



THE STATE TRADING CORPORATION OF INDIA LTD
(A GOVT. OF INDIA ENTERPRISE)

Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi 110001

BRANCH OFFICE: STC, 4th Floor, K.S.H.B. Office Complex, Panampilly Nagar, Cochin-682036

Ref No: STC/KOCHI/NIT/07/2016-17

Dated:26.09.2016

NIT for Participation in The Fertilizers and Chemicals Travancore Limited (FACT)'s Tender No. MAT-RM-S.175 dated 23/09/2016 due on 29.09.2016 for import of 40000-50000 MT (+/-10%) of bright yellow Sulphur in Bulk and High Sea Sales to FACT on Back to Back arrangement with Overseas Supplier.

1. The State Trading Corporation of India Ltd. (STC), a Government of India Enterprise and a company registered under the Indian Companies Act 1956, is into business of imports and exports of various commodities including urea and other fertilizers/complex fertilizers. **The Fertilizers and Chemicals Travancore Limited (FACT)'** has issued Tender No MAT-RM-S.175 dated 23/09/2016 **due on 29.09.2016 for import of 40,000-50,000 MT (+/-10%) of bright yellow Sulphur in Bulk.**
2. STC is keen to participate in the captioned tender enquiry and is seeking your support to do the same. We would like to have a Back to Back arrangement with you for participating in the above tender and for supply of bright yellow sulphur in case order is placed on STC. The last date of submission of offer in FACT is 29.09.2016.
3. STC would quote the rates to FACT on the basis of rates/prices offered by you to STC after adding a nominal Trading Margin of STC. The sale to FACT would be on High Sea Sale Basis. The basic terms of order received by STC from FACT shall mutatis mutandis apply in the back-to-back contract to be finalized between STC and your Company.
4. You are requested to submit your most competitive and firm offer to STC in strict compliance with all terms and conditions contained in enclosed **FACT's Tender No. MAT-RM-S.175 dated 23/09/2016** along with the following:
 - a) Earnest Money Deposit @ US\$ 1 PMT, for the quantity offered (including plus tolerance), as per STC's Bid Bond Proforma as per Annexure I. In case the order is placed on you, you shall have to submit Performance Guarantee Bond (PGB) within 10 days of placing the LOI @ 2% of the total order value (including plus tolerance) from first class International Bank as per STC's prescribed format as per Annexure I and Annexure II respectively.

:2:

- b) Signed and stamped Integrity Pact as per Annexure III.
- c) Support Letter from the Producer(s) favouring the State Trading Corporation of India Limited, New Delhi confirming that they shall supply the offered fertilizer to you for sale to STC.
- d) Details of the facilities of producers, covering location and capacity of each producing unit in respect of each product separately.
- e) Your confirmation, on your letterhead, to the following effect must also be given:
- That FACT's Invitation of bids for purchase of BRIGHT YELLOW SULPHUR dated 23.09.2016 for import of 40000-50000 MT (+/-10%) of BRIGHT YELLOW SULPHUR-Bulk due on 29.09.2016 along with their specifications and basic Terms and Conditions are acceptable to you in toto.
 - That Payment will be made on CAD basis after acceptance of the material based on analysis of the sample taken at the Disport by Surveyor appointed by STC. Payment will be released within 10 working days after receipt of original documents at the counter of STC's bank. Bank charges within India shall be to STC's A/c and all bank charges outside India shall be to the account of the supplier.
 - That you will not submit your offer directly to FACT or through other Indian Trading Companies like MMTC, IPL, etc against the FACT's above-mentioned tender enquiry if STC submits its bid based on your offer to STC. With a view to maintain confidentiality of rates/secretcy of prices, STC may do closed opening of offers received (i.e. not opening the offer in public — in the presence of the bidders). However, if STC does not submit its bid to FACT based on your offer to STC, you will be free to participate directly, if you so desire, in the aforesaid tender of FACT. STC shall give adequate notice in this regard to the unsuccessful bidders.

STC may, at its absolute discretion, reserve the right to shortlist, accept, disqualify, elect to abandon, reject any part or whole of the process without giving prior notice to party. STC reserves the right to cancel the invitation of offer in totality without assigning any reason at any point of time. All information contained in this letter is issued bona fide.

Closing time & date of Price Quotation Quotation: The empanelled parties are requested to submit their Price Quotation through Central Procurement Portal (www.eprocure.gov.in) latest by 1200 HRS on 29.09.2016.

ANNEXURE-I

BID BOND PROFORMA

(To be executed by any first class international Bank through its branch office in New Delhi
(India) on stamp paper of Rs.100/-).

M/s. State Trading Corporation of India Limited,
Jawahar Vyapar Bhavan,
1, Tolstoy Marg,
New Delhi —110001

Dear Sirs,

1. WHEREAS M/s_____ (offeror) has offered to supply a quantity of ___MTs of bright yellow sulphur to STC of India Limited, and the offeror is required to submit a Bid Bond at the rate of US\$ 1.00 PMT along with the offer as a guarantee for fulfillment of all the terms and conditions of subsequent sale, we _____(Bank with full address) hereby unconditionally and irrevocably guarantee and undertake to pay the amount demanded by STC not exceeding the sum of US _____ , in case the offeror fails to perform any or all of the obligations, undertaken by him as per STC's acceptance, without any demur, protest and without any reference or recourse to the offeror notwithstanding any dispute raised by the offeror in any suit proceedings relating there to pending before any court or tribunal our liability under these presents being absolute and unequivocal. The payment shall be made to STC across the Counter of the Bank on the same day of receipt of the invocation of this Bid Bond. Any such demand in writing made by STC of India Limited, shall be conclusive and binding on us irrespective of any dispute or difference raised by the offeror.
2. Notwithstanding anything mentioned herein before, our liability under this guarantee is restricted to US\$ _____ and it will remain in full force upto ____ (minimum of 150 days from the date of opening of FACT's tender. Unless a claim under the guarantee is filed against us on or before all your rights under the said Guarantee shall be forfeited and we shall be relieved and discharged from all the liabilities there under. We, (Bank) further agree that the Guarantee hereunder contained shall not be affected by any change in the terms of purchase originally offered by the offeror.
3. This bond will be governed by Indian Laws and will be subject to the jurisdiction of courts at New Delhi in India alone.

DATE
PLACE

FOR
BANK

N.B. Bid Bond to be furnished in US Dollars only. Bid Bond in Indian Rupees will not be accepted.

ANNEXURE-II

PERFORMANCE GUARANTEE BOND

(To be executed by any first class International Bank having Branch office in New Delhi (India) on stamp paper of Rs.100/-)

M/s. State Trading Corporation of India Limited,
Jawahar Vyapar Bhavan,
1, Tolstoy Marg,
NEW DELHI —110001.

1. Against LOI/Contract No. _____ Dated _____ (hereinafter called said LOI/Contract) entered into between the State Trading Corporation of India Limited, New Delhi, (STC) (hereinafter called the buyers) and M/s. _____ (hereinafter called the sellers) this is to certify that at the request of the Sellers, We _____ (Name and Address of Bank) (hereinafter referred to as “the Bank” which expression shall, unless repugnant to the context or meaning thereof, include all its successors, administrators, executors and permitted assignees) have issued this guarantee in favour of Buyers the amount of US\$ _____ and hereby expressly unconditionally and irrevocably guarantee and undertake to pay the amount demanded by the Buyers not exceeding the sum of US Dollars _____ only, without any demur, protest and without any reference or recourse to the seller notwithstanding any dispute raised by the seller in any suit proceedings relating there to pending before any court or tribunal our liability under these presents being absolute and unequivocal. The payment shall be made to STC across the Counter of the Bank on the same day of invocation of this Performance Bank Guarantee, if the Sellers fail to perform all or any of their obligations under the said Contract or supply material short than the contracted quantity or if penalties are levied due to quality deviations (nutrient moisture/particle size) from contractual specifications and/or for any other reason. The decision of the Buyers duly communicated in writing to the bank during its currency that the sellers have failed to perform all or any of the obligations under the LOI/Contract or have delivered short quantity or penalties have been levied due to quality deviations (nutrient/moisture/particle size) from contractual specifications and/or for any other reason or have not settled despatch/demurrage, dead freight and other due amounts, shall not be questioned and shall be final and conclusive (irrespective of the stand that may be taken by or on behalf of the sellers). The said amount of US\$ _____ will accordingly forthwith be paid without any conditions or proof whatsoever.
2. It is fully understood that this Guarantee is effective for a period of 15 months from the date of issue of the guarantee i.e. up to _____ and that we _____ (Bank) undertake not to revoke this guarantee during its currency.

