recover such additional cost including by invoking the PG Bond.

**iii)** To recover mutually agreed damages for the delay in shipment for the period of such delay beyond the contractual shipment period until actual shipment or until RCF secures the material from other sources, a sum equivalent to 0.15 % per day delay, subject to maximum of 5%. In case of single shipment contract, the mutually agreed damages shall be applicable on the contract value and in case of multiple shipment contract, the mutually agreed damages shall be applicable on the undelivered quantity

**19.00 <u>Force Majeure</u>:**

**i)** If at any time during the continuance of this contract either party is unable to perform the whole or in part any obligation under this contract because of war, hostility, civil commotion, sabotage, quarantine restriction, acts of God and acts of Government (including but not restricted to prohibition of exports or imports) fires, floods, explosion, epidemics, strikes, embargoes, then the date of delivery of the product shall be extended for the period force majeure condition was operative.

**ii)** Any waiver / extension of time in respect of the delivery of any installment or part of the goods occasioned due to the reasons in Para (i) above shall not be deemed to be waiver/extension of time in respect of remaining deliveries.

**iii)** If operation of the force majeure circumstances exceeds three months, each party shall have the right to refuse further performance of the contract, in which case neither party shall have the right to claim eventual damages from each other.

**iv)** The party, which is unable to fulfill its obligation under the contract, must within 15 days of occurrence of any of the causes mentioned in this clause shall inform the other party of the existence of the force majeure conditions which prevents it from performing the contract. Such occurrence should be accompanied with Certificate issued by the Chamber Of Commerce in the Country Of Origin of Supplier in this respect. The Supplier shall also promptly inform the ending of such event enclosing therewith Certificate from Chamber Of Commerce. If RCF is prevented from performing the contract, RCF shall inform the supplier within 15 days of occurrence of such force majeure conditions accompanied by Certificate issued by Chairman & Managing Director of RCF.

**v)** Non-availability of material shall not be valid ground for non-performance.

**20.00 Disputes / Arbitration:**

All disputes or differences, whatsoever, arising between the parties out of or relating to the construction meaning and operation or effect of this contract or breach thereof which remains unresolved for a period of more than 30 days from the date of written request from one of the party, the matter shall be referred to the sole arbitrator agreed upon between the parties or failing upon such agreement, to be nominated under the provision of the Arbitration and Conciliation Act, 1996 as amended from time to time.

The decision or award so given by the sole Arbitrator shall be final and binding on the parties. The Venue of the arbitration shall be at Mumbai. The language of the arbitration shall be in English.

**21.00 Jurisdiction:**

The CONTRACT shall be deemed to have been entered into at Mumbai and all causes of action in relation to the CONTRACT will thus be deemed to have arisen only within the jurisdiction of the Mumbai Courts.

**22.00 Governing Law:**

The contract shall be constructed and governed by Indian Law.

**23.00** Tenderers are requested to adhere to the terms & conditions of this NIT. Any variations from the stipulated terms & conditions will be suitably considered for the evaluation of tenders as elaborated at **Annexure-IV**.

<><><><><><>

**Annexure-I**

**List of Approved Banks for Bank Guarantees**

**A) Nationalised Banks:**

1. Bank of Baroda (Includes erstwhile Dena Bank & Vijaya bank)
2. Bank of India
3. Bank of Maharashtra
4. Canara Bank (includes erstwhile Syndicate bank)
5. Central Bank of India
6. Indian bank (includes erstwhile Allahbad bank)
7. Indian Overseas Bank
8. Punjab & Sind Bank
9. Punjab National Bank (includes erstwhile Oriental bank of Commerce)
10. State Bank of India
11. UCO Bank,
12. Union Bank of India (includes Andhra Bank & Corporation Bank)

