



**SECTION 4 Dt. 20-Dec-2021**

<b>Commercial Terms and Conditions for Foreign Vendors</b>																	
1.	<p><b>Payment Terms:</b> 100% payment against Cash Against Documents (CAD)/ Letter of Credit (LC) shall be made against presentation of following documents through SRU's Banker.</p> <p>The payment terms may change between LC and CAD on mutually agreed basis between the seller and buyer.</p> <p>However the preferred payment term would be CAD.</p> <p>SRU may opt for shipment of first lot on CAD basis as per requirement, in case Seller opts for LC payment, however SRU shall duly intimate the SELLER in case CAD payment for first the lot is opted. All bank charges within India shall be borne by the Purchaser and those outside India shall be borne by the Supplier.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">i] Clean on Board Bills of Lading</td> <td style="text-align: right; padding-left: 20px;">- 1 set</td> </tr> <tr> <td style="padding-left: 20px;">ii] Invoice (Signed in ink)</td> <td style="text-align: right; padding-left: 20px;">- 4 copies</td> </tr> <tr> <td style="padding-left: 20px;">iii] Packing List</td> <td style="text-align: right; padding-left: 20px;">- 4 copies</td> </tr> <tr> <td style="padding-left: 20px;">iv] Certificate of Country of origin</td> <td style="text-align: right; padding-left: 20px;">- 4 copies</td> </tr> <tr> <td style="padding-left: 20px;">v] Manufacturer's Test/Quality Certificate</td> <td style="text-align: right; padding-left: 20px;">- 4 copies</td> </tr> <tr> <td style="padding-left: 20px;">vi] Marine cum Transit Insurance Declaration copy</td> <td style="text-align: right; padding-left: 20px;">- 4 copies</td> </tr> <tr> <td style="padding-left: 20px;">vii] Third Party Sampling, Inspection &amp; Weight Inspection Certificate</td> <td style="text-align: right; padding-left: 20px;">- 4 copies</td> </tr> <tr> <td style="padding-left: 20px;">viii] Phyto-sanitary certificate (wherever applicable)</td> <td></td> </tr> </table>	i] Clean on Board Bills of Lading	- 1 set	ii] Invoice (Signed in ink)	- 4 copies	iii] Packing List	- 4 copies	iv] Certificate of Country of origin	- 4 copies	v] Manufacturer's Test/Quality Certificate	- 4 copies	vi] Marine cum Transit Insurance Declaration copy	- 4 copies	vii] Third Party Sampling, Inspection & Weight Inspection Certificate	- 4 copies	viii] Phyto-sanitary certificate (wherever applicable)	
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1.1.	<p>Unless otherwise stated submission of SECURITY DEPOSIT by the SELLER and its acceptance by the buyer (in case of submission Bank guarantee etc) shall be a pre-condition for PAYMENT against CAD. In case placement of Purchase Order, the Seller / Beneficiary should immediately arrange the submission of SECURITY DEPOSIT.</p>																
1.2.	<p>Suppliers to ensure that original set of documents are available at buyer's banker well before (at least one week) the actual arrival of vessel/Cargo at destination port.</p> <p>In case of any delay in receipt of documents at buyers bank, the detention, demurrage and any other penalty, if incurred shall be on account of the supplier.</p> <p>Copies of the certificate/s from the Supplier for customs clearance purposes, if any have to be kept with the packages for shipment.</p>																
1.3.	<p>a) The Supplier must communicate Dispatch/ Delivery details by email within 24-48 hours of Dispatch/ Delivery of materials to the Purchaser and Purchaser's Port Clearing Agency/ Executive to be indicated by SAIL, SRU through a Marine cum Transit Insurance Declaration copy which shall contain all relevant details required for Insurance purpose.</p> <p>b) The Supplier shall send Non-Negotiable copies of the above set of documents by courier/email to the Purchaser within one week after the date of vessel sailing as per the mailing list to be indicated by SAIL, SRU.</p>																
2.	<p><b>Packing Condition:</b></p> <p><u>a.</u> Packing as indicated in Section-1. If not indicated in Section-1, the following will be applicable.</p> <p><u>b.</u> The material should be suitably and securely packed for dispatch by Sea/Rail/Road, which is necessary in accordance with standard practice and procedure. Details of the packing are as under. The cost of packing should be included in FOB/CFR price quoted.</p> <p><u>c.</u> Material has to be supplied in 25-50 Kg. polythene lined HDPE bags/paper bags to suit transportation by road and multiple handling. Loose inserter has to be provided for HDPE bags. Supplier's name and material name have to be printed on each bag. Such bags to be stuffed in</p>																