3. We, _____(Bank), further agree that the Buyers shall have the fullest liberty, without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Contract or to extend time of performance by the Sellers from time to time or to postpone for any time or from time to time any of the powers exercisable by the Buyers against the said Suppliers and/or forebear to enforce any of the terms and conditions relating to the said Contract and We, _____(Bank) shall not be absolved from our liabilities under this guarantee by reasons of any such variations or extensions being granted to the said sellers or for any forbearance and/or commission on the part of the Buyers, or any indulgence by the Buyers, to the said Sellers or by any matter or thing whatsoever which under the law relating to the sureties would have the effect of releasing us but for this provision under this performance guarantee.
4. We, _____(Bank), further agree that the Guarantee herein contained shall not be affected by any change in the constitution of the said Seller/ Buyer/ Bank/ Consignee.
5. The Guarantee will be governed by Indian laws and will be subject to jurisdiction of Competent Courts at New Delhi in India alone.

FOR -----
BANK ACCEPTED

- N.B. (i) Conditional PBG will not be accepted.
(ii) PBG to be furnished in US\$ (US DOLLARS) only.
(iii) PBG in Indian Rupees will not be accepted.

INTEGRITY PACT

Between

The State Trading Corporation of India Limited, a company incorporated under the Companies Act 1956 and having its registered office at Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi - 110001 hereinafter referred to as “STC”,

And

....., a company registered under and having its registered office at, hereinafter referred to as “**The Bidder**”.

Preamble

STC is an international trading company dealing in purchase, sale, export and import of various commodities.

STC has invited tenders for purchase of and intends to award contract/s for purchase of the same under laid down organizational procedures, STC 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 bidders.

In order to achieve these goals, STC has appointed Independent External Monitors (IEMs), who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

Section 1 – Commitments of STC

(1) STC commits itself to take all measures necessary to prevent corruption and to observe the following principles:-

- a. No employee of STC, personally or through family members, will in connection with the tender for or the execution of the contract, demand, take a promise for or accept, for self or third person, any material or immaterial benefit which he/she is not legally entitled to.
- b. STC will, during the tender process treat all bidder(s) with equity and reason. STC will in particular, before and during the tender process, provide to all bidders/contractors the same information and will not provide to any bidder(s) confidential/additional information through which the bidder(s) could obtain an advantage in relation to the tender process or the contract execution.
- c. STC will exclude from the process all known prejudiced persons.

- (2) If STC obtains information on the conduct of any of its employees which is a criminal offence under the Indian Penal Code (IPC) or Prevention of Corruption (PC) Act, or if there is a substantive suspicion in this regard, STC will inform its Chief Vigilance Officer and initiate disciplinary actions as per laid down procedures.

Section 2 – Commitments of the Bidder.

- (1) The Bidder commits to take all measures necessary to prevent corruption and to observe the following principles during participation in the tender process and during the contract execution.
- a. The Bidder will not, directly or through any other person or firm, offer, promise or give to any of STC's employees involved in the tender process or in 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.
 - b. The Bidder will not enter with other bidder(s) 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.
 - c. The Bidder will not commit any offence under the relevant IPC/PC Act. Further the Bidder will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by STC as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.
 - d. The Bidder of foreign origin shall disclose the name and address of its Agents/representatives in India, if any. Similarly the Bidder of Indian nationality shall furnish the name and address of its foreign principals, if any. All the payments made to the Indian agent/representative will be in Indian Rupees only.
 - e. The Bidder will, when presenting the bid, disclose any and all payments made or committed or intended to be made to agents, brokers or any other intermediaries in connection with the award of the contract.
- (2) The Bidder will not instigate third persons/firms to commit offences outlined above or be an accessory to such offences.

Section 3- Disqualification from tender process and exclusion from future tenders/contracts

If the Bidder/Contractor, before award of the contract or during execution thereof commits a transgression through a violation of Section 2 above or in any other form such as to put its reliability or credibility in question, STC shall be entitled to disqualify the Bidder/Contractor from the tender process or to terminate the contract, if already signed, on that ground.

If the Bidder/Contractor commits a serious violation of Section 2 above or in any other form such as to put its reliability or credibility as Bidder/Contractor into question, STC shall also be entitled to exclude the Bidder/Contractor from participating in the future tender processes for duration as may be considered appropriate by it.

Section 4 - Compensation for Damages and Forfeiture of EMD

- (1) If STC disqualifies the Bidder/Contractor from the tender process prior to the award of the contract according to Section 3, STC shall be entitled to demand and recover the damages equivalent to Earnest Money Deposit/Bid Security, by forfeiting the same as stipulated in the tender.
- (2) If STC terminates the contract according to Section 3, or if STC is entitled to terminate the contract according to Section 3, STC shall be entitled to demand and recover from the Bidder/Contractor liquidated damages as per contract or the amount equivalent to Performance Bank Guarantee stipulated in the tender.

Section 5 – Previous transgression

- (1) The Bidder/Contractor declares that it did not commit any transgressions in the last 3 years with any Company in any country with regard to any anti-corruption law or practice or with any other Public Sector Enterprise in India that could justify its exclusion from the tender process.
- (2) If the Bidder/Contractor makes incorrect statement on this subject, it may lead to disqualification from the tender process or termination of the contract if already awarded.

Section 6 – Equal treatment of all Bidders/Contractors/Subcontractors

- (1) The Bidder/Contractor undertakes to demand from all Subcontractor(s) a commitment in conformity with this Integrity Pact, and to submit it to STC before signing of the contract, if awarded in its favour.
- (2) STC will enter into agreements with identical conditions as this one with all bidders, contractors and subcontractors.
- (3) STC will disqualify from the tender process any bidder/contractor who does not sign this Pact with STC or violates its provisions.

Section 7 – Criminal charges against Bidder(s)/Contractor(s) /Subcontractor(s)

If STC obtains knowledge of conduct of a bidder, contractor or subcontractor or of an employee or a representative or an associate of the bidder, contractor or subcontractor which constitutes corruption, or if STC has substantive suspicion in this regard, STC will inform the same to its Chief Vigilance Officer.

Section 8 – Independent External Monitor /Monitors

- (1) STC has appointed competent and credible Independent External Monitor(s) (IEMs) for this Pact. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.
- (2) The Monitor is not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. He reports to the CMD, STC.
- (3) Bidders/Contractors accept that the Monitor has the right to access, without restriction, all project documentation of STC including that provided by the Bidder/Contractor. The Bidder/Contractor will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to its project documentation. The same will also be applicable to Subcontractor. The Monitor shall treat the information and documents of STC and the Bidder/Contractor/Subcontractor with confidentiality.
- (4) STC will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between STC and the Contractor. The parties offer to the Monitor the option to participate in such meetings.
- (5) As soon as the Monitor notices, or believes to notice, a violation of this agreement, he will so inform the Management of STC and request the Management to discontinue or take correction action or to take other relevant action. The Monitor may in this regard submit non binding recommendations. Beyond this, the Monitor nhas no right to demand from the parties that they act in specific manner, refrain from action or tolerate action.
- (6) The Monitor will submit a written report to the CMD, STC within 8 to 10 weeks from the date of reference or intimation to him by STC and should the occasion arise, submit proposals for correcting problematic situations.
- (7) If the Monitor has reported to the CMD STC a substantiated suspicion of an offence under relevant IPC/PC Act, and the CMD STC has not, within the reasonable time taken visible action to proceed against such offence or reported it to the Chief Vigilance Officer, the Monitor may also transmit this information directly to the Central Vigilance Commission.
- (8) The word Monitor would include both singular and plural.

