



CORE -1, "SCOPE COMPLEX"
7 INSTITUTIONAL AREA, LODHI ROAD,
NEW DELHI - 110003 INDIA

NOTICE INVITING TENDER, NO. UREA/LTA/2020-21 dated 14.04.2020

- MMTC Limited, on behalf of Department of Fertilizer (DOF), Ministry of Chemicals and Fertilizers, Govt of India invites offers for the supply of 1.0 Million Tonnes +/- 10% per Contract Year at buyer's option **Granular or Prilled urea per shipment** (fertilizer grade), 46% nitrogen minimum free from all visible impurities and dust **in bulk under long term Contract for a minimum of three years and extendable by 2 years with mutual agreement.** Offers shall be made on FOBT basis in US Dollars per metric tonne of Urea (indicating the name of the loading port with facilities available and restrictions, if any and loading rate per day in MTs) at 1/2 safe berths. Bidders may note that quantities are to be shipped evenly over the contract period.
- Bids are only invited only from
 - Producers whose name appears in the IFA publication of Survey of Urea Capacities or as reflected in the website www.fertilizer.org. Producers should have a production capacity of minimum 2.0 Million MT of Fertilizer grade urea per year.
 - Producers can bid through their Exclusive marketing arm by furnishing a support letter duly signed and stamped on producers letterhead in favour of the bidder in technical bid documents. Original to be submitted later.
- Detailed terms and conditions for import of urea would be as per tender terms which are an integral part of this Notice Inviting Tender.
- **All bidders are required to enclose payment of Rs. 11800/- including GST@ 18% towards cost of tender documents at the time of participation through digital mode, Beneficiary Name: MMTC Limited, Beneficiary Bank: State Bank of India, Account No: 10813608375, IFSC code: SBIN0017313, SWIFT Code: SBININBB824**
- The bid must be valid till 1730 hrs of 22.06.2020. (Extendable on request of the buyer).
- Bids with open origin of goods are not acceptable. Bidders shall clearly state the country of goods being offered in their technical bid. Bids offering material from countries of origin against which sanctions have been imposed / facing sanctions shall not be considered and bids of such tenders shall not be opened. **Further bidder shall ensure that no entity/individuals/promoters involved in the supply chain are facing/have sanctions of any nature and MMTC/DOF shall not be held liable or responsible in any manner whatsoever if the bidder/supplier fails to adhere to this requirement. Bidders shall submit a specific undertaking to this effect along with the bid.**
- Buyer reserves the right to enter into a contract with more than one bidders and also reject any or all the offers without assigning any reasons whatsoever.
- Due to covid - 19 pandemic, Delhi state is under lockdown and e-tendering as well as tendering through physical bids is not feasible, Email bid opening is being adopted. Bidders shall bid by mail

at pankajk@mmclimited.com with the email subject as "**TENDER NO. UREA/LTA/2020-21 dated 14.04.2020**"

E - BIDDING PROCESS VIA EMAIL		
Sr no.	Tender stage	Process
1.	Technical Bid submission	All the requisite documents as per tender terms to be scanned as PDF/JPEG and saved into a single password protected ZIP file . No physical documents are required at the time of bidding.
2.	Price Bid submission	Annexure V to be filled, scanned and converted into password protected PDF file . <i>(The password of the Price bid PDF file must not be disclosed during the bidding process unless asked via email from the official email id as above).</i>
3.	Bid submission date and time	The Bid must be submitted at the above mentioned email's ID before 1300 Hours IST on 22.04.2020. The email must contain <ul style="list-style-type: none"> ➤ Name of the Producer, address and official email ID ➤ Contact person names, email IDs, Mobile no. (Multiple IDs must be given to ask for Price Bid PDF file password when required) ➤ Technical Bid ZIP File and Price Bid PDF File as attachments ➤ Password of Technical bid ZIP file only in email body
4.	Technical Bid Opening Time	At 1430 hrs of 22.04.2020
5.	Technical Bid Evaluation	Tender Committee will open the technical bids of bidders and evaluate the same.
6.	Price bid opening	An email at 1030 hrs (IST) on 23.04.2020 asking the password of the Price bid PDF file will be sent to successful bidders and all successful bidders must reply with a password of Price bid PDF file within 30 minutes. Price bid shall be opened at 1100 hrs (IST) on 23.04.2020.
7.	Price Bid Evaluation	The result of the tender shall be informed to the bidders in due course.

The passwords must be of minimum 8 characters and must include one capital alphabet, one small alphabet, one digit and one alphanumeric character.

(On the Letter Pad of Applicant)

MANDATORY FORM TO BE FILLED AND SUBMIT BY THE BIDDER

Application Form for participating in UREA TENDER NO. UREA/LTA/2020-21 dated 14.04.2020

Dated: _____

To,

The Chief General Manager,
MMTC Limited,
Scope Complex, Lodhi Road,
Delhi - 110003

Dear Sir,

With reference to your **TENDER NO. UREA/LTA/2020-21 dated 14.04.2020** inviting applications for supply of Urea on FOB basis, we submit our application and documents for your consideration. The profile of the Firm/Company is as follows:

A	Name of the supplier	
B	Name and Address (Outside India) of the supplier's contact person along with email id, mobile and telephone nos	
C	Name and Address (Within India) of the supplier's contact person or supplier's agent along with email id, mobile and telephone nos	
D	Details of Tender fees of Rs 11800/-	Transaction ID/UTR NO. _____ _____ Date _____ Bank _____ _____

G	All other documents attached in Technical Bid	<ul style="list-style-type: none"> • • • • • • •
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I/We hereby declare that all the information furnished in this application is true to the best of my/our knowledge and in case any information in this application form is found to be false or incorrect at any time, this shall entail automatic cancellation of my/our application.

Thanking you,

Yours Faithfully,

For

Sign & Stamp

Name: _____

Designation: _____



CORE -1, "SCOPE COMPLEX"
7 INSTITUTIONAL AREA, LODHI ROAD,
NEW DELHI - 110003 INDIA

**IMPORT OF GRANULAR OR PRILLED UREA PER SHIPMENT (BULK) 46% NITROGEN
(FERTILIZER GRADE)**

MMTC Limited, on behalf Department of Fertilizer (DOF), Ministry of Chemicals and Fertilizers, Govt of India, OR Department of Fertilizer (herein called the buyer) proposes to purchase Prilled or granular Urea per shipment (Bulk) 46% Nitrogen minimum (fertilizer grade) free from visible impurities and dust on FOBT basis under Long term contract for three years extendable by two years with mutual agreement.

Interested suppliers may please note the terms and conditions of supply, as detailed hereunder,

1. **CLOSING DATE AND TIME** - Offers made only in the prescribed proforma and price bid (Annexure-V) against this enquiry should be submitted latest by 1300 Hrs. IST on 22.04.2020 only through email mode as mentioned in the NIT. Offers once made cannot be withdrawn/alterd by the party during its validity.
2. **OPENING DATE AND TIME** - TECHNO-COMMERCIAL BID : 1430 HRS IST ON 22.04.2020, Price bid opening shall be opened at 1100 hrs on 23.04.2020.
3. **Bid Validity** - The bid must be valid till 1730 hrs of 22.06.2020. (Extendable on request of the buyer).
4. **SPECIFICATIONS** - As per Annexure I.
5. **PACKING** - In Bulk
6. **ANNUAL CONTRACT QUANTITY (ACQ)** - 1.0 Million Tonnes +/- 10% per Contract Year. Buyer have the flexibility to revise the ACQ by 10% by giving in writing 30 days before the start of contract year,
7. **PRICE** - As per Annexure V.
8. **PERIOD OF CONTRACT** - Period of Contract between the supplier and buyer will be Three (3) years extendable by another two (2) years by mutual agreement from the date of signing of contract.
9. **START DATE**- Same date of consecutive month of the date of signing of contract
10. **CONTRACT YEAR** - A period of 12 calendar months commencing on Start Date and each succeeding period of 12 calendar months thereafter
11. **LOAD PORT/COUNTRY AND QUANTITY** - Bidders must indicate the country of origin of the material, the name of the load port and facilities at the loading port with restrictions, if any and loading rate per day in MTs. Shipment terms as per Annexure-III.

12. PAYMENT - Payment will be made to the supplier on receipt of original shipping documents at the Buyer's bank. No letter of credit shall be opened. All taxes/duties imposed in India shall be borne by the buyer and imposed in the supplier's country shall be borne by the supplier.. Payment documents as per Annexure VI.

13. STANDARD CONTRACT - It is expected that the standard contract for purchase of Urea which are annexed herewith would be read and understood by the bidders. Bidder shall provide a complete set of Tender Document duly signed and stamped on each page as token of your acceptance of all terms and conditions of tender without any deviation. Incomplete offers / offers not conforming strictly to specifications as well as to tender conditions as per the tender documents may be rejected.

14. INTEGRITY PACT:

- a. Signing of Integrity Pact (IP) is mandatory for every bidder participating in this tender. A copy of the IP is enclosed (Annexure.-VII), which may be deemed to have been signed by MMTC. The Bidder(s) and MMTC shall be bound by the provisions of IP in case any complaint relating to the tender is found substantiated.
- b. The IP shall be executed on a plain paper and duly signed on each page by the same signatory who signs the bid document.
- c. Any bid not accompanied by duly signed IP by the bidder shall be summarily rejected.
- d. The Independent External Monitors (IEMs) for this tender shall be Shri D.R. S. Choudhary, IAS (Retd.). All correspondence to him regarding implementation of IP should be addressed to: Shri D.R. S. Choudhary IAS (Retd.), Independent External Monitor , MMTC Limited, Core-1, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003. The e-mail id is **dilip.chaudhary@icloud.com**. Bidders are requested not to communicate any commercial enquiry to IEM except complaints relating to integrity Pact.