**B) Other Private Banks:**

1. Axis Bank
2. Catholic Syrian Bank Ltd
3. City Union Bank Ltd
4. HDFC Bank Ltd
5. ICICI Bank Ltd
6. IDBI Bank Ltd
7. Kotak Mahindra Bank Ltd.
8. South Indian Bank Ltd.
9. Tamilnad Merchantile Bank Ltd
10. Federal Bank Ltd.
11. Jammu & Kashmir Bank Ltd
12. Karnataka Bank Ltd
13. Karur Vysya Bank Ltd
14. YES Bank
15. IDFC Bank Ltd
16. IndusInd Bank Ltd
17. RBL Bank Ltd

**C) Foreign Banks:**

1. American Express Bank Ltd,
2. Bank of American National Trust & Saving Association
3. Bank of Tokyo – Mitsubishi UFJ Ltd
4. Barclays Bank PLC
5. BNP Paribas
6. Calyon Bank
7. Citibank N.A.
8. Deutsche Bank
9. Development Bank of Singapore (DBS)
10. Hong Kong & Shanghai Banking Corporation Ltd
11. JP Morgan Chase Bank
12. Royal Bank of Scotland
13. Standard Chartered Bank
14. Bank of America
15. Emirates bank NBD
16. Shinhan Bank

**Annexure-II**

**BID BOND PROFORMA (EMD in BG form)**
**(To Be Submitted On Rs.500/- Non-Judicial Stamp Paper)**

Bank Guarantee No: ---------- Dated. ----------

M/s Rashtriya Chemicals and Fertilizers Ltd,
……,
……..

Dear Sirs,

This Guarantee is made and issued on this day _____ by _____, a Banking Company incorporated under Banking Regulation Act, having its registered office at _____ (herein after called BANK which expression shall unless repugnant to the context or contrary to the meaning thereof include its successors and assignees) in favour of Rashtriya Chemicals and Fertilizers Limited, a Company incorporated under the Companies Act and having its registered office at "Priyadarshini", Eastern Express Highway, Sion, Mumbai – 400 022 (hereinafter called "RCF" which expression shall unless repugnant to the context or contrary to the meaning, thereof, include its successor and assignees).

WHEREAS the RCF issued a Notice Inviting Tenders (NIT) No.: ---------- dated--------, inviting offers for supply/undertake ---------- project (hereinafter referred to as the Material/Project) and, in response thereto, M/s ---------- a Company incorporated in ---------- having its registered office at ---------- (hereinafter called "BIDDER") offered to supply Material/undertake the Project.

AND WHEREAS the NIT provides inter-alia, that a BID BOND for an amount of Rs. _____ (Rupees_____ only) shall be submitted to the Owner in India by the Bidders along with their respective bids, and that if such bidder withdraws his bid at any time before the execution of the contract between RCF and the successful Bidder on or before _____ or changes the terms and conditions of the bid without RCF's consent, or if a Bidder on becoming the successful bidder, fails to or refuses to execute a contract and/ or to furnish a performance bond to RCF after the issue of a Letter of Intent to him, then the security delivered on this bid bond shall thereupon be due and owing to RCF as liquidated damages.

1. In consideration of BIDDER's bid submitted to RCF for supplying Material / undertaking Project, we ----------bank hereby agree to pay the RCF an amount not exceeding Rs. ---------- (Rupees ---------- only) on demand if the BIDDER:

(i) withdraws his proposal at any time before the execution of contract, in accordance with the Bid Invitation / NIT between RCF and the successful Bidder on or before _____, or

(ii) changes the terms and conditions of the bid submitted by him without RCF's consent, or

(iii) on RCF deciding the BIDDER as successful bidder and thereupon issuing Letter of Intent to the BIDDER by RCF, the BIDDER (as the successful bidder) fails or refuses to execute a contract and / or furnish a Bank Guarantee as security deposit and performance guarantee for the faithful performance of the contract, in accordance with the terms and conditions of NIT.