Section 9 – Pact Duration

This pact begins when both parties have legally signed it. It expires for the Bidder/Contractor twelve months after the last payment under the contract, and for all other bidders six months after the contract has been awarded.

If any claim is made/lodged during this time by either party, the same shall be binding and continue to be valid despite the lapse of this pact as specified above, unless it is discharged/determined by CMD, STC.

Section 10 – Other provisions

- (1) This Integrity Pact is an independent agreement between the parties and is subject to Indian Law. The arbitration clause if any in the tender / contract shall not apply

to this agreement. Place of performance and jurisdiction is the Registered Office of STC. i.e. New Delhi.

- (2) Changes and supplements to this Pact as well as termination notices to be issued, if any, shall be made in writing. Side agreements have not been made.
- (3) If the Bidder/Contractor is a partnership firm or a consortium, this agreement shall be signed by all partners or consortium members.
- (4) Should one or several provisions of this agreement turn out to be void, the remainder of this agreement shall remain valid. In such a case, the parties will strive to come to an agreement to their original intentions.

**(For & On behalf of STC)
Bidder/Contractor)**

(For & on behalf of The

(Office Seal)

(Office Seal)

Place :

Date:

Witness 1 : Name & Address
Address

Witness 2 : Name &



**CORPORATE MATERIALS
(RAW MATERIALS PURCHASE)**

**Petrochemical Division Administration Building,
Udyogamandal, Cochin – 683 501
Ph: 00 91 484 2546570/2568267
Fax: 00 91 484 2545172
E-mail: kennedy@factltd.com / paulpt@factltd.com**

ENQUIRY FOR SULPHUR

Enquiry No. MAT-RM-S.175 dated 23/09/2016 for SULPHUR

We invite your most competitive bid for the supply of bright yellow crude Sulphur in bulk as per the details given below and as per enquiry documents attached.

1. Quantity: Two shipments of Sulphur.

First Shipment : 25000 MT +/-10%.
Second Shipment : 15000 - 25,000 MT+/- 10%. (Vendor shall specify the quantity that they are offering)

2. Schedule:

First shipment : Arrival Cochin during 1 – 5 November 2016.
Second shipment : Arrival Cochin during 10 – 15 December 2016.

Firm arrival laycan for each shipment to be confirmed in the offer.

3. Due date and time for receipt of bid: 29/09/2016, 1430 hrs IST.

4. Validity of bid: at least till 1800 hrs IST on 6/10/2016.

5. Price:

5.1 Both FOB and CFR rates are to be quoted. Prices shall be quoted strictly in the format given below.

Terms	Price			
	First shipment		Second Shipment	
	Cash	180 days	Cash	180 days
[a] FOB [load rate to be indicated]				
[b] CFR Cochin				

Discharge rate: [2000 MT PWWD SAT AFT NOON SHEXEIU] (in SHEXEIU, “H” standing for “holiday” shall mean the holidays declared by Cochin Port Trust).

Please note that both FOB and CFR rates are to be quoted failing which the offer is liable to be rejected. FACT shall place the Purchase Order with both FOB and CFR options and



reserve the right to accept either the FOB or the CFR option on a shipment-to-shipment basis.

- 5.2 Source of supply with port of loading shall be indicated.
- 5.3 Detailed load port terms and conditions shall be furnished in your bid.
6. Payment: Preferably within 15 days of receipt of Material. If payment required by L/C, L/C charges at the ruling rate will be added to the quoted price for evaluation purpose. Vendors who have not supplied Sulphur to FACT so far, payment for the first shipment shall be CAD after acceptance of the material based on analysis of the sample taken at the disport by surveyor appointed by FACT.
7. Specifications: Material supplied should conform to the specifications given in the document no. MAT/RM/S/07-Rev 5 (15 pages) attached. Moisture in excess of 0.5% determined at load port shall be deducted from the bill of lading weight and the net weight so arrived at shall be invoiced.
8. Terms and conditions: Shall be as per our document no. MAT/RM/S/07-Rev 5 attached. Please submit bid strictly in accordance with the same. Please note that we will arrange insurance through United India Insurance Company Limited and the rate of premium is inclusive of overage insurance premium.
9. Earnest Money Deposit (EMD) and Security Deposit (SD): Vendors who have not supplied Sulphur to FACT earlier shall be required to furnish requisite Earnest Money Deposit and Security deposit as per FACT's tender terms.
- 9.1 Earnest Money Deposit (EMD): At the rate of US Dollar One per MT for which bid is being submitted; in the form of interest free Demand Draft or as Bid Bond as per our proforma or by way of RTGS to FACT's account. In case EMD is remitted by RTGS the same should reach our account before the bid opening time. The bank detail for remitting EMD is as given below:

Bank name: STATE BANK OF TRAVANCORE, BRANCH: UDYOGAMANDAL
A/C NO. : 57017844467, IFSC CODE: SBTR0000158 SWIFT No. SBTRINBBFED
Ph No: 0091 484 2545501. Fax No. 0091 484 2546501
The detail of RTGS remittance with UTR Number is to be forwarded to us.

In case EMD is remitted as BG, BG from FACT approved bankers to be submitted. List of FACT approved Bankers for Bank Guarantee is attached.

Bid without EMD is liable to be rejected.

10. We should be in receipt of your bid before 1430 hrs IST on the due date, in sealed envelope, super scribing the Enquiry Number and due date, addressed to the Deputy Officer (Administration), Central Bid Registration Cell, P.D .Administration Building, FACT Ltd., Udyogamandal, Cochin - 683 501. **BIDS ARE SENT BY FAX / E-MAIL; IT SHOULD REACH US WITHIN THE DUE TIME. DELAYED/LATE BIDS ARE LIABLE TO BE REJECTED.**
11. Bids shall be opened at 1430 hrs IST on the due date **(29.09.2016)** in the presence of bidders or their authorized representatives who may be present.



12. NOTES: -

The following points may be noted while submitting your offer.

- a) Indigenous manufacturers are requested to quote in Indian Rupees. Import vendors are to quote in USD. If indigenous manufacturers quote in USD, the payment will be based on the Exchange Rate as per RBI reference rate on the date of opening of the tender and payment will be made in Indian rupees. If the date of opening is a Bank holiday, the exchange rate of the previous Bank working day will be considered.
- b) Bids submitted shall be complete giving all the requirements as per the enquiry. Evaluation of bids shall be made based on the details given in the bid. Post-bid clarifications on price, quantity, delivery schedule, discharge rate, payment terms and shipment terms are unacceptable except for any post bid clarification, only against specific request from our end. Clarifications on suo-motu basis will be summarily rejected and such action by bidders will be viewed seriously.
- c) Evaluation will be done on landed cost at Cochin Port on shipment to shipment basis including Insurance charges, applicable port dues, customs duty, excise duty, Sales Tax etc. based on the CFR price on Cash basis and with 180 days credit and FACT will have the option to choose the cheaper option. In case a bidder does not quote for 180 days credit or has offered credit for a period shorter than 180 days, the same will be loaded with interest @15% pa for the balance period up to 180 days for evaluation. Exchange Rate for conversion of CFR price will be the RBI reference rate on the date of opening of the tender. If the date of opening is a Bank holiday, the exchange rate of the previous Bank working day will be considered for evaluation. For working out Customs Duty, the Exchange rate will be as declared by Customs for the month of opening of the bid.
- d) All vessels calling at Cochin Port should have valid P&I and Classification certificates, which should be covered by International Group of P & I Clubs and classified with International Association of Classification Societies as stipulated by the Ministry of Shipping, Govt. of India. If not, necessary relaxation has to be taken by Vessel Owner from Ministry of Shipping, Govt. of India as per circular No.SR-12020/2/2011-MG dated 2 Aug'12 issued by Ministry of Shipping, well in advance of vessel's arrival, failing which permission will not be granted by Port for berthing of vessel.
- e) If payment quoted is through LC, bank charges as below will be loaded for evaluation.