15. OTHER CONDITIONS:

A. PERFORMANCE GUARANTEE BOND - In the event of contract being executed, Performance Guarantee Bond of 1% of notional FOB price of 1.0 million metric tonnes shall have to be submitted by the seller strictly as per format within 10 days from the date of signing of contract. The format will be shared with the contracted party. The PG bond shall be kept valid for six months beyond the contract expiry date. Conditional PG bonds are not acceptable. The PG Bond should be established through any Indian nationalized bank or a scheduled bank in New Delhi. The PG Bond shall cover the performance of the contract, quantity short landed, quality penalties based on discharge port results, LP/DP despatch/demurrage or etc

- PG Bond may also be accepted through Demand Draft payable in Delhi or through TT transfer in USD. In such a case all banking charges and exchange loss if any or any other charges arising while making remittance and any other taxes will be deducted before releasing Performance Guarantee to the respective bidder after successful execution of the contract. No interest will be paid on the Performance Guarantee Amount. For payment through transfer, the bank details shall be informed at appropriate time.
- Performance Guarantee Bond to be kept valid for the whole duration of contract and till discharge port results, in respect of weight and quality, and amount of penalties and dispatch / demurrage / dead freight / detention charges also as performance would be deemed completed only after that. All efforts will be made to finalize the accounts within 180 days from the date of completion of discharge of the cargo of the last shipment of the contract. In case of any delay due to unforeseen circumstances sellers have to extend the validity of P/G Bond at the request of the Buyers.

B. Sellers Obligations and other important conditions

- i. In each contract year, a total quantity of 10 Lakh MT (+/- 10 %) will be delivered.

- ii. Deliver two vessels in a month (40000 MT - 45000 MT) +/- 5% quantity per vessel, one vessel during each fortnight of the month.
- iii. Loading Rate shall be guaranteed load rate offered (minimum 6000 MTs) PWWD FHEXUU for all ports (Countries in which Friday is holiday, for others SHEX UU)
- iv. Seller must provide to the buyer Annual, Quarterly and monthly Import Schedules at least 45 days, 30 days and 30 days prior to the beginning of each contract year, quarter period and month respectively. *For the first contract month the times may be read as 20 days prior to the beginning of each contract year.*
- v. If seller fails to provide Urea for lifting in accordance with the monthly lifting schedule as per Import schedule provided by the seller, the seller shall pay charges for cancelling, re-scheduling, dead freight demurrage of fixed vessels.
- vi. Any shortfall in quarterly shipment quantity shall be compensated in the next quarter subject to lower of the prices applicable on the actual date of performance and scheduled date of performance.
- vii. Export licences must be arranged by the supplier.
- viii. New bidders shall submit an undertaking that they have not been blacklisted by any Government enterprise / Bank in India or abroad in the last three years.

C. Buyers Obligations

- i. Fix vessel and pay for the shipped quantity of Urea at contracted price as per finalised ACQ
- ii. Fixing of vessels will be done based on finalised ACQ buyer shall furnish lifting schedule
- iii. Provide a monthly ship nomination schedule and get it confirmed from the seller
- iv. Obligated to structure lifting schedule as per finalised ACQ
- v. Nomination of vessels should be done at least 10 days prior to the agreed lay-can provided by the seller and get it confirmed from the seller. It may be noted that each nominated vessel has a shipping tolerance of (+/-) 5%.
- vi. Marine insurance shall be arranged by Buyer.
- vii. Buyer and/or its receivers reserve the right to appoint any reputed independent inspection agency at discharge port for determining quality and quantity, whose report shall be treated as final for quantity.
- viii. Buyer shall obtain all import licenses required if any.
- ix. No financial obligation on the buyer in case of failure to lift for any reason.

D. Buyer reserves the right to enter into a contract with more than one bidder. and also reserves the right without assigning any reason to accept or reject any tender in part or full or to buy any quantity in excess of the tender quantity. Buyer is not bound to accept the lowest offer.

E. In respect of business concluded against this Tender Notice, the following conditions will apply. In case of multiple Bills of lading for one vessel, the date of Bill of Lading issued in the last shall be treated as shipment date for the total cargo loaded in that vessel. Timely shipment as per schedule agreed between the parties is the essence of the contract and shall be treated as firm. Any delay in effecting contracted shipments, will render the Sellers liable for breach of contract and shall be dealt as per Default clause.

F. FORCE MAJEURE

- i. If at any time during the existence of this contract either party is unable to perform in whole or in part any obligations under this contract because of war, hostility, civil commotions, sabotage, quarantine restrictions, Acts of God and Acts of Government (including but not restricted to prohibition of exports or imports), fires, floods, explosions, epidemics, strikes, embargoes, then the date of fulfillment of engagement shall be postponed during the time when such circumstances are operative.

- ii. Any waiver/extension of time in respect of the delivery of any installment or part of goods shall not be deemed to be waiver/extension of time in respect of the remaining deliveries.
- iii. If operations of such circumstances exceed 3 months, each party shall have the right to refuse further performance of the Contract in which case neither party shall have the right to claim eventual damages. The party which is unable to fulfill its engagements under the present contract must within 15 days of occurrence of any of the cause mentioned in this clause shall inform the other party, in writing, of the existence or termination of the circumstances preventing the performance of the Contract. Certificate issued by the Chamber of Commerce in the country of seller or the Buyer or the country where the Load port is located shall be sufficient proof of the existence of the above circumstances and their duration. Non-availability of raw material will not be an excuse to the Sellers for not performing their obligations under the contract.

G. ARBITRATION

In the event of any dispute/disputes under or out of or relating to the construction, meaning, operation or effect of this contract or breach thereof, the matters in dispute shall be referred to two arbitrators – one each to be nominated by the parties contracting herein and in case of the said arbitrator not agreeing then an Umpire to be appointed by the arbitrators in writing. The decision of the arbitrators or in the event of their not agreeing of the umpire, shall be final and binding on the parties to the contract.

The provisions of the Indian Arbitration Act and Rules as amended from time to time made there under shall govern the proceedings. The Arbitrators or the Umpire, as the case may be, shall be entitled with the consent of the parties to enlarge the time, from time to time, for making and publishing the Award. The venue and seat of the arbitration shall be New Delhi (India). The award shall be a reasoned award.

The party invoking the arbitration clause shall do so by serving the other party a notice specifying the disputes and qualifying its claims, The other party shall have the right to submit its counterclaim, if any.

H. INSPECTION BEFORE SHIPMENT AND FINAL WEIGHT

- i. Buyer reserves the right at its option to have the material inspected before shipment in regard to quality and quantity including its specifications. The Seller shall tender the material for inspection to the agency to be nominated by buyer and shipment shall be effected only after the material is inspected.
- ii. Certificate of Inspection obtained by the Sellers to the effect that the material is in accordance with the specifications laid down in the contract shall accompany the shipping documents.
- iii. Sellers & receivers at the discharge port will appoint, at their own cost, an independent surveyor for conducting joint draft survey.
- iv. Final weight as determined by Joint Draft Survey Report (JDSR) conducted at the discharge port shall be treated as final. *This clause is to be read along with clause (J)(i) and (J)(iv) given below.*

I. FINAL QUANTITY AND QUALITY

- i. The weight of cargo shipped determined by joint draft survey at discharge port would be final and binding on the Seller for the purpose of payment of shortages as compared to B/L weight.
- ii. Buyers and/or its receivers' representatives shall draw samples for determining the quality of the cargo at the port of discharge through an independent reputed inspection agency or may opt for the mandatory inspection from Central Fertilizer Quality Control Lab and Training Institute (CFQCL&TI), Faridabad or any of its regional branches. The quality so determined by CFQCL&TI from samples taken at discharge port shall be final

and binding on the seller. The cargo shall also conform to 'standard' as analysed by CFQCL&TI or any of its regional branches.

- iii. The Seller should nominate its representative to supervise the draft survey and drawl of samples at discharge port at their own expense. Buyer will advise the port of discharge at the time of finalizing the contract.
- iv. The Seller is liable for shortage in quantity as revealed by the Joint Draft Survey at discharge port vis-à-vis the Bill of Lading quantity, and the amount of penalties levied by receivers on account of deviations in quality (nutrients, moisture and particle size) on the basis of discharge port analysis as per (ii) above vis-à-vis specifications in the contract and any other losses suffered by buyer including interest loss due to delay in payment from DOF on account of default by seller would be recovered, without any demur or reference to the seller from the value of the PG Bond executed by the Seller in case the Seller fails to remit the amount promptly. The Seller should make good such recoveries made by receivers through payment to the buyer directly within 07 (seven) days of notification.