	<p>jumbo bags of weight carrying capacity between 1.00 MT and 1.50 MT (approx.) with four hooks for handling or to be palletised in 1-1.5 ton pallets.. The packing should be sturdy and sea worthy. The sealing of the bag should also be tamper proof.</p> <p><u>d.</u> Consignment each bags should be stenciled or tagged with:</p> <ul style="list-style-type: none"><li>i) PO No &amp; Date</li><li>ii) Name of Consignee</li><li>iii) Name of Manufacturer</li><li>iv) Port of Shipment</li><li>v) Port of Destination</li><li>vi) Name of the material</li><li>vii) Gross &amp; Net Wt In Kgs/ Tons</li></ul>
3.	<p><b>Weighment</b></p> <ul style="list-style-type: none"><li>a. The seller will ensure uniform weight and packing. The importer may arrange for checking of weight at the destination port at its own cost either by authorized surveyor or by representative of the importer.</li><li>b. The weight mentioned in the third party inspection certificate or the Bill of Lading, whichever is less, shall be final for all the payment purposes, subject to the right of the importer to arrange for checking of weight as per Sub Clause (a) above.</li><li>c. If the goods shipped are found to be of size and specification different from which are hereby ordered or the packing material is of inferior to those stipulated in the order, the importer shall have the right to totally reject the goods and/ or to prefer a claim for compensation for that part of the goods which is rejected. The seller shall reimburse the importer, the actual expenditure on such goods by way of cost, freight, insurance, unloading and warehouse charges and other liquidated damages and shall be responsible for carrying at his cost the rejected goods from India if he so desires.</li><li>d. The seller shall compensate for losses, if any, sustained by the importer due to defective packing and/ or making of the goods not in accordance with the terms of the contract.</li><li>e. If the seller wishes for a joint inspection/survey of weight at the discharge port, the same shall be carried out in the presence of representatives of the importer and seller if deputed by them. However, this has to be intimated by the seller in their techno-commercial offer.</li><li>f. The seller shall also compensate for importer for the loss on account of short receipt of quantity/ weight of the net/gross contents of the intact packages as a result of checking of weight of the goods as provided.</li><li>g. The time limit for filling claims under sub-clause (a), (b), (c) &amp; (f) shall be 180 days from the date of complete discharge of the cargo.</li></ul>
4.	<p><b>Inspection &amp; Testing :</b></p> <p>Inspection Clause indicated in <b>Section-1</b> if any, will supersede the one mentioned below:-</p> <p><b>Material Acceptance-</b> On receipt at SRU Store, based on Test report of SRU-Plants/Sister Units/Outside Laboratory (In case of non-availability of proper testing facilities at any of the SRU plants)</p> <p>Any material would be used only after testing. However, in case of extreme urgency/ eventuality, SRU may use material upto 50-90% depending on its need prior to testing. However, prior to any such use, consent of the supplier would be obtained. However, a minimum stock of 10% of supply/ BL quantity for the purpose of testing and/or joint sampling to be reserved. In such cases (where 10% of the material is kept as reserve, material fails and joint sampling is engaged), the sample drawn from the reserve and the test result obtained thereby shall be binding for entire consignment.</p> <p><b>Action on Test Results:</b></p> <p><b>Initial Test Result (after receipt of the material at plant/unit), In house or third Party (when material testing facility not available at plant/sister units) shall be considered final for acceptance under rebate formula of PO and request of the supplier for joint sampling and third Party Testing shall not</b></p>



	<p><b>be entertained.</b></p> <p><b><u>Test Results within range (including rebate range)</u></b></p> <p>If the test results are found as per PO specifications (including rebate formula), GARN (Goods Acceptance &amp; Rejection note) for acceptance shall be generated for the quantity received against respective BL/Challan may be used.</p> <p>In case of material acceptance under rebate, a claim would be lodged on the Principal on whom the purchase order has been placed. The supplier has to deposit the claim amount within 30 days from the claim letter. If the supplier does not deposit the claim amount, SAIL-SRU shall adjust the claim amount against the SD/BG submitted against the PO &amp; withhold release of all other SD/BG of the supplier against other POs, till the un-recovered claim is settled.</p> <p><b><u>Test Results beyond range (Deviated Material)</u></b></p> <p>If deviations are beyond rebate formula, GARN would be generated for rejection, mentioning the reasons for rejection.