LC Charges for Import	
Loading Factor	: 0.5348
LC Charges for Indigenous	
LC commitment	: 0.9200

- f) Offers with discharge rate higher than specified will be rejected. Deviations on other shipment terms like shifting cost, time etc. may be considered, but with loading of additional cost.

For FACT Ltd, Cochin
Assistant General Manager (Materials) RM

DOCUMENT NO. MAT/RM/S/07-Rev 5 - TOTAL PAGES : 15

SULPHUR - ENQUIRY/CONTRACT DOCUMENTS

S.NO.	CONTENTS	PAGE
1.	INSTRUCTIONS TO BIDDERS	1-2
2.	PROFORMA OF BANK GUARANTEE IN LIEU OF EARNEST MONEY DEPOSIT (EMD)/ (BID BOND PROFORMA)	3
3.	SPECIFICATION OF SULPHUR	4
4.	TERMS AND CONDITIONS OF PURCHASE	5-9
5.	SHIPMENT TERMS FOR FOB CONTRACT	10
6.	SHIPMENT TERMS FOR CFR CONTRACT	11-13
7.	PROFORMA OF BANK GUARANTEE IN LIEU OF SECURITY DEPOSIT (PERFORMANCE GUARANTEE BOND)	14-15



INSTRUCTIONS TO BIDDERS

DEFINITIONS:

FACT: SHALL MEAN THE FERTILISERS AND CHEMICALS TRAVANCORE LTD., WITH REGISTERED OFFICE AT UDYOGAMANDAL AND ITS VARIOUS DIVISIONS. THIS ENQUIRY IS SENT BY THE HEAD OFFICE.

BIDDER: SHALL MEAN THE FIRM/MANUFACTURER/TRADER/INDIVIDUAL WHO SUBMITS BID IN RESPONSE TO THIS ENQUIRY.

SELLER: SHALL MEAN THE FIRM/MANUFACTURER/TRADER/INDIVIDUAL ON WHOM FACT PLACES THE PURCHASE ORDER.

CONTRACT VALUE: TOTAL ALL INCLUSIVE PRICE FOR THE ORDER QUANTITY.

1.0. SUBMISSION OF BIDS:

THE BID SHALL CONTAIN AS INTEGRAL PART OF THE SAME THE FOLLOWING COMPLIANCE STATEMENT:

"WE HAVE READ, UNDERSTOOD AND ACCEPTED THE TERMS AND CONDITIONS OF PURCHASE AND RELATED DOCUMENTS AND SUBMIT OFFER AS PER TECHNICAL SPECIFICATION GIVEN IN DOCUMENT NO. MAT/RM/S/07-Rev3".

DEVIATIONS, IF ANY, SHOULD BE CLEARLY SPELT OUT FOR OUR EVALUATION.

2.0. PRICING:

2.1. PRICES SHALL BE FIRM FOR FOB AND CFR OPTIONS ON DRY BASIS.

2.2. BIDDER SHALL QUOTE CASH PRICE (AT SIGHT) AS WELL AS CREDIT PRICE FOR A PERIOD UPTO 180 DAYS FROM B/L DATE.

3.0. THE BIDS SHALL BE NEATLY WRITTEN IN INK/TYPED WITH PAGES CONSECUTIVELY NUMBERED AND SHALL BE SIGNED ON ALL PAGES. BIDS SHALL BE FREE FROM OVER WRITING AND ALL CORRECTIONS SHALL BE DULY ATTESTED BY THE BIDDER. ALL RATES SHALL BE FILLED IN FIGURES AND WORDS, IF THERE IS ANY DIFFERENCE BETWEEN THE AMOUNT GIVEN IN FIGURES AND WORDS, THE LOWER OF THE TWO SHALL BE CONSIDERED.

3.1. THE BIDS SHALL BE SIGNED BY AUTHORISED PERSONS ONLY.

3.2. BIDDERS SHALL STUDY CAREFULLY THE TERMS AND CONDITIONS OF PURCHASE, SHIPMENT TERMS FOR FOB CONTRACT AND SHIPMENT TERMS FOR CFR CONTRACT SENT ALONG WITH THIS ENQUIRY. ALL CONDITIONS SET OUT THEREIN SHALL BE BINDING ON THE BIDDERS UNLESS CONFLICTING WITH ANY CONDITIONS EXPRESSLY STATED BY FACT, WHILE ACCEPTING ANY BID IN THE EVENT OF SUCH ACCEPTANCE.

- 3.3. BIDS SHALL BE ADDRESSED TO THE ASST. OFFICER (ADMINISTRATION), CENTRAL BID REGISTRATION CELL, P.D.ADMINISTRATIVE BUILDING, FACT LTD, UDYOGAMANDAL - 683 501 AND SHALL REACH THE ABOVE ADDRESS NOT LATER THAN THE TIME STIPULATED IN THE ENQUIRY. IF BIDS ARE SENT BY FAX / E-MAIL, IT SHOULD REACH US WITHIN THE DUE TIME. DELAYED/LATE BIDS ARE LIABLE TO BE REJECTED.
- 3.4. BIDDERS REPRESENTATIVES ATTENDING THE BID OPENING SHALL BRING WITH THEM THE AUTHORISATION FROM THE BIDDER.
- 3.5. THE ORIGINAL BID SHALL NOT BE WITHDRAWN WITHIN THE VALIDITY PERIOD EVEN IF NEGOTIATIONS ARE DONE OR COUNTER OFFER MADE BY US.
- 4.0. FACT IS NOT BOUND TO ACCEPT THE LOWEST BID AND RESERVES THE RIGHT TO REJECT ANY OR ALL THE BIDS WITHOUT ASSIGNING ANY REASON (S) WHATSOEVER. FACT ALSO RESERVES THE RIGHT TO PLACE ORDER/ ORDERS ON ONE OR MORE BIDDERS OR CANCEL THIS ENQUIRY.
- 5.0. FACT RESERVES THE RIGHT TO EXTEND WITHOUT GIVING ANY REASON (S) THE CLOSING DATE/TIME OF THE ENQUIRY.
- 6.0. ENQUIRY DOCUMENTS ARE NOT TRANSFERABLE.
- 7.0. DETAILS REQUIRED REGARDING INDIAN AGENT VIDE CL.16 AND ITS SUB-CLAUSES SHALL BE SUBMITTED AT THE TIME OF BIDDING.
- 8.0. FRAUD PREVENTION POLICY: YOU SHALL COMPLY WITH FRAUD PREVENTION POLICY OF FACT 2012(FPPF 2012). THE SAID POLICY IS AVAILABLE IN FACT WEBSITE www.fact.co.in
- 9.0 THE FOLLOWING OFFICERS IN ADMINISTRATION DEPARTMENT ARE AUTHORISED TO RECEIVE BIDS, IN CASE THE BIDS ARE SUBMITTED BY HAND.