J. UMPIRE ANALYSIS

- i. The Buyer and/or receivers' representative and the Seller's representative will be present at the time of sample collection at discharge port. The buyer's receiver will organize entry passes for the representative of Faridabad Laboratory or any of its regional laboratories and Seller's representative. A part of the discharge port sample will be kept by the Seller's representative and one part by Faridabad Laboratory or any of its regional laboratory for future reference in case of dispute. In case it is required, the reference sample for umpire analysis will be the sample retained by CFQCL&TI, Faridabad or any of its regional laboratories only.
- ii. In case of dispute about quality, the Seller has the right for umpire analysis. In such circumstances reference sample will be sent to the umpire laboratory and the result of the umpire laboratory will be binding on both Seller and Buyer. The cost of umpire analysis will be borne by the losing party. The umpire analysis will be done by a reputed Inspection Agency nominated by buyer and/or its receiver. The umpire agency shall be one of the laboratories notified for the referee analysis in the Fertilizer Control Order 1985 (as amended up to the date of tender closing) and will be the one other than the load port/discharge port Inspection Agency. The seller shall have the right to select at least 3 (three) eligible laboratories for umpire analysis, out of which buyer and/or receivers shall nominate one agency.
- iii. The penalties for deviations in specifications found at discharge port will be recovered on the basis of scales given in Annexure – II.
- iv. In the event of disagreement in the discharge port draft survey results, about quantity at discharge port and any of the parties representing the ship-owners/foreign suppliers and receivers etc. refusing to sign or signs under protest the Joint draft survey report, buyer and/or its receiver may at its discretion go in for recalculation of quantities by Umpire Survey. The Umpire Surveyor shall be nominated from the panel drawn by the Department of Fertilizer (GOI). The Umpire agency will be the one other than the load port Inspection Agencies as well as discharge port inspection agencies nominated by ship owners, sellers and receivers. The decision of Umpire Surveyors will be binding on both seller and buyer. The cost of Umpire agency survey shall be equally borne by the parties.

K. DEFAULT

The seller must note that timely shipment /delivery of the material is the essence of the contract and shall be treated as firm. However, under any circumstances if the supplies get delayed and the seller fails to effect shipment/deliver the material within the time stipulated in the contract, the same shall be treated as breach of contract unless specifically extended by the buyer in writing.

Any shortfall in quarterly shipment quantity shall be compensated in the next quarter subject to lower of the prices applicable on the actual date of performance and scheduled date of performance.

In case there is further breach of the contract, under such a situation, it is agreed that the Buyer shall have the following options to safeguard its interest.

- To cancel the contract or a portion thereof for supply of full or part quantities without any further notice and to forfeit the PBG/Performance Bond submitted for the successful performance of the contract.
- Further the buyer reserves the right to debar the seller and all its related/associated companies having common key resource person(s)/director(s)/promoters from participating in tenders for import of fertilizers invited by the buyer and/or other agencies in India.
- However the buyer reserves the right to invoke the PG Bond submitted by the seller for ensuring performance under the contract without assigning any reason/loss/damages or any other situation. The seller shall have no recourse to the PG Bond invocation.
- Decisions taken by the buyer in this regard will be conclusive and shall be binding on the seller.

L. EVALUATION CRITERIA

For bid evaluation purposes, average FOB index price for two weeks preceding the date of closing of tender shall be taken and a discount to be applied on Index price to arrive at Net FOB Price. Applicable freight shall be added to Net FOB to arrive at the lowest CFR rate. **(Annexure V)**

DRAFT CONTRACT PROFORMA

CONTRACT NO: UREA/LTA/2020-21

Date: _____

This contract of purchase is made and entered into on this <date>, between:

SELLER: _____

hereinafter called the Seller (which expression shall unless repugnant to the context mean and shall include its successors and assigns), and

BUYER: _____

In consideration of the mutual covenants and provisions contained herein, the parties thereto agree as follows:

1. CONTRACT PERIOD

Contract period is _____ years and is valid from _____ to _____.
This period is extendable by another two (2) years by mutual agreement.

2. START DATE

Start date is _____

3. CONTRACT YEAR

The first Contract year is valid from _____ to _____. The next contract year is each succeeding period of 12 calendar months thereafter.

4. LOAD PORT/COUNTRY

Load port country _____ and port is _____

5. ANNUAL CONTRACTED QUANTITY

1.0 Million Tonnes +/- 10% per Contract Year. Buyer has the flexibility to revise the ACQ by 10% by giving in writing 30 days before the start of the contract year.

6. PURCHASE PRICE OF UREA

The formulation for reaching final contracted price for each shipment in Long term contract will be as follows -

- To be determined as Index FOB price on which discount at the rate of _____ percent shall be applicable to arrive at Net FOB Price. The simple average of low and high end FOB Middle East Non US Netbacks or equivalent prices of Granular Urea in bulk as published in three specified journals in immediately two preceding weeks before the date of bill of lading to be determined as the index price for each shipment on which discount shall be applied to arrive at net FOB price.
- Contract shall be predominantly based on granular urea. Prilled form can also be accepted subject to pricing based on lesser of the index prices for granular or prilled form of Urea
- Specified Journals -
 - Argus Nitrogen, UK;
 - Fertilizer Week by CRU, UK and
 - Ferticon Weekly Nitrogen, UK

7. SHIPMENT SCHEDULE:

- i. Seller must provide to the buyer Annual, Quarterly and monthly Import Schedules at least 45 days, 30 days and 30 days prior to the beginning of each contract year, quarterly period and month respectively. *For the first contract month the times may be read as 20 days prior to the beginning of each contract year.*
- ii. Timely shipment as per (i) above is the essence of the contract and shall be treated as firm. Any delay in effecting contracted shipments, will render the Seller liable for breach of contract and shall be dealt as per Default clause.
- iii. In case of multiple Bills of lading for one vessel, the date of Bill of Lading issued in the last shall be treated as shipment date for the total cargo loaded in that vessel.
- iv. In case delayed shipment is accepted, then default clause will be applicable.

8. QUALITY SPECIFICATIONS AND METHOD OF ANALYSIS:

- a. Quality specifications shall be as per Annexure-I.
- b. In the event of any consignment not conforming to the contractual specifications, the Buyer has the right to reject the same.

NOTE:

- Samples to be taken, held and composited by such procedure as will produce a truly representative final sample with particular care being taken to preclude moisture changes; and
- Sampling to be performed 250/500 MT at prescribed intervals and preferably to be done during loading aboard the vessel.

9. PRE-SHIPMENT INSPECTION FOR QUALITY & WEIGHT:

Buyer shall have a right to inspect the fertilizer at all reasonable times prior to shipment thereof by appointing their own Inspection Agency.

- a. Inspection shall be carried out before shipment by the Buyer or their authorized representative/appointed inspection agency at the factories of the suppliers/manufacturers and/or at any other place at their discretion.
- b. At least ten days clear notice in writing shall be given by the Seller before loading the cargo into container/barges or directly into the ship at the producing factory to the Buyer Authorized Inspection Agency with email/Cables under intimation to Buyer.

The notice to the Inspection Agency and intimation to the Buyer shall contain the following information:

- Location of producing factory;
 - Contract number and description of fertilizers;
 - Date of loading/despatch from factory;
 - Quantity to be shipped, name of the vessel and port of loading.
- c. For purposes of determining quality, the Inspection agency may at their discretion draw samples of the material at the producing factory as specified in the contract. However, the inspection agency shall draw samples in all cases during the loading of the vessel with a view to ensure that the material conforms to the contractual specifications. A clear inspection note will be released by the Inspection Agency only if they are satisfied with the contractual specifications of the cargo. Samples so drawn shall be sent to the laboratory nominated by the Inspecting Agency.
 - d. The Seller will provide free of cost facilities to the inspecting agency for taking samples.
 - e. Factory production analysis records shall be made available for the scrutiny of the inspecting agency for checking whether the material produced is in conformity with the contractual

specifications. This will include distribution of particle size and coating as well as nutrient content, etc.

- f. After inspection and sampling, the analysis report, weight records and other data required by the Inspecting Agency shall be forwarded to them. A copy of the vessel's Bill of Lading shall also be provided as evidence of quantity loaded in good conditions, i.e. clean. All documents regarding shipment shall be airmailed immediately to avoid delay in the issue of the Inspection certificate of claiming payment for the suppliers.
- g. Analysis report should specify the nutrients and other requirements of the contract specification. The report shall specify the methods of analysis used, type of sieve used for determination of particle size and also the contract number, the quantity loaded and the name of the vessel. If more than one factory supplied cargo for the same vessel, a factory analysis report shall be provided for each of the factories.
- h. The weight should be determined by conducting a draft survey before loading of the cargo and after completion of the loading of the cargo through an independent internationally reputed surveyor at Buyer's cost. Bill of Lading and invoice will show draft survey weight. Quantity declared as damaged cargo shall be treated as quantity determined short and shall be treated accordingly.