</p> <p>Any stores inspected and rejected at Purchaser's premises must be removed by the Supplier within 45 days from date of receipt of intimation of rejection of supplies in case of foreign suppliers. If the rejected goods have already been paid for (partly or fully), the supplier shall before removal of rejected goods, either deliver correct replacement goods at Purchaser's premises completely free of cost (including cost of goods, freight, taxes, duties etc) or refund the payment received as well as make full compensation for freight taxes, duties etc. Such rejected Stores shall lie at supplier's risk from the time of such rejections and if not removed within the above time limit, the Purchaser shall have the right to dispose off the said rejected materials as he may deem fit without any financial obligation to the supplier. For imported supplies, Seller to be given option to lift back the entire consignment within 90 days of intimation of rejection after free replacement on DDP (Delivered Duty Paid) basis.</p>
4.1.	<p><b>Quality Dispute Resolution for Raw Materials:</b></p> <p>If the supplier disputes the test results and requests for Joint sampling &amp; testing at an Outside Laboratory within a period of 30 days from the date of receipt of GARN for rejection, the same shall be carried out in the presence of supplier's representative within 10 days of receipt of request.</p> <p>In case the representative of the supplier doesn't turn up on the scheduled date of joint sampling, it would be construed that the Party is not interested for joint sampling and no further action is required, then the prevailing rejection report will prevail upon and the party should lift back the material as mentioned above (Clause: Inspection &amp; Testing).</p> <p>Four samples are to be prepared, sealed and jointly signed. One will be sent to Outside Test House, one will be given to the Supplier &amp; two shall be retained with the Laboratory, till closure of P.O.</p> <p>After joint sampling, a minute is to be drawn with the representative of the supplier clearly stating the outside laboratory, where the sample shall be sent for testing and that the test report so obtained shall be final &amp; binding on both the parties for the full quantity covered under the consignment.</p> <p>Sample to be sent to the mutually agreed Outside Test House as stipulated herein within three (3) days from the date of joint sampling, by the Laboratory. In case the initial testing was done at an outside testing agency, the sample after the joint sampling would not be sent to the same testing agency and also must not the agency who had issued the 3rd Party Inspection certificate before dispatch of the material.</p> <p>In case the test report of joint sampling is found acceptable (including Rebate formula), GARN shall be modified accordingly for acceptance. In case of material accepted under Rebate formula, procedure as mentioned above in (Clause: Inspection &amp; Testing) shall be followed.</p> <p>If the test results of joint sampling are found beyond the Rebate formula, the supplier shall be asked to lift the consignment and make replacement on DDP (Delivered Duty Paid) basis / refund payment within a period of 45 days and take back the rejected material, failing which claims for recovery would be lodged on the Supplier. If the supplier does not deposit the claim amount within the final notice period</p>



	<p>of 15 days, the claim shall be adjusted against the SD/BG submitted against the PO &amp; withhold release of all the SD/BG of the supplier against other POs till the unrecovered claim is settled.</p> <p>However, if certain quantity has already been used, then the proposal for settlement through MRB (material review board) may be submitted enclosing all the relevant documents within a period of 7 days from the receipt of the test results.</p> <p>Testing charge, will initially be borne by SRU but finally to be claimed from the party whose contention had been lost.</p>
4.2.	<p><b>Test House when SRU does not have in-house/sister testing facilities and for testing joint Sampling after rejection of material as mentioned in Clause. Quality Dispute Resolution for Raw Materials.</b></p> <p>Testing Laboratories indicated in <b>Section-1</b> if any, will supersede the one mentioned below:-</p> <p>India based NABL approved laboratories of SGS, BVQI, Alex Stewart , Inspectorate Griffith &amp; DISIR along with Government approved CSIR laboratories i.e. CGCRI, IMMT, NML &amp; RITES.</p>