- 1) Ms. A.CELINE PYLEE
- 2) Ms. USHA.V.S.NAIR



3/15

BID BOND PROFORMA
(TO BE OBTAINED FROM A NATIONALISED BANK ON STAMP PAPER WORTH RS.100/-)

The Fertilisers and Chemicals Travancore Limited
Head Office, Cochin - 683501

Dear Sir,

WHEREAS M/s.[offerer] has offered to supply a quantity ofMT of Sulphur to FACT and the offerer is required to submit a Bid Bond at the rate of US Dollar One PMT alongwith the offer as a guarantee for fulfillment of all the terms and conditions of the said offer for subsequent sale, we, [Bank with full address] hereby guarantee and undertake to pay immediately on demand by FACT the amount of US \$..... in case the offerer fails to perform any or all the obligations undertaken by him as per FACT's acceptance without any reservation, protest, demur and recourse to said offerer. Any such demand in writing made by FACT shall be conclusive and binding on us irrespective of any dispute or difference raised by the offerer. This guarantee shall be irrevocable and shall remain valid till [One month from the due date of receipt of offer] in Cochin.

Notwithstanding anything mentioned herein before, our liability under this guarantee is restricted to US \$ [US Dollarsonly] and it will remain in force upto Unless a claim under the guarantee is filed against us on or before, (three months from the due date of offer) all your rights under the said guarantee shall be forfeited and we shall be released and discharged from all liabilities thereunder. WeBank, further agree that the guarantee hereunder contain shall not be affected by change in the terms of purchase originally offered by the offerer.

Disputes/differences, if any, relating to or arising out of this Bank Guarantee, shall be settled by courts having jurisdiction over Udyogamandal, in Kerala State, where the registered office of the company is situated and no other court shall have jurisdiction in the matter.

We Bank lastly undertake not to revoke this guarantee during its currency except with the previous consent of FACT in writing.

Date:

For

Place:

Bank

Authorised Signatories

NOTE: Seller's Bank while authorising Indian Bank to execute this Bid Bond against their counter guarantee, should also intimate the reimbursement instructions.

SPECIFICATION OF SULPHUR

Physical:

- a) Colour & Shape : Sulphur should be bright yellow, in the form of granules or prills or pellets.
- b) Sieve requirements : - 100 mesh/+200 mesh - 0.5% max.
- 200 mesh - Nil.
- c) Bulk density (uncompacted): 1.24 g/(cm)³ max.

Chemical:

Purity	: 99.5% min. by weight on dry basis.
Ash	: 0.05% max. by weight on dry basis
Carbon	: 0.05% max. by weight on dry basis
As	: 0.25 ppm max. by weight on dry basis
Se	: 1.00 ppm max. by weight on dry basis
Te	: 1.00 ppm max. by weight on dry basis
Acidity	: 0.02% max. by weight on dry basis
Chlorides	: 50 ppm max. by weight on dry basis
Moisture	: Not to exceed 3% by weight on wet basis

MOISTURE IN EXCESS OF 0.5% DETERMINED AT LOADPORT SHALL BE DEDUCTED FROM THE BILL OF LADING WEIGHT AND THE NET WEIGHT SO ARRIVED AT SHALL BE INVOICED.



TERMS AND CONDITIONS OF PURCHASE

1. The Purchase Order is placed with both FOB and CFR option and FACT reserves the right to exercise the FOB or the CFR option on a shipment to shipment basis including partial shipments, if so agreed by FACT. In case of FOB option, FACT shall arrange for fixing the vessel through the Ministry of Surface Transport (Transchart) for which Seller shall allow a minimum period of three weeks after confirming the firm load port laycan along with complete load port details. If Transchart are not able to nominate a suitable vessel in this period and issue dispensation, FACT shall exercise CFR option immediately on receipt of dispensation from Transchart. Seller shall then make CFR arrangements for the agreed laycan only.
 - 1.1. Seller shall furnish firm laycan well in advance so that the activities required for vessel fixture by Transchart or CFR arrangements by Seller are made smoothly in the event of dispensation from Transchart. The Seller shall not be absolved from his obligations under the contract, citing insufficient time for making CFR arrangements. Shipment terms for FOB contract and those for CFR contract shall be as given in page 10 and pages 11-13 respectively of this Document.
2. Taxes and Duties:

All levies, taxes and duties in the Seller's country shall be to Seller's account and in India to FACT's account.
3. Security Deposit:

Vendors who have not supplied Sulphur to FACT earlier shall be required to furnish requisite Security deposit as per FACT's tender terms. The Seller shall furnish Security Deposit equivalent to 2% of the value of the order within 10 days from the date of Letter of Intent by Bank Guarantee as per proforma attached. Bank Guarantee shall be kept valid for a minimum period of 6 months, with a further claim period of 6 months. Validity shall be further extended on demand as per terms of our BG proforma.
4. Payment:
 - 4.1 Payment: In the case of vendors who have supplied Sulphur to FACT earlier payment shall be by LC / CAD. In the case of bidders who have not supplied Sulphur to FACT so far, payment for the shipment shall be Cash Against Documents after acceptance of the material based on analysis of the sample taken at the Disport by Surveyor appointed by FACT. Payment shall be made by telegraphic transfer to Seller's designated bank account against clean and complete shipping documents presented to FACT's bank through Seller's bank. To effect the payment in US dollars, Seller's full address, style and account no. and the name and account no. of their banker's correspondent bank in New York shall be furnished in the offer.

or
 - 4.2 Payment by way of L/C. L/C opening charges and bank charges in India shall be to FACT's account. All charges outside India, including confirmation charges, in case confirmation is required, will be to Seller's account. L/C will normally be established prior to sailing of the vessel. FACT's confirmation that L/C has been opened will be deemed sufficient for this purpose. Any delay in inter bank communication shall not be sufficient reason to delay nomination/ loading/sailing of the vessel.
 - 4.3. FACT reserves the right to effect payment either on cash (at sight) or on credit basis. Exercising of this option will be intimated to Seller on shipment to shipment basis.
 - 4.4 Indian Agent's Commission, if any, shall be deducted from the invoice and paid in Indian Rupees in India. Please see clause 16 below.

5. Shipping Documents:

5.1 Seller shall present following shipping documents for payment purpose:

- a) Three original and three non-negotiable copies of clean on board bills of lading marked freight paid/payable by shipper as per Charter Party. In case of Charter Party Bills of Lading, it should bear an endorsement that all the relevant terms and conditions of the relative Charter Party are deemed to have been incorporated therein.

The B/Ls to show:

- 1] Import License - Free import as per Chapter 2 Para 2.1 of Foreign Trade Policy 2004 – 09.
 - 2] Purchase Order Number
 - 3] L/C reference, if payment is by L/C.
- b) Three signed commercial invoices and three copies of the same based on the Bill of Lading quantity and surveyor's certificate of analysis. The invoice shall show the following:
- 1] B/L No. and date
 - 2] Import License - Free import as per Chapter 2 Para 2.1 of Foreign Trade Policy 2004 – 09.
 - 3] Purchase Order No.
- c] Certificate of origin issued by the concerned Chamber of Commerce.
- d] Certificate of weight issued by Independent Surveyor.
- e] Certificate of quality/analysis issued by independent surveyor.
- f] A certificate from the Seller stating that cable/telex/fax has been sent to FACT's underwriters for insurance purposes.
- g] A certificate from the seller to the effect that the goods supplied is in accordance with the relative purchase order.