10. CHECK WEIGHMENT AND QUALITY AT THE INDIAN PORT OF DISCHARGE:

- a. The Buyer and/or its receivers shall draw samples for determining the quality of the cargo at the port of discharge through an independent reputed inspection agency or may opt for the mandatory inspection from CFQCL&TI, Faridabad or any of its regional branches. This would be decided by the buyer and/or its receivers and communicated to the seller before the arrival of the vessel.
- b. The port of discharge would be any one safe port nominated in the West/East Coast of India. Buyer and/or its receivers shall also arrange Draft Survey at discharge port by reputed surveyor. The seller must nominate their representative at their own expense and ensure that they shall be present at the discharge port at the time of taking a sample by the inspector of CFQCL&TI and sign the sealed sample after satisfying the method of sampling and drawl of sample. The seller must ensure that their representative shall be present at the discharge port at the time of initial draft survey and final draft survey and sign the joint draft survey at discharge port. The draft weight as reported in Joint Draft Survey Report at discharge port shall be treated as final.
- c. The quality and quantity as determined at (a) & (b) above at discharge Port will be treated as final and binding for both Buyer and Seller.
- d. The payment for shortage in quantity, as revealed by the Joint Draft Survey at discharge port vis-a-vis the bill of lading quantity, and the amount of penalties on account of deviations in quality (nutrients, moisture and particle size) on the basis of discharge port analysis as per (a) above vis-a-vis specifications in the contract and any other losses suffered by buyer including on account of default of any of its obligations by seller will be paid by the Seller within 7(seven) days from the date of claim failing which buyer shall have recourse to the PG Bond executed by the Seller.
- e. In case Urea shipped by the seller under this contract is found deficient with reference to the specifications provided in the contract, penalties shall be recovered from the seller as per the provision of the contract given in Annexure II. However buyer reserves its right to reject and return the entire cargo at discharge port, if it is declared non-standard and not found fit for direct agriculture use as per the report of the CFQCL&TI or any other agency appointed by the DOF/Receiver of the cargo. In such an event the seller shall refund the landed cost of the cargo found unfit or rejected as well as all the consequential handling and distribution costs thereof immediately on Buyer first demand within 7(seven) days of buyer demand, with value date being date of initial payment to the seller, failing which penal interest at the rate of 18.00% per

annum shall be payable up to the date of actual remittance by the seller without waiting for Umpire analysis or the result of Umpire Analysis.

11. UMPIRE ANALYSIS

- a. The Buyer and/or receivers' representative and the Seller's representative will be present at the time of sample collection at discharge port. The buyer's receiver will organize entry passes for the representative of Faridabad Laboratory or any of its regional laboratories and Seller's representative. A part of the discharge port sample will be kept by the Seller's representative and one part by Faridabad Laboratory or any of its regional laboratory for future reference in case of dispute. In case it is required, the reference sample for umpire analysis will be the sample retained by CFQCL&TI, Faridabad or any of its regional laboratory only.
- b. In case of dispute about quality, the Seller has the right for umpire analysis. In such circumstances a reference sample will be sent to the umpire laboratory and the result of the umpire laboratory will be binding on both Seller and Buyer. The cost of umpire analysis will be borne by the losing party. The umpire analysis will be done by a reputed Inspection Agency nominated by buyer and/or its receiver. The umpire agency shall be one of the laboratories notified for the referee analysis in the Fertilizer Control Order 1985 (as amended up to the date of tender closing) and will be the one other than the load port/discharge port Inspection Agency. The seller shall have the right to select at least 3(three) eligible laboratories for umpire analysis, out of which buyer and/or receivers shall nominate one agency.
- c. The penalties for deviations in specifications found at discharge port will be recovered on the basis of scales given in Annexure – II.
- d. In the event of disagreement in the discharge port draft survey results, about quantity at discharge port and any of the parties representing the ship-owners/foreign suppliers and receivers etc. refusing to sign or signs under protest the Joint draft survey report, buyer and/or its receiver may at its discretion go in for recalculation of quantities by Umpire Survey. The Umpire Surveyor shall be nominated from the panel drawn by the Department of Fertilizer (GOI). The Umpire agency will be the one other than the load port Inspection Agencies as well as discharge port inspection agencies nominated by ship owners, Seller and receivers. The decision of Umpire Surveyors will be binding on both seller and buyer. The cost of Umpire agency survey shall be equally borne by the parties.

12. SHIPPING

- a. Within 2 days of shipment, the Seller shall inform the Buyer by email the name of the vessel, date of shipment and quantity shipped, and shall email and also despatch directly to the Buyer by DHL/UPS/FEDEX/TNT courier, one negotiable set with one non-negotiable set each of following documents by first & second airmail to reach within 7 days from the date of shipment of vessel.
 - Clean Bill of Lading showing Department of Fertilizer, Ministry of Chemicals and Fertilizers, Government of India as consignee.
 - Signed commercial invoice issued by Seller for 100% of value (less agency commission, If any) and
 - Certificate of Origin
 - Certificate of analysis of cargo
 - Draft survey certificate issued at load port.
 - Any other document mentioned in the payment clause below (clause No. 8)
- b. Seller is required to inform the following details to the Buyer by email immediately on negotiation of documents to facilitate the Buyer to provide necessary funds in their bank account to honor their documents.

- Date of negotiation
- Amount negotiated
- Expected date of receipt of documents at opening bank's counter
- DHL/UPS/FEDEX/TNT courier receipt no. and date.

13. PAYMENTS

Without prejudice to Buyer's right to damage under terms of the contract. Payment shall be made five working days after receipt of documents at the counters of the buyer's bank

- 3/3 original negotiable clean on board, freight prepaid, Bill of Lading in long form and three non-negotiable copies thereof, showing Department of Fertilizer Ministry of Chemicals and Fertilizers, government of India as consignee. Charter Party Bill of Lading acceptable provided it bears on endorsement that all terms and conditions of the relevant charter party are deemed to have been incorporated therein. B/L signed by freight forwarders not acceptable. Supplier should ensure to furnish a copy of B/L immediately after shipment of the vessel to get the cargo covered for insurance.
- One original and three copies of certified commercial invoice
- One original and one copy of certificate of origin duly signed by the Chamber/Ministry of Commerce issued from the country of origin of goods. In case of Chinese origin cargo certificate of Origin issued by China Council for the Promotion of International Trade is also acceptable
- Original certificate of Inspection showing analysis and weight furnished by Seller and certified by the Buyer Inspection Agency with a separate certificate of Inspection issued by the Buyer's inspection agency showing analysis and weight and method of analysis adopted.
- Certificate from the Seller that the material supplied under the contract are correct as to quantity, rate, total value and the payment is due in accordance with the terms of the contract at the time of presentation;
- Certificate to the effect that with three non-negotiable sets of documents along with original certificate of origin and original stowage plan have been dispatched to the Buyer at New Delhi address by DHL/UPS/FEDEX/TNT courier. Copy of DHL/UPS/FEDEX/TNT courier receipts shall form part of negotiable documents, in terms of clause 8 above;
- Copy of the email from Seller to Buyer giving details of shipment;
- One original and three copies of Stowage Plan.
- Original load port Draft Survey Report issued by the buyer's inspection agency showing date of inspection;
- Copy of buyer's letter confirming receipt of 2 original quality and quantity certificates (issued by designated inspection agency at load port) dispatched by the beneficiary within 72 hours of shipment of the vessel.
- Copy of Buyer's letter confirming receipt of three non-negotiable sets of documents.
- Original certificate of cleanliness of holds issued by the inspection agency showing date and time of inspection

14. WHARFAGE/DEMURRAGE:

If any wharfage or demurrage results at the port of discharge due to negligence of the Seller or their nominee including negligence of sending correct document in time connected with the shipment of material under this contract and if in consequence thereof, clearance of the consignment by the Buyer or delivery of goods to it is delayed resulting in wharfage or demurrage such wharfage or demurrage shall be to the account of the Seller. Similarly any wharfage or demurrage resulting from the negligence or default on the part of Buyer shall be to the Buyer account.

15. ASSIGNMENT OR DELEGATION:

The Seller shall not assign or delegate any of their obligations under this contract to any party without prior written consent of the Buyer. The provisions of this paragraph shall apply to:

- a) Sub-contracting for the procurement of its commodity purchased hereunder; and
- b) A sale or encumbrance of substantially all of the Seller shares or assets, a merger of Seller's business or insolvency or receivership proceedings in respect of seller's business.

16. TITLE AND RISK:

Title to the goods and risk shall pass from Seller to the Buyer on material crossing the ship's rail at loading port.

17. DEFAULT:

The seller must note that timely shipment /delivery of the material is the essence of the contract and shall be treated as firm. However, under any circumstances if the supplies get delayed and the seller fails to effect shipment/deliver the material within the time stipulated in the contract, the same shall be treated as breach of contract unless specifically extended by the buyer in writing.

Any shortfall in quarterly shipment quantity shall be compensated in the next quarter subject to lower of the prices applicable on the actual date of performance and scheduled date of performance.

In case there is further breach of the contract, under such a situation, it is agreed that the Buyer shall have the following options to safeguard its interest.

- To cancel the contract or a portion thereof for supply of full or part quantities without any further notice and to forfeit the PBG/Performance Bond submitted for the successful performance of the contract.
- Further the buyer reserves the right to debar the seller and all its related/associated companies having common key resource person(s)/director(s)/promoters from participating in tenders for import of fertilizers invited by the buyer and/or other agencies in India.
- However the buyer reserves the right to invoke the PG Bond submitted by the seller for ensuring performance under the contract without assigning any reason/loss/damages or any other situation. The seller shall have no recourse to the PG Bond invocation.
- Decisions taken by the buyer in this regard will be conclusive and shall be binding on the seller.

18. SHIPMENT TERMS: - As per Annexures III.

19. FREIGHT FORWARDERS:

Buyer shall appoint their own freight forwarders after signing of this contract and shall intimate the same to the Seller in due course. As soon as the Seller is in a position to load the vessel, they shall intimate the Freight Forwarders appointed by the Buyer about the same.

20. OTHER CONDITIONS:

Buyer shall arrange to obtain the relative import licenses, if needed and get them revalidated whenever necessary. Similarly, the Seller shall arrange to obtain export licenses if needed for the

export of the goods from their country. The goods shall not be shipped till the import license number and date are communicated in writing to the Seller and all shipping documents shall bear the relative contract number and the import license number and date. All levies, taxes, duties etc. in the Seller and Buyer countries shall be to their respective accounts.