2. The BANK declare that it is holding the amount of Rs.---------- (Rupees ---------- only) at RCF's disposal and hereby promises and shall be bound to pay to RCF, forthwith and without demur, on a mere demand made in writing by RCF, stating that the BIDDER has failed to fulfill one of the conditions mentioned in (a) or (b) or (c), of clause 1 hereinabove.

3. This Guarantee shall be valid in respect of the claim lodged by RCF with BANK on or before _____ or any further extended date of the Bank Guarantee.

4. We, _____ (bank) undertake to pay RCF the money so demanded forthwith, notwithstanding any dispute(s) raised by in any suit or proceedings pending before any court or tribunal relating thereto, our liability under these presents being absolute and unequivocal. The payment so made by us under this guarantee shall be a valid discharge of our liability for payment there under and that RCF shall have no claim whatsoever against us for making such payment.

5. The claim, if any, under this Guarantee shall be lodged at (bank-branch and address) ----------.

6. The BANK hereby agrees that the Courts in Mumbai shall have exclusive jurisdiction in any matter of dispute between RCF and the BANK and that all the future correspondence in regard to this bank guarantee shall be addressed to Chief Finance Manager, Rashtriya Chemicals and Fertilizers Limited Administrative Building, Mahul Road, Chembur, Mumbai 400 074. INDIA.

7. This Guarantee shall be in addition to and shall not in any way be prejudiced and affected by any other security now or hereafter held by RCF for all or any part of the moneys herein mentioned.

8. We have the power to issue this Guarantee in your favour under the Charter of our Bank and the undersigned has full power to execute this Guarantee under the Power of Attorney granted to him by the Bank.

SIGNED AND DELIVERED ON THIS _____ DAY OF _____
Yours faithfully,
For and on behalf of _____ (bank)
Signature of Authorized Official of bank
Name of the Official:
Designation of the Official:
Name of Bank:
Branch:
Address of Branch:
Telephone / Mobile No.:
Fax No.:
Email Id:

**Annexure-III**

**FORMAT FOR BANK GUARANTEE TOWARDS SECURITY DEPOSIT AND PERFORMANCE GUARANTEE**

(To be submitted on **Rs. 500**/- non judicial stamp paper)

**Bank Guarantee No**.: _____ D**ated** _____

M/s Rashtriya Chemicals & fertilizers Ltd,
……,
……..
……..

Dear Sirs,

In consideration of M/s Rashtriya Chemicals and Fertilizers Limited, [hereinafter referred to as '**RCF**', which expression unless repugnant to the context and meaning thereof shall include its successors and assigns], having agreed to exempt, M/s _____having its registered/principal office at _____ [hereinafter referred to as '**Supplier / Contractor**' which expression unless repugnant to the context and meaning thereof shall include its successors and assigns], from depositing with **RCF** a sum of Rs._____ towards security / performance guarantee in lieu of the said **Supplier / Contractor** having agreed to furnish an irrevocable bank guarantee for the said sum of Rs. _____ as required under the terms and conditions of Contract / Work Order / Purchase Order No.: _____ dated _____ [hereinafter referred as the '**Order**'] placed by **RCF** on the said supplier/contractor, we, _____ [hereinafter referred to as '**the Bank**' which expression shall include its successors and assigns] do hereby undertake to pay **RCF** an amount not exceeding Rs. _____ [Rupees _____] on demand made by **RCF** on us due to a breach committed by the said **Supplier / Contractor** of the terms and conditions of the **Order**.

1. We _____ **the Bank** hereby undertake to pay the amount under the guarantee without any demur merely on a demand received in writing from **RCF** stating that the **Supplier / Contractor** has committed breach of the term(s) and/or condition(s) contained in the **Order** and/or failed to comply with the terms and conditions as stipulated in the **Order** or amendment(s) thereto. The demand made on **the Bank** by **RCF** shall be conclusive as to the breach of the term(s) and/or condition(s) of the **Order** and the amount due and payable by **the Bank** under this guarantee, notwithstanding any dispute or disputes raised by the said **Supplier** / **Contractor** regarding the validity of such breach and we agree to pay the amount so demanded by **RCF** forthwith and without any demur. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs. _____ [Rupees _____ ].