5.2 All charges towards obtaining the above documents shall be to the account of Seller.

5.3 Routing of shipping documents shall be as follows:

- 1] A copy each of B/L and Invoice shall be faxed within 2 days of loading/sailing of the vessel to Assistant General Manager[Shipping], FACT Ltd., Willingdon Island, [Fax No: 91 484 2666183] and Assistant General Manager (Materials) - RM, PD Admin Building, Petrochemical Division, FACT Ltd., Udyogamandal, Cochin [Fax No: 91 484 2545172].
- 2] Original set of documents to be forwarded to the bank.
- 3] One set each, comprising of copies of the above documents to be forwarded to:
 - 1] ASSISTANT GENERAL MANAGER [FINANCE] - BILLS, HEAD OFFICE FACT LTD., UDYOGAMANDAL, COCHIN - 682 303.
 - 2] ASSISTANT GENERAL MANAGER [SHIPPING], FACT SHIPPING OFFICE, POST BOX NO.3703, WILLINGDON ISLAND, COCHIN 682 009.
 - 3] ASSISTANT GENERAL MANAGER (MATERIALS)-RM, PD ADMINISTRATIVE BUILDING, PETROCHEMICAL DIVISION FACT Ltd., UDYOGAMANDAL, COCHIN - 683 501

6. Liquidated damages:

The agreed shipment dates shall be firm and shall be treated as the essence of the contract. Any delay in effecting the shipment shall render the Seller liable for liquidated damages at the rate of 1/2% of the value of the shipment for every week or part thereof delay subject to a maximum of 2% of the value of the shipment. This value shall be either FOB or CFR as per the option exercised by FACT.

7. Force Majeure:

7.1 If at any time during the existence of this contract if either Seller or FACT is unable to perform in whole or in part any obligation under this contract because of war, hostility, civil commotions, sabotage, quarantine restrictions, Acts of God and Acts of Govt. [including but not restricted to prohibition of exports or imports], fires, floods, explosions, epidemics, strikes, embargoes, then the date of execution of contract shall be rescheduled after considering FACT's production requirements, ullage, market conditions, prices, etc.

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

7.3 If operation of such circumstances exceeds three months, each party shall have the right to refuse further performance of the contract in which case neither Seller nor FACT shall have the right to claim damages.

7.4 The Seller and/or FACT who is unable to fulfill their obligations under the contract shall within 15 days of occurrence of any of the causes mentioned in this clause inform the other party, of the existence and termination of the circumstances preventing the performance of the Contract. Certificate issued by local Chamber of Commerce in the country of the Seller or FACT shall be sufficient proof of the existence of the above circumstances and their duration.

7.5 Non-availability of material shall not be an excuse to the Seller for not performing their obligations under the contract.

8. Default:

In the event of any default by the Seller in executing the Purchase Order in accordance with the specifications and/or terms and conditions of the Purchase Order, FACT may terminate the Purchase Order without prejudice to any other right, remedy or option FACT may have. In the event of such termination, FACT shall have the right to procure the goods from other sources at the risk and cost of the Seller.

9. Determination of quality and quantity:

9.1 The quality and quantity of each shipment shall be determined at the loadport by an independent internationally reputed surveyor. The cost incurred towards the services of such independent surveyor (including issue of necessary quality and quantity certificates) shall be to Seller's account. However, FACT reserves the right to inspect the material or have the material inspected by another third party inspector prior to shipment with regard to both quantity and/or quality at FACT's cost, in which case, this certificate of quantity and/or quality shall be final.

9.2 The determination of product quality in respect of each shipment shall be undertaken by the independent surveyor and shall be used in the preparation of the certificate of quality. Two representative samples of each shipment shall be taken by the surveyor which shall be sealed and signed by the surveyor and the Seller. One sample shall be placed on board the vessel for the consignee and one shall be retained by Seller, as a reference sample for a period of 60 days from the date of completion of discharge, unless a dispute has arisen in which case the sample shall be retained until the resolution of such dispute.

9.3. In case the analysis report of the sample so received on board shows adverse variation compared to loadport analysis as per FACT's assessment, Seller has to arrange for analysis of the reference sample at his cost in the presence of FACT's representative, if so desired.

10. Shortage of more than 0.5% from the B/L quantity in weight determined at discharge port by draft survey shall be to Seller's account.

11. Title and Risk:

Title to the goods and risk shall pass from Seller to FACT as per INCOTERMS 2000, as amended from time to time.

12. Amendment of the Purchase Order:

Any amendment or modification to this Purchase Order shall be made in writing with the concurrence of the Seller, where required.

13. Law:

The governing law for this Purchase Order shall be Indian law. The proper language of the Purchase Order shall be English. The Seller agrees to submit himself to the Jurisdiction of Indian Courts of Law.

14. Seller warrants that the goods are free and clear of liens and encumbrances and that he has good and marketable title to the same.

15. Arbitration:

If any dispute (s) arises out of or in connection with this contract, or in respect of any defined legal relationship associated therewith or derived therefrom, the parties agree to submit the disputes to arbitration under the ICADR (International Centre for Alternative Dispute Resolution) Arbitration Rules 1996. The authority to appoint the arbitrator shall be the International Centre for Alternative Dispute Resolution. The number of Arbitrator shall be one and the language of the arbitration proceedings shall be English. The place of arbitration proceedings shall be Ernakulam in Kerala.

16. Seller's Indian Agent:

The Seller shall disclose the name and address of his Indian agent/representative along with following information.

- 16.1 Indian Agent's registration Nos. and their permanent income tax account number.
- 16.2 Amount and nature of commission/remuneration.
- 16.3 A copy of terms and conditions of the appointment of the Indian agent including the commission being paid to them shall be furnished along with the bid. In case the Seller has no agent in India, the Seller shall certify that they have no agents in India and that no remuneration is to be paid to any Indian Party. If the seller does not indicate the name of his agent or representative in India, and the amount of commission payable to him in the offer, it will be assumed that no agents' commission is involved.
- 16.4 FACT shall deduct the Indian agent's commission, if applicable from the value of the Seller's invoice and pay to the Indian Agent in equivalent Indian rupees (rate of exchange being the rate at which payment was made to Seller) by cheque, as per the agreed payment terms. In case the Indian Agents are foreign controlled company as defined under section 28 of the Foreign Exchange Regulation Act, 1973 or any other act as in force, certificate/permission from Reserve Bank of India/Government of India as the case may be that they are entitled to do the agency business and receive commission from buyers should be enclosed along with the bid.
- 16.5 The information required above shall include those agents situated in India who have some other kind of commercial relationships and may not fall within the usual definition of agent. In cases where there is no agent but the Seller has any Indian Branch or subsidiary or a financially inter-linked concern, the same shall be intimated to us. This will also include such Indian agents who are paid general retainer fee and may not have any reference to this purchase order.
- 16.6 Should we suffer any loss or penalty because of the failure of the Seller to disclose the details mentioned above about their agents, FACT shall hold the Seller responsible for such loss or penalty and shall be entitled to claim from them damages for breach of the above provisions of the contract and also to resort to such other action which FACT may consider appropriate.
17. This Purchase Order is placed by FACT, The Fertilisers and Chemicals Travancore Limited. It is expressly made clear that the Government of India is not a party to this Purchase Order and has no liabilities, obligations or rights on this order.