21. SETTLEMENT OF DESPATCH AND DEMURRAGE:

The Seller guarantees to prepare the lay-days statement on the basis of the certified statement of facts and send it to the Buyer within 15 days of the date of shipment of the vessel. After the lay-days statement has been accepted by the Buyer, the monetary settlement of despatch/demurrage shall be effected by the respective parties within a reasonable period. In case SOF is not given by the seller within 15 days from shipment date, Buyer shall have the right to invoke PG and receive load port demurrage based on buyer's calculations.

22. TAXATION:

All taxes , duties, levies, charges, cess, etc in the nature of taxes or penalty / damages which may be imposed outside India on Urea will be to the account of the Seller.

Any taxes, duties or levies in the nature of taxes which may be imposed on the quantity of urea discharged in India , shall be to the account of the Buyer.

23. FORCE MAJEURE:

- a. If at any time during the existence of this contract either party is unable to perform in whole or in part any obligations under this contract because of war, hostility, civil commotions, sabotage, quarantine restrictions, acts of God and acts of Government (including but not restricted to prohibition of exports or import), fires, floods, explosions, epidemics, strikes, embargoes, then the date of fulfillment of engagement shall be postponed during the time when such circumstances are operative.
- b. Any waiver/extension of time in respect of the delivery of any installment or part of the goods shall not be deemed to be waiver/extension of time in respect of the remaining deliveries.
- c. If operation of such circumstances exceeds three months, each party shall have the right to refuse further performance of the contract by giving written notice to the other party in which case neither party shall have the right to claim eventual damages.
- d. The party which is unable to fulfill its engagements under the present contract must within 15 days of occurrence of any of the causes mentioned in this clause shall inform the other party in writing of the existence or termination of the circumstances preventing the performance of the contract. Certificate issued by a Chamber of Commerce in the country of Seller or the Buyer shall be sufficient proof of the existence of the above circumstances and their duration. Non-availability of raw-material will not be an excuse to the Seller for not performing their obligations under this contract.

24. ARBITRATION:

- a. All disputes or differences whatsoever arising under or out of or relating to the construction, meaning and operation or effect of this contract or the breach thereof shall be settled by arbitration in accordance with the rules of arbitration of Indian Council of Arbitration as amended from time to time, and the award made in pursuance thereof shall be binding on the parties. The governing law shall be laws of India. The venue and seat of arbitration shall be New Delhi, India. The language of arbitration shall be English.

- b. The party invoking the arbitration clause shall do so by serving the other party a notice by registered post specifying the disputes and qualifying its claims. If the claim is against the other party, the other party shall have the right to submit its counterclaims, if any.

25. PERFORMANCE GUARANTEE BOND:

The Seller shall establish an unconditional, irrevocable PERFORMANCE GUARANTEE BOND (PGB) as per prescribed format enclosed with tender documents by any scheduled bank having its branch office in New Delhi (India) for 1% of the total contract value on notional FOB price of the 1.0 million MT within ten days from signing of the contract and shall be kept valid for six months beyond the contract expiry date.

Performance Guarantee Bond executed by Seller will be required to be kept valid till all claims under the contract including performance, weight and quality basing on discharge port results, any penalties, despatch/demurrage account shall not be questioned and shall be final and conclusive (irrespective of the stand that may be taken by or on behalf of the Seller) are settled.

Further, it is clearly understood that in the event of any default in the fulfillment of any of the obligation of the seller, the seller's liability will not be limited to the extent of the value of the PGB.

The objective of PG Bond is to ensure performance by the seller under this contract. However, in case of any deviation by the seller, the buyer has full right to invoke PG Bond without justifying losses/damages etc.

The PBG format will be shared with contracted bidder.

26. SPECIAL CONDITION: - (Applicable if MMTC Limited is the contracted party)

It is expressly understood and agreed by and between the buyer/seller that MMTC is making the purchases on behalf of Department of Fertilizer (DOF), Ministry of Chemicals and Fertilizers, Government of India. In case any deductions are made from the bills of buyer by DOF on account of deviations in the specifications or due to short-landing at discharge port vis-a-vis Bill of Lading Quantity or on any other account, the amount will be reimbursed by the seller within 7(seven) days from the date of first demand by buyer. Despatch/demurrage in case of load port for FOB shipments as settled by the buyer shall be binding on Seller.

For acceptance of vessel, receiver nomination and Letter of Authority at discharge port, extension of shipment period, approval of DOF will be sought by buyer and once the same is received from DOF the same can be conveyed to seller.

27. PREVIOUS NEGOTIATIONS AND OBLIGATIONS:

All previous negotiations and correspondence, connected with this contract shall be considered as null and void. No modifications, waiver or discharge of this contract or any of its terms shall bind either party unless in writing and signed by both the parties.

28. APPLICABLE LAW AND JURISDICTION:

The terms and conditions of this contract are governed by the laws of India, as amended from time to time. The courts at Delhi, India shall have exclusive jurisdiction to settle any claim or dispute which might arise out of or in connection with these terms and conditions.

29. **CONFIDENTIALITY:**

The parties shall treat the terms and conditions of this contract as confidential and proprietary information during the validity of the contract and two years after the completion or termination of contract. Neither party shall disclose any such information to any third party without the other party's prior written consent, which consent shall not be unreasonably withheld; provided, however, that no such consent shall be needed where such disclosure (i) is required by law, regulation, or regulatory agencies having jurisdiction over one of the parties or (ii) is made in connection with a party's assertion of a claim or defense in a legal proceeding, and that in either of these events, the party intending to make such disclosure shall advise the other party in advance and cooperate to minimize the disclosure of any such information except disclosure made by the buyer to inspection agency for carrying out inspection of the cargo, DOF, Receiver of the cargo and banks.

30. **NOTICE:**

For the purpose of this contract, any notice and all other communication provided for in this contract shall be in writing and shall be deemed to have been duly given when received at the respective addresses set forth below:

For Seller : < Address of the seller >

For Buyer: < Address of the buyer >

31. **TERMINATION:**

This contract shall be for an initial period of one year from the commencement date. Either party will have the right to terminate the contract by giving at least 30 days notice in writing to the other party to expire at the end of the initial period or at any time after that.

Either party may terminate this contract by written notice to the other party at any time if that other party:

- a. Commits a breach of this contract and , in the case of a breach capable of remedy, the party at breach fails to remedy the breach within 15 days of being required to do so in writing except clause 2 (shipment schedule) and clause 3 (quality specification and method of analysis) of this contract.
- b. Either party has declared force majeure, which has exceeded three months time, and the party is unable to fulfill its responsibilities under the contract.
- c. Becomes insolvent, or has a liquidator, receiver, manager or administrative receiver appointed.

SELLER

BUYER

FOR AND ON BEHALF OF THE
SELLER

FOR AND ON BEHALF OF
BUYER

Witness:

- 1.
- 2.

Witness:

- 1.
- 2.

SPECIFICATIONS FOR GRANULAR OR PRILLED UREA (BULK) FERTILIZER GRADE

DESCRIPTION: The material shall be in the form of white granular or prills or pellets or shots, shall be free from visible impurities and dust. The material must be chemically treated and coated to reduce hygroscopicity.

NOTE The material shall be considered free flowing at the time of unloading, if the prills are separate from each other, the lumps or crust formed in the hatches of vessels are broken with slight pressure of fingers into separate prills and if the cliffs formed near the walls of the hatches can be broken by slight pressure with bamboo sticks/or iron rods.

The material shall also comply with the requirements specified in the Table below:-

	Characteristics	Requirements
1.	Moisture percent by weight maximum	0.50
2.	Total Nitrogen percent by weight (On dry basis) minimum	46.00
3.	Biuret per cent by weight, maximum	1.50

Methods Of Analysis		
1.	Nitrogen	2.4.03. AOAC (1995)
2.	Biuret	2.4.23 AOAC (1995)
3.	Moisture	D.4 (TFI, 1982)
4.	Particle Size	IV A, TFI (1982)
5.	Sampling	2.1.01. AOAC (1995) or IC 1, IC 2, (TFI-1982) or Schedule II A of FCO, 1985

PARTICLE SIZE OF UREA (GRANULAR/PRILLED)

The portion of the material passing through 4.0 mm IS SIEVE (Tyler Sieve 5) and retained on 2.0 mm IS Sieve (Tyler Sieve 9) shall not be less than 90% by weight and not more than 5% by weight shall pass through 2 mm IS SIEVE. In case of Prilled urea, IS sieve size to read as 2.8 mm (Tyler Sieve 7) instead of 4.0 mm and 1.0 mm (Tyler Sieve 16) instead of 2.0 mm

NOTE:

- For any deviation from the above specifications, Scale of Penalties as prescribed will apply.
- Urea supplied shall be **Granular or Prilled form per shipment**. The whole vessel must have the same type of urea loaded in it. Combined shipment of granular and prilled urea even in separate holds of vessel is not permitted.

SCALES OF PENALTIES

1. Nutrient Losses		
a.	Any deficiency up to a maximum of 1% beyond the tolerance limits prescribed under FCO	5 times the C&F value (established on the basis of Transchart freight) of deficiency nutrients. In a non standard fertilizer, the total deficiency beyond FCO specifications has to be counted for the purpose of computing penalties.
b.	Deficiency beyond above limit	As decided by the expert committee of DOF, Govt. of India

2. With regard to penalty on excess moisture contents, the penalty will be levied on a pro-rata basis. The scale of penalty will be prescribed as “two times the value of Fertilizer equivalent to excess moisture content in the entire shipment by weight.”