4.3.	<p><b>MRB (Material Review Board)</b></p> <p>In case of urgency of material and if the deviated material (beyond rebate formula) is suitable to use, the material may be used after obtaining the consent of the party.</p> <p>The concerned supplier shall be communicated about deviations in quality and approximate quantity to be put to use to meet plant urgency. The supplier shall be informed about materials so consumed are proposed to be regularized through Material Review Board (MRB) with appropriate price reduction.</p>
4.4.	<p><b>Pre-Shipment Inspection and Supervision Of Loading:</b></p> <p>I. The materials shall be inspected before shipment in regard to quality, weight and specification through an Independent Inspection Agency from among the following:</p> <ul style="list-style-type: none"><li>a) M/s A.H. Knight</li><li>b) M/s Lloyds</li><li>c) M/s NKKK</li><li>d) M/s BVQI</li><li>e) M/s Inspectorate Griffith</li><li>f) M/s LUCIDEON</li><li>g) M/s SGS</li><li>h) M/s Alex Stewart</li><li>g) M/s DIFK, Germany</li><li>i) M/s M &amp; B Marine Surveyors ( for sampling and supervision of loading only)</li></ul> <p>SUPPLIER shall organise the materials for inspection by the Independent Inspection Agency to be indicated in the techno-commercial bid and shall render all assistance in this regard to the above nominated agency.</p> <p>II. MATERIALS as per specification and passed by the above Independent Inspection Agency as per tender specifications only will be shipped.</p> <p>III. The load port quality inspection analysis by the above nominated agency will be considered for the purpose of payment (for the purpose of initial LC/CAD payments only) with regard to all technical parameters stipulated in the Technical Specifications.</p> <p>IV. The inspection and supervision of loading charges payable to the above nominated agency shall be borne by the SUPPLIER.</p> <p>V. The SUPPLIER shall ensure that the materials shipped conforms to the ordered quality and specification and shall not ship materials which do not conform to the ordered quality and specifications.</p>



	<p>VI. The Independent Inspection Agency shall also perform the following at the load port:</p> <ol style="list-style-type: none"> <li>a. Collection of samples in association with the Supplier.</li> <li>b. Analyze the samples as per the International Standard methods or as prescribed in the Order and such analysis certificate shall form part of the documents for release of payment.</li> <li>c. Certificates of quantity and quality issued by the Independent Inspection Agency shall be countersigned by the supplier.</li> <li>d. On completion of the inspection of the material for each shipment, a Certificate of inspection, sampling, weight and quality shall be issued by the Independent Inspection Agency to the PURCHASER and the SUPPLIER and to others as may be notified.</li> <li>e. To keep proper supervision of the shipment so as to ensure that the PURCHASER does not incur any loss on any account whatsoever in the supervisory operations at the loading port and the material is shipped strictly as per the Order.</li> <li>f. Ensure sealing of the container after loading of the material in the container and also indicate the seal no. in the inspection certificate. Invoice number, details of Bill of Lading &amp; date of Certificate of Origin shall also be indicated in the inspection certificate</li> </ol>
5.	<p><b>Shipping Instruction:</b> In case of placement of order on FOB basis, successful tenderer will be intimated about details of shipping agent of SAIL.</p> <p>In case of C&amp;F Contract, the successful Tenderer (Shipper) shall ensure endorsement on each Bill of Lading (B/L) regarding 14 Days Detention Free Period from Date of Handing over of Cargo at Port of Discharge. Bill of Lading endorsement charges, if any, shall be on account of shipper/ shipping agency.</p> <p>In case of C&amp;F Contracts, SRU shall pay only charges applicable at discharge port as per INCOTERMS (INCOTERMS version as mentioned section-1 shall be followed).</p>
6.	<p><b>Price:</b> Price is to remain firm during currency of the Contract. SAIL reserves the right to conclude the contract on FOB load port and/ or CFR discharge port basis. Presently, Port of Discharge is Visakhapatnam (VIZAG). Bidders must, therefore, quote both FOB and CFR prices. The CFR prices should be on Visakhapatnam (VIZAG) basis.</p> <p>The price basis from FOB to CFR can be changed any time during the pendency of the contract, before last shipment against the order on mutual consent.</p>