18.0 SHIPMENT TERMS FOR FOB CONTRACT

- 18.1 FACT undertakes to provide transportation for carriage of the cargo in bulk.
- 18.2 FOB terms between Seller and their supplier if any shall not apply for contract arising out of this enquiry. It shall be as per FACT's terms only (with agreed variations). Seller shall forward the full loadport details, as well as firm loadport laycan with a spread of not less than 5 days, in conformity with the Purchase Order schedules or as required by FACT for each shipment, in case schedule is not finalised prior to issue of Purchase Order.
- 18.3 FACT shall arrange to charter a suitable vessel. Seller shall forward their acceptance of such nominated vessel within 2 working days of the nomination. FACT reserves the right to substitute named vessel after giving prior intimation to the Seller.
- 18.4 The vessel shall report to the Seller or Seller's agents at the loadport and present herself for loading the cargo as per loadport terms and conditions as incorporated in the Charter Party.
- 18.5 Insurance:
- FACT shall arrange to insure the cargo. On completion of loading, sailing details such as quantity, B/L No. and date, loadport, ETA Cochin shall be faxed to Assistant General Manager[Materials]-RM [Fax:91-484-2545172], Assistant General Manager [Finance & Accounts] [Fax: 91- 484 - 2545039] and our under writers, M/s United India Insurance Co. Ltd, Divisional Office,Puthusserry Complex, Govt. Hospital Jn. Aluva-683101, Kerala State, India. Ph. No. 0091 484 2624290, Fax No. 0091 484 2624190.
- 18.6 All claims at the loadport like demurrage, despatch, dead freight, etc, shall be settled directly between the Seller and the vessel owner. Suitable provision shall be made to this effect in the Charter Party. FACT shall render assistance, if required, to the Seller/Owner in settling such claims.
- 18.7 Seller shall be liable for any demurrage incurred at the load port on account of any delay in loading outside the permissible laytime. Any delay due to the vessel's condition or breakdown or inability of the vessel's facility to load cargo within the time allowed, shall not count as used laytime.
- 18.8. All other terms and conditions not indicated in these shipment terms shall be as per the Terms and Conditions of the Order and the relevant Charter Party.

19.0 SHIPMENT TERMS FOR CFR CONTRACT

19.1 FACT can declare CFR option only after getting dispensation from Transchart, Ministry of Surface Transport, and New Delhi. Seller shall provide at his own expense proper transportation for carriage of the cargo in transit subject to Government of India policy directives in this regard. Indian flag vessels to be accorded first right to refusal. Seller shall forward C/P on finalisation of vessel. Freight shall be pre-paid.

19.2.1 Vessel nominated shall conform to ISM code/Grain code for safe operations and pollution prevention and other statutory requirements of Indian/International Maritime Authorities, applicable for carriage of sulphur as relevant. Non-compliance or lack of necessary supporting documents to show compliance with the above and consequent damages, if any, shall be to Seller's account.

As per Shipping Development Circular issued by DG Shipping, cargo vessels visiting an Indian Port on the West Coast or plying in the Indian territorial waters in the Arabian Sea or the Indian EEZ during the period of foul weather (being 1st June to 31st August), shall be less than 25 years of age.

19.3 Discharge rate : 2000 MT PWWD SAT AFT NOON SHEX EIU. In SHEXEIU, "H" standing for "Holiday" shall mean the holidays declared by the Cochin Port Trust.

19.4 Demurrage Rate and Despatch Rate: Shall be indicated by Seller while nominating the vessel. [Despatch rate shall not be less than half of the demurrage rate]

19.5 Discharge Port : 1/2 SB Cochin.
Cost of shifting between berths including bunker fuel used shall not be borne by FACT and time used in shifting shall not be counted as laytime or time on demurrage.

19.6 Arrival draft at Cochin: Not to exceed 35 ft.
In case arrival draft exceeds permissible draft, lightening to be arranged by Seller at their own risk and cost including time lost. It shall be Seller's responsibility to ensure that the vessel arrives with the permissible/available draft at Cochin whichever is less.

19.6.1 (a) Seller shall guarantee that vessels nominated are amenable to discharge using FACT's mechanical ship unloader i.e. vessels which can permit free movement of FACT's ship unloader from hatch to hatch. Tween decked vessels, flush tween decked vessels and vessels with tunnel-shafts in the aft-holds shall not be employed, unless specifically accepted by FACT, for which additional laytime and costs, as stipulated by FACT, shall be borne by Seller. Vessels shall be equipped with 4/5 cranes of 10-15MT capacity. On board cranes / gears / derricks shall be capable of placing and taking out FACT's pay loader of 10 MT weight in the hold/ hatches safely and the cranes / gears / derricks shall be operated by the ship's crew. Any time loss due to breakdown of cranes/gears/derricks not to count as laytime and any expenses incurred will be to the owner's/seller's account. No transshipment shall be made without prior permission of FACT.

(b)Vessel is to be guaranteed suitable for grab discharge – and no cargo is to be loaded in tween decks, deep tanks, wing tanks, or bunker spaces or other spaces inaccessible to grab. The Master to have liberty of loading in such spaces for the purpose of stability of the vessel, but extra expenses incurred by reason of loading into and the discharging from such spaces not easily accessible are to be on Sellers account and additional time taken for discharge of cargo from such spaces shall be to the account of the Seller/owner of the vessel.

(c)The vessel shall give free use of all available gear for discharging as also lights for night work on board. Buyers to have privilege discharging overside, Sellers allowing free use of gear, winches and derricks.

(d)All expenses and costs arising from the failure of the machines/equipments of the vessel, or if the vessel is pulled out from the berth on account of safety reasons by the port to be on the account of sellers.

12/15

- 19.7 The following vessel details shall be furnished by Seller while nominating vessel, by Fax [91-484-2545172] addressed to Dy. Chief Manager [Materials] - RM.
- i] Flag
 - ii] Classification
 - iii] Year of built
 - iv] GRT/NRT & LOA
 - v] Registered owners
 - vi] Operators
 - vii] Charterers
 - viii] P&I club
 - ix] Hull U/W & terms of cover
 - x] Particulars of performance of vessel's last 2 voyages.
 - xi] Agents at load port and discharge port.
 - xii] Demurrage and despatch rates.
- 19.8 Expected loading days and arrival date at Cochin shall be intimated to FACT for each shipment while nominating the vessel in conformity with the Purchase Order.
- 19.9 Insurance:
The vessel chartered by Seller shall not be more than 15 [Fifteen] years in age and shall be of the highest Lloyd's or equivalent classification, failing which Seller shall be liable for any additional insurance premium paid or payable by us. Any extra insurance and customs duty thereon due to age/class/flag/GIC non-approval of vessel shall be to Seller's account. Same shall be deducted from the Seller's bills. War risk premium for vessel and crew bonus, if any payable to vessel owners as per C/P for calling at nominated load port is to be borne by Seller.
- 19.10 On completion of loading, sailing details such as quantity, B/L No. and date, loadport, ETA Cochin and value shall be faxed to Assistant General Manager [Materials] - RM [Fax: 91-484-2545172], Assistant General Manager- Finance[Bills] [Fax: 91- 484 - 2545039], Assistant General Manager[WI] [Fax: 91-484-2666183] and FACT's under writers, M/s United India Insurance Co. Ltd, Divisional Office, Puthusserry Complex, Govt. Hospital Jn. Aluva-683101, Kerala State, India. Ph. No. 0091 484 2624290, Fax No. 0091 484 2624190.
- 19.11 Seller shall obtain, from the carrier at his own expense on board shipped, Ocean Bill of Lading, clean and transferable in the name of FACT, dealing only with the cargo as per the Purchase Order to Cochin, India and courier the copies of the Shipping documents.
- 19.12 The sailing progress of vessel shall be reported to Assistant General Manager [Materials] - RM, Assistant General Manager [WI], Shipping Office by, fax, telex or telegram at least 72 hours before arrival, stating the anticipated hour of arrival. Similar notice shall be given at least 48 hours, 36 hours and 24 hours in advance of the ETA of vessel and thereafter any change every 1 hour.
- 19.13 Laytime: Based on discharge rate of 2000 MT PWWD SAT AFT NOON SHEX EIU. In SHEXEIU, "H" standing for "Holiday" shall mean the holidays declared by the Cochin Port Trust. Time from Saturday noon to Monday 0800 hrs and from 17:00 hrs on the day prior to a holiday to 08:00 hrs on the next working day shall not be counted, even if used.