2. We, _____ **the Bank** further agree that this irrevocable guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said **Order** and that it shall continue to be enforceable till all the dues of **RCF** under or by virtue of the said **Order** have been fully paid and its claim satisfied or discharged or till **RCF** certifies that the terms and conditions of the **Order** have been fully and properly carried out by the **Supplier / Contractor** and accordingly discharge the guarantee.

3. We _____ the **Bank**, undertake to pay to **RCF** any money so demanded notwithstanding any dispute or disputes raised by the said **Supplier / Contractor** in any suit or proceedings pending before any court or tribunal relating thereto as our liability under this present being absolute and unequivocal. The payment so made by us under this Guarantee shall be valid discharge of our liability for payment there under and the said **Supplier / Contractor** shall have no claim against us for making such payment.

4. We _____ **the Bank** further agree that **RCF** shall have full liberty, without our consent and without affecting in any manner our obligation hereunder to vary any of the terms and

conditions of the **Order** or to extend time of performance by the said **Supplier / Contractor** from time to time or to postpone, for any time or from time to time, any of the powers exercisable by the **RCF** against the said **Supplier / Contractor** and to forbear or enforce any of the terms and conditions relating to the **Order** and shall not be relieved from our liability by reason of any such variation or extension being granted to the said **Supplier / Contractor** or for any forbearance, act or omission on the part of **RCF** or any indulgence by **RCF** to the **Supplier / Contractor** or by any such matter or thing whatsoever which under the law relating to sureties would but for this provisions have effect of so relieving us.

5. In order to give full effect to this guarantee, RCF will be entitled to act as if the BANK were the principal debtor and the BANK hereby waives all rights of surety ship.

6. Our liability under this bank guarantee is restricted to Rs. _____ [Rupees _____] and shall remain in force up to _____ and thereafter till the expiry of the extended period, if any, (hereinafter Validity period). Unless a demand is made under this guarantee on us in writing at any time from the date of issue of the guarantee till the expiry of the Validity period, we shall be discharged from all liabilities under this guarantee thereafter.

7. The claim, if any, under this guarantee, shall be lodged at (address of BANK & Branch) _____.

8. This guarantee will not be discharged due to change in the constitution in the **Bank** or the said **Supplier / Contractor** or the provision of the contract between **Supplier / Contractor** and **RCF**.

9. The BANK hereby agrees that the Courts in Mumbai shall have exclusive jurisdiction in any matter of dispute between RCF and the Bank and the **Bank** hereby agrees to address all the future correspondence in regard to this bank guarantee to Chief Finance Manager, Rashtriya Chemicals and Fertilizers Limited, Administrative Building, Mahul Road, Chembur, Mumbai 400 074. INDIA.

10. We have the power to issue this Guarantee in your favour under the Charter of our Bank and the undersigned has full power to execute this Guarantee under the Power of Attorney granted to him by the Bank.

11. We, _____ the **Bank** lastly undertake not to revoke this guarantee during its currency except with the previous consent of the RCF in writing.

SIGNED AND DELIVERED ON THIS _____ DAY OF _____

Yours faithfully,
For and on behalf of _____. (bank)
Signature of Authorized Official of bank
Name of the Official:
Designation of the Official:
Name of Bank:
Branch:
Address of Branch:
Telephone / Mobile No :
Fax No:
Email Id:

**Annexure-IV**

**Sub: Evaluation Of Tender**

The evaluation of the tenders shall be on the basis of lowest landed cost based on the quoted C&F price of the parties' ex-designated disport with comparable credit period and techno-commercial consideration/preference.

The following procedures of loading / unloading of the price shall be applicable.