7.	<p><b>Disclosure of Particulars of Indian Agent, if any:</b></p> <p>It is not the policy of SAIL/SRU, per se to encourage or engage agents. Hence, as far as practicable, engaging agents be avoided. However, where it is necessary to engage / employ Indian agents by the supplier, the following requirements shall have to be complied with:</p> <ol style="list-style-type: none"> <li>1. The Indian Agent should necessarily have to get registered with SRU/SAIL Plant/Units. Proforma for application for registration shall be sent to the Indian agent along with enquiry pages. The details of agent such as name, postal address, contact Phone, fax, E-mail, should be provided in the offer. All particulars relating to agency commission should be reported to Enforcement Directorate. It may be noted that unless Indian Agent gets itself registered, as stated above, the agency commission will NOT be payable.</li> <li>2. Authenticated Photostat copies of agency agreement giving status being enjoyed by the agent and the commission/remuneration/salary/retainer ship with principle is to be compulsorily enclosed with the offer.</li> <li>3. The amount of agency commission/remuneration, if any, included in the FOB/CFR Price for such agent/representative in India should be furnished in the offer.</li> <li>4. It should be confirmed that the agency commission/remuneration, if any, should be paid separately to the Indian Agent, after the receipt of materials in good condition as evidenced by</li> </ol>



	<p>GRN/certificate of successful commissioning, in Indian currency as per the exchange rate prevailing on the date of order at TT buying rate. NO agency commission will be payable on partial shipment. As such, while opening LC, the amount in LC will be order value minus agency commission.</p> <p>5. In case of failure to furnish correct and detailed information, as called for tender, the concerned offer shall be liable for rejection or in the event of contract materializing, the same shall be liable to termination by SAIL Plant/Units and actions as per the Government directives be taken.</p> <p>6. Time period for which the agreement between Principle and Indian Agent is valid has to be mentioned.</p> <p>7. Bidder shall furnish following details in their Techno-Commercial Bid:</p> <ul style="list-style-type: none"><li>a. The name and address of the Indian Agent, if any.</li><li>b. The amount of commission/ remuneration included in the FOB Price(s) for such Indian Agent is to be specified as a percentage of the FOB Price.</li><li>c. Confirmation of the Bidder that the commission/ remuneration, if any, payable to his Indian Agent, shall be paid by SAIL Plants in Indian Rupees.</li><li>d. An agent cannot represent more than one suppliers or quote on their tender. In case one agent represents more than one supplier or quotes on their behalf in this tender, all the tenders may be liable for rejection.</li></ul> <p>In the event of an order materializing, the terms of payment will provide for payment of the net value of the materials delivered in each consignment, after deduction of the amount of the commission/ remuneration, if any, payable to Indian agent which will under normal circumstances, be released to the concerned Indian agent in equivalent Indian Rupees at the exchange rate prevailing on the Date of the Order, on the basis of weight certified in the packing list of shipping document. Payments to Indian Agent, if applicable, shall be released 90 (Ninety) days after the receipt and acceptance of material at respective SAIL Plants/ Units.</p>
8.	<p><b>Other Terms &amp; Conditions</b></p> <ul style="list-style-type: none"><li>a) <b>Country of origin</b>-This must be indicated in your offer along with manufacturer"s name and address.</li><li>b) <b>Letter of credit</b> – Charges in India will be borne by SAIL/SRU and outside India, LC confirmation charges will be borne by tenderer. In case letter of credit is to be extended for reasons due to your failure, the extension charges will be to your account. In such cases decision of SAIL/SRU will be final and binding on tenderer.</li><li>c) <b>Recovery towards Liquidated Damages &amp; extension of letter of credit:</b> As per above terms, if these charges become recoverable from you, please confirm that while submitting your documents you will reduce the amount recoverable from you, as intimated by us. Otherwise you may specify in detail the manner in which such recovery will be made.</li><li>d) <b>Legal interpretation:</b><ul style="list-style-type: none"><li>1) The contract &amp; arbitration shall be governed by &amp; construed according to the laws of India for the time being in force.</li><li>2) To interpret all commercial terms &amp; abbreviations used herein, which have not been otherwise defined, the rules of INCOTERMS (Version of INCOTERM as specified in <b>section-1</b>) shall apply.</li><li>3) Only the competent court/s of India will have jurisdiction over any dispute arising out of and in relation to this contract.</li></ul></li></ul>