N.O.R. time: NOR shall be tendered during official working hours only, i.e. between 09:30 hrs to 17:00 hrs from Monday to Friday and 09:30 hrs to 12:00 hrs on Saturday.

FACT shall have the right to shift the vessel (upto two shifting operations) from FACT's berth to another vacant berth / anchorage and time used and related costs shall be to seller's account. This is to facilitate discharge of other vessels bringing goods for FACT as per FACT's requirement. One shifting operation involves movement from FACT's berth (Q-10) to another vacant berth / anchorage and back to FACT's berth (Q-10).

Laytime shall commence only 24 hours after the receipt and acceptance of Notice of Readiness [N.O.R.] as above and shall end on completion of discharge.

- 19.14 Berthing delay on account of any reason over which FACT has no control including but not limited to tide not being available or other such natural causes, vessel missing the last pilot of the day, etc., shall not be included in laytime.
- 19.15 Any delay in commencing discharge on account of delay in obtaining the free pratique customs clearance, immigration, etc., by the vessel's agents and any port charges on this account shall not be to FACT's account.
- 19.16 If the vessel is unable to complete unloading within the allowable laytime, due to any cause attributable to FACT, FACT shall pay to Seller demurrage at the rate agreed to or as per C/P whichever is lower. Despatch rate shall not be less than half of the demurrage rate. Demurrage/despatch shall be settled within 30 days of mutual acceptance of laytime statement.
- 19.17 If, however, demurrage is incurred at the port of discharge by any reason over which FACT have no control including but not limited to fire, explosion, storm or by strike, lockout stoppage or restraint of labour by breakdown of machinery or equipment in or about the plant/unloading facilities of FACT or any other force majeure circumstances, no demurrage shall be payable.
- 19.18 FACT shall not be liable for any demurrage in the event of the vessel coming prior to or after the laydays stipulated by FACT. In case of early arrival, vessel shall be deemed to have given NOR at 9:30 hrs on the first working day of the laydays given by FACT.
- 19.19 At discharge port, dues on vessel shall be for the Seller's account, but dues on cargo including import duties, taxes and customs duties shall be to FACT's account.
- 19.20 In case documents are not made available to FACT prior to arrival of vessel, delivery order shall be issued by Seller's/Vessel Owner's agents to FACT's representatives at Cochin against ordinary Letter of Indemnity issued by FACT. Freight to be pre-paid. Any delay, damages or costs in obtaining the delivery order for discharging the cargo from vessel owners/agents on account of non-settlement of dues to owners/port by Seller/Seller's agents or for any reason not attributable to FACT shall be to Seller's account.
- 19.21 Consignee:
ASSISTANT GENERAL MANAGER (MATERIALS)-RM,
F.A.C.T LTD, SREE CHITHIRA THIRUNAL BHAVAN,
UDYOGAMANDAL, COCHIN - 683 501
- Notify party:

ASSISTANT GENERAL MANAGER [SHIPPING],
THE FERTILISERS AND CHEMICALS TRAVANCORE LTD,
SHIPPING OFFICE, POST BOX NO.3703,
WILLINGDON ISLAND, COCHIN 682 009.
FAX: 91 484 2666183.
- 19.22 Vessel/crew shall comply with all rules and regulations of Cochin Port Trust / FACT, at Cochin.
- 19.23 All other terms and conditions shall be as per relevant charter party. The provisions stipulated in this Purchase Order shall however supercede those of the charter party wherever they are found to be at variance to each other.

**PROFORMA OF BANK GUARANTEE IN LIEU OF SECURITY DEPOSIT
(PERFORMANCE GUARANTEE BOND)
(TO BE OBTAINED FROM A NATIONALISED BANK ON STAMP PAPER OF RS. 100/-).**

The Fertilisers and Chemicals Travancore Limited,
Head Office,
Udyogamandal P.O.
Cochin - 683 501

WHEREAS FACT - Head Office, a Division of Fertilisers and Chemicals Travancore Limited, Udyogamandal P.O. Kerala (hereinafter called referred to as the Company) has placed a Purchase Order No.....dated.....with M/s..... hereinafter called the supplier) for the supply of and whereas it is one of the conditions of the said purchase order that the Supplier shall either remit a sum of USD.....(US Dollars.....only) or furnish a Bank Guarantee for USD..... (US Dollarsonly) as security deposit for the due fulfillment of the said purchase order by the said Supplier.

In consideration of the Company having agreed to accept a Bank Guarantee from us towards such security deposit in lieu of the cash deposit in accordance with the terms and conditions of the above purchase order, we..... the Bank (hereinafter referred to as the Bank) do hereby undertake to pay the Company merely on demand any sum or sums from time to time demanded by the Company up to a maximum of USD..... (US Dollars..... only) being the amount of the security deposit against any loss or damage caused to or suffered by or would be caused to or suffered by the Company by reason of any breach by the said Supplier of any of the terms and conditions contained in the said purchase order.

We, the said Bank, do hereby undertake to pay the amount so demanded by the Company without any demur merely on a demand from the Company stating that the amount claimed is due by way of loss or damage caused to or suffered or would be caused to or suffered by the Company by reason of breach by the said Supplier of any of the terms and conditions contained in the said contract. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee.

We undertake to pay to the Company any money so demanded notwithstanding any dispute or disputes raised by the said Supplier in any suit or proceeding pending before any court or Tribunal relating thereto our liability under this being absolute and unequivocal.

The payment so made by us under this Guarantee shall be a valid discharge of our liability for payment thereunder and the said Supplier shall have no claim against us for making such payment.

We 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 contract and that it shall continue to be enforceable till all the dues of the Company under or by virtue of the said contract have been fully paid and its claim satisfied or discharged or till the Company certifies that the terms and conditions of the said contract have been fully and properly carried out by the said Supplier and accordingly discharges this guarantee.



15/15

We further agree with the said Company that they shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said contract or to extend time of performance by the said Supplier or to postpone for any time and from time to time any of the powers or forebear from enforcing any of the terms and conditions governing the said contract or securities available to the Company and the said Bank shall not be released from its liability under these presents by any exercise by the Company of the liberty with reference to the matters aforesaid or by reason of time being given to the said Supplier or any other forbearance, act or omission on the part of the Company or any indulgence by the Company to the said Supplier or any other matter or thing whatsoever which under the law relating to sureties, but for this provision, have the effect of so relieving us.

This guarantee shall not be effected by any change in the constitution of the Bank or the Company or the said Supplier nor shall this guarantee be affected by any change in the constitution of the Company or the said Supplier by absorption with any other body or corporation and this guarantee shall be available to or enforceable by such body or corporation.

Our guarantee shall remain in force until Unless a claim or demand is made within six months after the expiry of the above date, all the Company's rights under the guarantee shall be deemed as waived/forefeited and we shall be relieved and discharged from all liabilities thereunder. Notwithstanding anything contained hereinbefore, our liability under this guarantee shall be limited to an amount not exceeding USD..... (US Dollars only).

Any notice by way of request, demand or otherwise hereunder may be sent by post to the Bank addressed as aforesaid and if sent by post, it shall be deemed to have been given at the time when it would be delivered in due course of post and in proving such notice when given by post, it shall be sufficient to prove that the envelope containing the notice was posted and certificate signed by an officer of the Company that the envelope was so posted shall be conclusive.

Disputes/differences, if any, relating to or arising out of this Bank Guarantee, shall be settled by courts having jurisdiction over Udyogamandal, in Kerala State, where the registered office of the company is situated and no other court shall have jurisdiction in the matter.

We Bank lastly undertake not to revoke this guarantee during its currency except with the previous consent of FACT in writing.

Dated this day of Two thousand and

For (Name of Bank) :

Authorised Official :

Name :

Designation :

Place:

Full address of the Branch issuing this guarantee.