3. The penalty on account of deviation in particle size which will be of two components:

1. Penalty on account of deficiency in particle size.
 - a. Percentage of material below the lower sieve in the sample Minus Maximum permissible material below the lower sieve.
 - b. The penalty on account of deficiency will be 30% of the value of material equivalent to “deficiency” in particle size (defined above) in the entire shipment.
2. Penalty on account of excess over-size particle
 - a. Percentage of material above sieve in the sample Minus Maximum permissible percentage above upper sieve.
 - b. The penalty on account of over-size will be “15% of the value of fertilizer determined as over-size in the entire shipment”.

The net penalty on account of particle size deviation would be total of its two components (1+2) which will be determined as under:

On account of deviation in particle size, the buyer can reject the entire cargo or part thereof on recommendation of DOF.

4. The buyer, as per directions of DOF reserves its right to reject and return the entire cargo at discharge port, if it is not found fit for direct agriculture use or declared ‘Non-standard’ as per the report of the CFQCL&TI or any other agency appointed by the DOF. In case the entire cargo is rejected at the discharge port and/or declared unfit for direct application as fertilizer, as evidenced by the quality report of CFQCL&TI, Faridabad or any of its regional laboratory, the Seller shall refund landed cost of the cargo found unfit as well as all consequential Handling and distribution costs thereof immediately on Buyer first demand with value Date being date of initial payment to the seller, failing which penal interest at the rate of 18% p.a. on quarterly rest basis shall be payable up to the date of actual Remittance by the seller.

GENERAL SHIPMENT TERMS

1. Seller must provide to the buyer Annual, Quarterly and monthly Import Schedules at least 45 days, 30 days and 30 days prior to the beginning of each contract year, quarterly period and month respectively
2. If seller fails to provide Urea for lifting in accordance with the monthly lifting schedule as per Import schedule provided by the seller, the seller shall pay charges for cancelling, re-scheduling, dead freight demurrage of fixed vessels. Seller shall make available a 40000 - 45000 MT +/- 5% of fertilizer at a time to enable the Buyer to Charter the vessel. The Buyer has also the option to call the additional parcel of 3000/4,000 Metric tonne to enable them to Charter full loaders (subject to approval of buyer).
3. The Buyer will arrange and coordinate shipment of Fertilizer and will charter or arrange to charter a ship to move the fertilizers according to the schedule given by the Seller or within 15 days after that date. If cargo is not available after ship has arrived in the port of loading according to schedule, the Seller shall be responsible for the costs of demurrage of the vessel, and dead freight, if any, due to incomplete loading because of the un-readiness of either part or whole of the goods, when the vessel has been in port at due time, and the notice of readiness has been served will be for Seller/shippers account.
4. Seller to give approximate 10 days advance notice prior to commencement of lay-days in respect of each parcel to Buyer, New Delhi for finalizing/nominating suitable vessels to Seller in required lay days.
5. Seller to expedite stem confirmation/clean acceptance of nominated vessel within 24 hours of receipt of nomination of vessel by Buyer.
6. Vessels nominated by Buyer to be dry and clean
7. The Seller agrees to load from one/two safe ports, safe berth(s)/ anchorage, always accessible from the port. In case, two berths are used for loading, shifting expenses including bunker oil consumed, tugs hire and crew's overtime will be to the vessel's account and time for shifting not to count as laytime. However, vessel to be left in seaworthy trim to shift between berths/ports to master's satisfaction at seller's time and expense. Cost and time of more than one shift is to be on the Seller account.
8. No cargo is to be loaded in between deck, deep tanks, wing tanks, bunkers spaces. The Master to have the liberty of loading in such spaces for the purpose of stability of vessel but any extra time used and additional expenses incurred in loading into and/or discharging from such spaces (duly supported by the stowage plan) to be for Owners' account and lay time admissible will be calculated at half the specified rates for loading/discharging.
9. Owners guarantee that the vessel is fitted with cargo cranes capable of handling lifts of not less than 15 tons in union purchase, single wires, and all hatches working simultaneously with the necessary certification as provided under tackle regulations prevalent at the loading port concerned / Dock Safety Inspectorate. The vessel shall give free use of all available gears, cranes and power for the same if required, but not exceeding the ordinary capacity for loading and discharging also lights for night work as on board. Crane-men/Winch-men to be for Charterers' account. Charters' privilege discharging over side, Owners allowing free use of all gears. Any time lost due to breakdown of cranes not to count and expenses incurred to be on Owners' account.
10. The Seller will load, stow and trim the vessel at the port of loading at the guaranteed load rate (Minimum 6000 MT) per weather working day of 24 consecutive hours, Thursday (Saturday for non Arab Gulf origin) afternoon, Friday (Sunday for non Arab Gulf origin) and holiday excepted, at their own cost. Time shall not count between noon Thursday (Saturday for non Arab Gulf origin) and 8 AM Saturday (Monday for non Arab Gulf origin). Nor between 5 PM (1200 hours on Thursday – to read as Saturday for non Arab Gulf origin) on the last working day preceding a legal holiday upto 8 AM on the first working day thereafter, unless used and if used actual time used to count unless the vessel is already on demurrage.

11. Port charges, quay dues and similar dues on ship for Owner's account. The Seller shall pay all dues and duties on the cargo in the country of origin/ shipment, including taxes on cargo. Freight tax, if any, on owner's account
12. The seller shall arrange tugs, pilots, escorts for the nominated vessels at the cost of the owner of the nominated vessels.
13. The seller may levy customary and reasonable charges on any nominated vessels if the nominated vessels does not leave the loading terminal within twenty four (24) hours of completion of loading and other formalities.
14. Buyer to be responsible towards Seller for despatch money on all working time saved at loading port and vice versa
15. First opening and last closing of hatches to be for owner's expense and time not to count.
16. The cargo shall be loaded by Seller/Shipper free of expenses and risk to the vessel but under the supervision of the Master. Overtime to the account of the party ordering it. Officer/Crew's overtime to the owner's account. Overtime if ordered by port authorities to be shared equally between owners and sellers at the loading port.
17. Time to commence at 1300 hrs, if notice of readiness to load is tendered during office hours before noon- and 8.00 AM next working day if notice of readiness is tendered during office hours afternoon whether in port or in the roadstead, whether in berth or not, and holidays excluded unless used, in which case actual time used to count as lay-time. If loading starts before commencement of time counting, only half of such time used to count.
18. Any lighterage required for loading will be on the seller's account.
19. Buyer to ask for Seller/ shippers stem before fixing vessel definitely, stating at the same time the vessel's draft. Buyer shall nominate vessel with all available details including draft. Seller should indicate load port restrictions/ requirements
20. Owners to give Seller/Buyer 7 running day's approximate notice of vessels expected readiness to load, stating approximate quantity required in metric tons, or cause such notice to be served on Shipper's port Representative. 5 running days definite notice of vessel load readiness at loading port will be given to Buyer/Seller or their representative. Time of arrival to be telegraphically confirmed by the Master not later than 72/48/24 hours in advance.
21. THE TERM "FOB AT LOAD PORT" MEANS
 - a. Loaded, stowed and trimmed on board overseas vessels at named port of export free of expense of buyer:
 - b. That it shall be responsibility of the Seller to do the following:
 - i. Provide for, and pay and bear all charges incurred in placing goods actually on board the vessel designated and provided by or for the Buyer on the date of within the period fixed. The cost of any extra cargo battens, dunnage, required and rigging of the same will be to vessel's account
 - ii. Provide clean "ON BOARD" Ocean Bill of Lading.
 - iii. Render Buyer or his authorized Agents assistance in obtaining the required documents issued in the country of origin or shipment or of both, as may be required for the purpose of exportation or of importation of urea at destination country.
22. In case of two ports of loading preferred by the Seller, the freight difference of additional ports of loading will be to the Seller account.
23. Demurrage at the loading port will be on the seller's account and it will be paid by Seller to the Buyer at the rate stipulated in the Charter Party.
24. Seller will be responsible for dead freight, if any and other related charges at load port, in case they fail or neglect to load the full cargo.
25. Seller/shipper to keep buyer advised of berthing/loading prospects on arrival of vessel at load port and also has to inform the Buyer at New Delhi regularly about loading progress/status.
26. Loading Rate: Loading Rate shall be guaranteed load rate offered (minimum 6000 MTs) PWWDFHGXUU for all ports. (Countries in which Friday is holiday, for others SHGX UU)
27. Once the vessel is fixed during the lay days offered by the seller, berthing/loading of vessel at load port shall be the seller's responsibility.

(ON THE LETTERHEAD OF PRODUCERS/ EXCLUSIVE MARKETING ARM)

M/S. MMTC LTD.
SCOPE COMPLEX
7 INSTITUTIONAL AREA, LODHI ROAD,
NEW DELHI-110 003,
DELHI, INDIA

TENDER NO. UREA/LTA/2020-21 dated 14.04.2020

Dear Sir,

Subject : Letter Of Authority

We _____ (Name of the Tenderer) organized and existing under the laws of _____ (Name of the Tenderer's country) having its registered/principal office at _____
hereby appoint _____ Agency (Name of the agent) address _____ as our agent to do in our name all or any of acts mentioned herein under concerning the above noted tender for supply of urea to MMTC Limited:

1. To sign and submit bid on our behalf and participate in the above noted tender.
2. To receive a letter of intent/order from MMTC on our behalf and to sign relevant documents in connection therewith.
3. To do all other acts in connection with the above tender as our agent.