**1. Effect Of Free Credit Period:**

The prices offered on C&F basis shall be worked out on sight basis for all the parties. If some of the parties have offered rates with interest free credit period, the same shall be worked out at sight basis as follows:

$$P = \frac{A}{1 + \frac{NR}{100}}$$

P = Principal Amount (US$)
A = Amount (Rs.)
N = No. Of Years
R = Percent Rate Of Interest

If the price quoted is with 30 days credit, to convert the same to sight terms 'N' will be 1/12. The rate of interest can be considered from the offer itself if indicated by the party. Alternatively, the rate of interest shall be assumed as Secured Overnight Financing Rate SOFR + 0.5% service charges.

**2. Effect Of Discount:**

If the party has offered quantity discount or any discount for that matter, the same shall be reduced from the price worked out on sight per MT.

**3. Effect Of Discharge Rate Variation:**

NIT provides discharge rate in MT for individual ports. The parties are supposed to quote based on the NIT discharge rates only. In case the discharge rate quoted by the parties is higher or lower than the rates provided in the NIT, the price shall be suitably increased or decreased as per the following sample calculations:

a) Discharge Rate As Per NIT = 2,000 MTPD
b) Shipment Size = 30,000 MT
c) Discharge Rate Quoted By The Party = 2,500 MTPD
d) The discharge rate quoted may have any suffix such as SHEXEIU / SHEXUU

The following assumptions are made:

1) Vessels carrying around 18,000 MT of cargo dem/des rate US$ 4,000 / 2,000
2) Around: 30,000 MT US$ 6,000 / 3,000
3) Around: 50,000 MT US$ 8,000 / 4,000

SHEXEIU

A week has 168 hours out of which 44 hours are not accounted by the ship owners, even if used, even though we use 168 hours in a week, the time accounted is only 124 hours. Hence if the number of hours worked is more than 124 hours, an additional benefit of 44 hours automatically is achieved. Hence the total free time can be calculated by multiplying the time by 1.35 (168 / 124).

Example:

$\frac{30000}{2000} \times 1.35 - \frac{30000}{2500} \times 1.35 = 20.25 - 16.2 = 4.05$ days time lost.

@ US$ 6,000 per day 4.05 X 6,000 = US$ 24,300 on 30,000 MT i.e. US$ 0.81 PMT

The loss of time due to higher discharge rate demanded by the party is 4.05 days. As the vessel owner is giving lesser time, the vessel is bound to incur demurrage. Assuming the demurrage rate of US$ 6,000 MTPD, the total demurrage shall work out to US$ 0.81 PMT. This amount of US$ 0.81 shall be added to the C&F rate of the party who is offering a discharge rate of 2,500 MT as against NIT terms of 2,000 MTPD. If the party offers lesser discharge rate than indicated in the NIT, similar calculations will be made. However, instead of demurrage rate of US$ 6,000 despatch rate, US$ 3,000 shall be considered for calculations. This will be subtracted from the C&F rate offered by the party. However, if the time saved based on NIT rate and offered rate is 4 or less number of days, this will not be multiplied with the time factor of 1.35 but time saved will be multiplied directly with the despatch rate.

**4. Effect Of Variation In NOR Terms At Disport:**

Our NIT is based on FERTICON Charter Party terms i.e. the time to count 24 hours after acceptance of NOR at the disport for C&F contract. Some parties are offering GENCON Charter Party terms which state time to count from 08.00 a.m. from the next working day, in case the NOR is tendered afternoon. If the NOR is tendered before 1200 noon, the time to start from 01.00 p.m. of the same day. This reduces the free time allowed by 19.00 hour or less. This may lead to demurrage at disport.

The effect is worked out as follows:

$$\frac{19}{24} \times \frac{6{,}000}{30{,}000} = 0.15 \text{ US\$ PMT}$$

Based on the assumption of demurrage at US$ 6,000 PD for a shipment size of 30,000 MT. This amount shall be added to the C&F price in case the party has not accepted NOR terms as in the NIT.

<><><><><><>