We do hereby agree to ratify and confirm whatsoever our said agent shall do or cause to be done by virtue of this Letter of Authority.

This Letter of Authority comes into effect on and after _____ (mention date, month and year) and shall remain in full force and effect until revoked by our further notice in writing to MMTC.

Yours faithfully

(Signature of Authorized Representative of
Manufacturer/Principals with name and full address)

Signature of Authorized
Person(s) of Local Agent

1. _____
2. _____

Signature of local agent's authorized person is duly attested

(To be signed by the representative issuing this letter of authority)

PRICE FIXATION AND BID FORMAT

The formulation for reaching final contracted price for each shipment in Long term contract will be as follows -

- The simple average of low and high end FOB Middle East Non US Netbacks or equivalent prices of Granular Urea in bulk as published in three specified journals in immediately two preceding weeks before the date of bill of lading to be determined as the index FOB price for each shipment on which discount shall be applied to arrive at net FOB price.
- Further, the tender and contract shall be predominantly based on granular urea. Prilled form can also be accepted subject to pricing based on lesser of the index prices for granular or prilled form of Urea.
- Specified Journals -
 - Argus Nitrogen, UK
 - Fertilizer Week by CRU, UK and
 - Ferticon Weekly Nitrogen, UK

The Index FOB price for a particular shipment will be **P[★]**

The bid format is as follows

Sr no.	Country of Origin	Load Port	Discount in Percentage on FOB Index price (P)	Remarks
1.				
2.				
3.				

★For bid evaluation purposes, average FOB index price for two weeks preceding the date of closing of tender shall be taken and a discount to be applied on Index price to arrive at Net FOB Price. Applicable freight shall be added to Net FOB to arrive at the lowest CFR rate.

PAYMENT DOCUMENTS

1. 3/3 original negotiable copies of the clean on board, freight prepaid, bill of lading in long form and three non-negotiable copies thereof, showing Department of Fertilizer, Ministry of Chemical and Fertilizers, Government of India as consignee. Charter party bill of lading acceptable provided it bears on endorsement that all terms and conditions of the relevant charter party are deemed to have been incorporated therein; B/L signed by freight forwarders not acceptable.
2. One original and three copies of certified commercial invoice
3. One original and one copy of certificate of origin duly signed by chamber/ministry of commerce issue from the country of origin of goods. In case of Chinese origin cargo, a certificate of origin issued by China/Council for the promotion of international trade is also acceptable.
4. Beneficiary/seller's original certificate of inspection along with two copies showing analysis, weight and method(s) of analysis adopted (as mentioned below) stating dates of inspection and certified by M/s _____ (Inspection agency name).
5. Original certificate of inspection stating dates of inspection issued by M/s _____ (Inspection agency name) certifying the following:

A. Methods Of Analysis

1.	Nitrogen	2.4.03. AOAC (1995)
2.	Biuret	2.4.23 AOAC (1995)
3.	Moisture	D.4 (TFI, 1982)
4.	Particle Size	IV A, TFI (1982)
5.	Sampling	2.1.01. AOAC (1995) or IC 1, IC 2, (TFI-1982) or Schedule II A of FCO, 1985

B. The specification of material shipped vis-à-vis contractual specification in the following format

	Characteristics	Requirements	Actual results as per analysis
1.	Moisture percent by weight maximum	0.50	
2.	Total Nitrogen percent by weight (On dry basis) minimum	46.00	
3.	Biuret per cent by weight, maximum	1.50	

C. Particle size distribution as per limits below:

Particle size (Granular)	Limits
4.0 mm to 2 mm	Minimum 90 percent by weight
Less than 2 mm	Maximum 5 percent by weight

The portion of the material passing through 4.0 mm is sieve (Tyler sieve 5) and retained on 2 mm is sieve (Tyler sieve 9) shall not be less than 90 percent by weight and not more than 5 percent by weight shall pass through 2 mm is sieve.

OR

Particle size (Prilled)	Limits
2.8 mm to 1 mm	Minimum 90 percent by weight
Less than 1 mm	Maximum 5 percent by weight

The portion of the material passing through 2.8 mm is sieve (Tyler sieve 7) and retained on 1 mm is sieve (Tyler sieve 16) shall not be less than 90 percent by weight and not more than 5 percent by weight shall pass through 1 mm is sieve.

D. Shipment is in bulk

- Beneficiary's certificate that the material supplied under the contract are correct as to quantity, rate, total value, and the payment is due in accordance with the terms of the contract no. _____ at the time of presentation
 - Certificate to the effect that three non-negotiable sets have been dispatched to the buyers at New Delhi address by courier. Copy of courier receipts shall form part of negotiable documents.
 - Shipment advice copy on email duly signed and stamped issued by seller to buyer, within 2 (two) working days after shipment from load port, stating name of vessel, quantity shipped, BL no. and date, discharge port and ETA at discharge port, per metric tonne rate and invoice value on supplier's letter head duly signed and stamped.
 - One original and three copies of a stowage plan signed by master or agents on behalf of the master.
 - One original and one copy of the load port draft survey report issued by M/s _____ (Inspection agency name) stating dates of Inspection.
 - Copy of Buyer's letter confirming receipt of 2 original quality and quantity certificate (issued by designated inspection agency at load port) dispatched by the beneficiary within 72 hours of shipment of vessel
 - Copy of Buyer's letter confirming receipt of requisite documents.
6. Beneficiary's certificate to the effect that the following documents have been dispatch to Buyer New Delhi address mentioned above by courier. Copy of courier receipt(s) to form part of negotiable documents.
- 2 nos. Original commercial invoices
 - 3 nos. Copies of certificate of origin
 - 2 nos. photo copies each of all documents mentioned in this clause.
7. Original certificate of cleanliness of holds issued by M/s _____ (Inspection agency name) stating date and time of the inspection.
8. Beneficiaries are required to email all negotiable documents to Buyer limited before negotiation of the documents. Beneficiary's certificate to this effect forms part of negotiable documents to buyer before negotiation..

Additional conditions

- a. All bank charges and other charges including levies, taxes etc, outside India are for beneficiary's account.
- b. Invoices and all other shipping documents including B/L to quote import license no. Part iii Para 15.3 canalized item Si. No. 2 of Import Export Policy as amended from time to time, contract no. _____ dtd _____

INTEGRITY PACT

Between

MMTC Limited hereinafter, referred to as “MMTC”,

And

hereinafter referred to as “The Buyer/Vendor/Bidder”

Preamble

WHEREAS, MMTC is an international trading company dealing in export/import/sale/purchase of various commodities;

WHEREAS, MMTC values full compliance with all relevant laws of the land, rules, regulations and the principles of economic use of resources and of fairness / transparency in its relation with its Buyer/Vendor/Bidder. IN PURSUANCE, thereto, the following clauses of the Integrity Pact will be applicable and this document shall deem to be an integral part of the Agreement/ Contract between us.

In order to achieve the goals, MMTC may appoint an Independent External Monitor (IEM), who will monitor the tender/auction/e-auction/e-sale/sale/purchase process and the execution of the contract for compliance with the principles mentioned above.

Section 1 – Commitments of MMTC

1. MMTC commits itself to take all necessary measures to prevent corruption and to observe the following principles:
 - a. No employee of MMTC, personally or through family members, will in connection with the tender for, or the execution of a contract, demand, take a promise for or accept, for himself/herself or third person, any material or non-material benefit which he/she is not legally entitled to.
 - b. MMTC will, during the tender/auction/e-auction/e-sale/sale/purchase process, provide to all Buyer(s)/Vendor(s)/Bidder(s) the same information and will not provide to any Buyer/Vendor/Bidder any confidential/additional information through which the Buyer/Vendor/Bidder could obtain an advantage in relation to the tender/auction/e-auction/e-sale/sale/purchase process or the contract execution.
 - c. MMTC will exclude from the process all known prejudiced persons.
2. If MMTC obtains information on the conduct of any of its employees which is a criminal offence under the relevant Anti-Corruption Laws of India, or if there be a substantive suspicion in this regard, MMTC will inform its Chief Vigilance Officer and in addition can initiate disciplinary action.

Section 2 – Commitments of the Buyer(s)/Vendor(s)/Bidder(s)

1. The Buyer(s)/Vendor(s)/Bidder(s) commit himself to take all measures necessary to prevent corruption. He commits himself to observe the following principles during his participation in the tender/auction/e-auction/e-sale/sale/purchase process and during the contract execution.

- a. The Buyer(s)/Vendor(s)/Bidder(s) will not, directly or through any other person or firm, offer, promise or give to any of MMTC's employees involved in the tender/auction/e-auction/e-sale/sale/purchase process or the execution of the contract or to any third person any material or non-material 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 Buyer(s)/Vendor(s)/Bidder(s) will not enter with other Buyer(s) into any illegal 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 Buyer(s)/Vendor(s)/Bidder(s) will not commit any criminal offence under the relevant Anti-Corruption Laws of India; further the Buyer(s) /Vendor(s)/Bidder(s) will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by MMTC as part of the business relationship regarding proposals, plans, business details including information contained or transmitted electronically.
 - d. The Buyer(s)/Vendor(s)/Bidder(s) of foreign origin shall disclose the name and address of the Agents/representatives in India, if any. Similarly the Buyer(s)/Vendor(s)/Bidder(s) of Indian Nationality shall furnish the name and address of the foreign principals, if any. Further, all the payments made to the Indian agents/representatives have to be in Indian Rupees only.
 - e. The Buyer(s)/Vendor(s)/Bidder(s) will, when presenting his bid, disclose any and all payments he has made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the Contract.
2. The Buyer(s)/Vendor(s)/Bidder(s) will not instigate third persons to commit offences outlined above or be necessary to such offences.

Section 3 – Disqualification from tender process and exclusion from future contracts.

If the Buyer(s)/Vendor(s)/Bidder(s), before award of contract, has committed a serious transgression through a violation of Section 2 above or in any other form such as to put his reliability or credibility as buyer/vendor/bidder into question, MMTC is entitled to disqualify the Buyer(s)/Vendor(s)/Bidder(s) from the tender/auction/e-auction/e-sale/sale/purchase process or to terminate the contract, if already signed, for such reason.

- a. If the Buyer(s)/Vendor(s)/Bidder(s) has committed a serious transgression through a violation of Section 2 above or in any other form such as to put his reliability or credibility as buyer/vendor/bidder into question, MMTC is entitled to also exclude the Buyer(s)/Vendor(s)/Bidder(s) from the future contract award processes. The imposition and duration of the exclusion will be determined by the severity of the transgression. The severity will be determined by the circumstances of the case, in particular the number of transgressions, the position of the transgressors within the company, hierarchy of the buyer and the amount of the damage. The exclusion will be imposed for a minimum of 6 months and maximum of 3 years.
- b. If the Buyer(s) /Vendor(s)/Bidder(s) can prove that he has restored/recouped the damage caused by him and has installed a suitable corruption prevention system, MMTC may at its sole discretion revoke the exclusion prematurely.
- c. A transgression is considered to have occurred if in light of available evidence no reasonable doubt is possible.

Section 4 – Compensation for Damages

1. If MMTC has disqualified the Buyer(s) from the tender/auction/e-auction/e-sale/sale/purchase process prior to the award according to Section 3, MMTC is entitled to demand and recover the damages equivalent to Earnest Money Deposit/Bid Security.
2. If MMTC has terminated the contract according to Section 3, or if MMTC is entitled to terminate the contract according to Section 3, MMTC shall be entitled to demand and recover from the Vendor liquidated damages equivalent to Performance Bank Guarantee.
3. If the Buyer(s) /Vendor(s)/Bidder(s) can prove that the exclusion of the Buyer(s) /Vendor(s)/Bidder(s) from the tender/auction/e-auction/e-sale/sale/purchase process or the termination of the contract after the contract award has caused no damage or less damage than the amount of liquidated damages, the Buyer(s) /Vendor(s)/Bidder(s) may compensate only the damage in the amount proved. If MMTC can prove that the amount of the damage caused by the disqualification of the Buyer(s)/Vendor(s)/Bidder(s) before Contract Award or the termination of the Contract after the Contract Award is higher than the amount of the liquidated damages, it is entitled to claim compensation for the higher amount of the damages.

Section 5 – Previous transgression

1. The Buyer(s)/Vendor(s)/Bidder(s) to declare that no previous transgressions occurred in the last 3 years with any other Company in any country conforming to the anti corruption approach or with any other Public Sector Enterprise in India that could justify his exclusion from the tender process.
2. If the Bidder makes an incorrect statement on this subject, he can be disqualified from the tender process or the contract, if already awarded and can be terminated for such reason.

Section 6 – Equal treatment of all Buyer(s) /Vendor(s)/Bidder(s)

1. MMTC will enter into contracts with identical conditions as this one with all Buyer(s) /Vendor(s)/Bidder(s) without any exception.
2. MMTC will disqualify from the tender process all Buyer(s)/Vendor(s)/Bidder(s) who do not sign this Pact or violate its provisions.

Section 7 – Criminal charges against violating Buyer(s)/Vendor(s)/Bidder(s)

If MMTC obtains knowledge of conduct of Buyer(s)/Vendor(s)/Bidder(s) or of an employee or a representative or an associate of Buyer(s)/Vendor(s)/Bidder(s), which constitutes corruption, or if MMTC has substantive suspicion in this regard, MMTC will inform the same to its Chief Vigilance Officer and/or appropriate Govt. authorities such as CBI.

Section 8 – Independent External Monitor (s)

1. MMTC appoints competent and credible Independent External Monitor (IEM) for this Pact. The task of the IEM is to review independently and objectively, whether and to what extent the parties comply with the obligations under this contract
2. The IEM is not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. He reports to the CMD, MMTC.
3. The IEM has the right to access without restriction to all trade/project related documentation of MMTC. The Buyer(s)/Vendor(s)/Bidder(s) will also grant the IEM, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his trade/project documentation. The IEM is under contractual obligation to treat the information and documents of the Buyer(s)/Vendor(s)/Bidder(s) with confidentiality.
4. MMTC will provide the IEM sufficient information about all meetings among the parties related to the project/contract provided as meetings could have an impact on the contractual relations

between MMTC and the vendor. The parties offer to the IEM the option to participate in such meetings.

5. As soon as the IEM notices, or believes to notice, a violation of this contract, he will then inform the Management of MMTC and request the Management to discontinue or take corrective action, or to take other relevant action. The IEM can in this regard submit NON-BINDING RECOMMENDATIONS. Beyond this, the IEM has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.
6. The IEM will submit a written report to the CMD, MMTC within 4 to 6 weeks from the date of reference or intimation to him by MMTC and, should the occasion arise, submit proposals for correcting problematic situations.
7. If the IEM has reported to the CMD, MMTC, a substantiated suspicion of an offence under relevant Anti Corruption Laws of India, and the CMD, MMTC, has not, within the reasonable time taken visible action to proceed against such offence or reported it to its Chief Vigilance Officer, the IEM may also transmit this information directly to the Central Vigilance Commissioner, Govt. of India.
8. The word "**IEM**" would include both singular and plural.

Section 9 – Pact Duration

1. This Pact begins when both parties have legally signed it. It expires for the Vendor 12 months after the last payment under the contract, and for all other Bidders, 6 months after the Contract has been awarded
2. If any claim is made/lodged during this time, 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, MMTC.

Section 10 – Other provisions

1. This agreement is subject to Indian Law, Place of performance and jurisdiction is the Registered Office of MMTC, i.e. New Delhi.
2. Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.
3. If the Vendor is a partnership or a consortium, this agreement must be signed by all partners or consortium members.
4. Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intentions.
5. This integrity Pact relates to Contract number and Date as UREA/LTA/2020-21 dtd _____.

(For & on behalf of Buyer/Vendor/Bidder)

Name:

Designation:

(Office Seal)

Place:

Date:

Witness 1:

Name:

Address:

(For & on behalf of MMTC)

Name:

Designation:

(Office Seal)

Witness 2:

Name:

Address:

FRAUD PREVENTION POLICY

1. **Commitments of the Bidder(s) / Contractor(s) / Buyer(s) / Vender(s):** The Bidder(s)/Contractor(s)/Buyer(s)/Vender(s) shall be bound to take all measures necessary to prevent Fraud and Corruption while dealing with MMTC. They agree and undertake to observe the principles/provisions as laid down in "Fraud Prevention Policy" of MMTC (Full text of which is available on MMTC's website at <http://mmtclimited.gov.in> during their participation in the tender process, during the execution of Contract and in any other transaction with MMTC.
2. The Bidder(s)/Contractor(s)/Buyer(s)/Vender(s) shall not, directly or through any other person or firm offer, promise or give or otherwise allow any of MMTC's employee(s) 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.
 - a. The Bidder(s)/Contractor(s)/Buyer(s)/Vender(s) shall not enter with other bidders into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process.
 - b. The Bidder(s)/Contractor(s)/Buyer(s)/Vender(s) shall not commit or allow any employee of MMTC to commit any offence under the relevant provisions of IPC/Prevention of Corruption Act; further the Bidder(s)/Contractor(s) / Buyer(s)/Vender(s) will not use improperly or allow any employee of MMTC, for purpose of competition or personal gain or pass on to others any information or document provided by MMTC as part of the business relationship, including information contained or transmitted electronically.
 - c. The Bidder(s)/Contractor(s)/Buyer(s)/Vender(s) shall not instigate a third person to commit offences/activities outlined in Fraud Prevention Policy or be an accessory to such offences.
 - d. The Bidder(s)/Contractor(s)/Buyer(s)/Vender(s) if in possession of any information regarding fraud/suspected fraud, hereby agree and undertake to inform MMTC of the same without any delay.
3. **Disqualification from tender process and exclusion from future contracts:** If the Bidder(s)/Contractor(s)/Buyer(s)/Vender(s), before award or during execution has committed a transgression through a violation of "Fraud Prevention Policy" of MMTC in any other form such as to put their reliability or credibility, in question, MMTC, other than taking recourse available under law, shall be entitled to disqualify the Bidder(s)/Contractor(s)/Buyer(s)/Vender(s) from undertaking any transaction with MMTC and/or declare the Bidder(s)/Contractor(s)/Buyer(s)/Vender(s) ineligible to be awarded a Contract either indefinitely or for a stated period of time.
4. **Damages:** If MMTC has disqualified the Bidder(s) from the tender process prior to the award or during execution according to Clause (2), MMTC shall be entitled to demand and recover from the Contractor liquidated damages of the Contract value of the amount equivalent to the Performance Bank Guarantee.