



Core-1, SCOPE Complex, 7, Institutional Area, Lodi Road New Delhi – 110 003, India
Phone #:24362200/24381513 Fax #: 0091-011 24364106

www.mmtclimited.gov.in

GLOBAL NOTICE INVITING TENDER

[MMTC/MIN/2014-15/MN/9484/Q4/01 dated 28th January 2014](#)

MMTC invites global tender for Export of Manganese Ore Fines of Indian Origin from interested overseas buyers. The last date of submission is at 1200 hrs on 9th February, 2015.

The complete details of the tender are available at MMTC's website www.mmtclimited.gov.in and Govt. website at <http://eprocure.gov.in>

AGM(Min)



Core-1, SCOPE Complex, 7, Institutional Area, Lodi Road New Delhi – 110 003, India
Phone #:24362200/24381513 Fax #: 0091-011 24364106

www.mmtclimited.gov.in

Dear Sirs,

Global Tender for export of Manganese ore Fines of Indian origin

Established in 1963, MMTC Limited, a Government of India Enterprise is a leading international trading company with annual turnover of over US\$ 5.20 billion during 2012-13. It is engaged in the field of international trading of minerals, agro products, precious metals, non-ferrous metals, coal & hydrocarbon, fertilizers etc. MMTC is one of the major global players in the minerals trade and is the single largest exporter of minerals from India. For Further details please visit our website at www.mmtclimited.gov.in

As per trade policy of Government of India for the period 2009-2014, MMTC Limited is the designated state trading enterprise for export of Manganese ore. The export of Manganese ore is subject to quantitative / qualitative ceiling.

MMTC Limited undertakes export of Manganese ore to overseas market by procuring the items from the Indian suppliers on back to back basis. MMTC invites global tender in two bid system for exports of Manganese ore from the interested bidders. The bidders are requested to submit their offers as per the tender documents. The last date of submission of tender is at 1200 hrs IST on 9th February, 2015.

The overseas bidders shall submit their Technical bids along with supporting documents in a sealed envelope and price bid separately in the tender box.

The bidders shall super scribe the name of the company, contact person, phone, fax, e-mail address, Tender no. and closing date. Incomplete offer or offer received after the closing time and date shall be rejected.

Please send your offer addressed to Shri L.M. Bagga, Addl. General Manager, Minerals Division at the below mentioned address to reach latest by 1200 hrs IST on 9th February, 2015.

MMTC LIMITED
MINERALS DIVISION
CORE-1, SCOPE COMPLEX,
7, INSTITUTIONAL AREA, LODI ROAD
NEW DELHI-110 003, INDIA

TEL: 0091 11 24381513/ 24381421 FAX: 0091 11 24364106

THANKING YOU,

ADDL. GENERAL MANAGER (MINERALS)



A Govt. of India Enterprise
Touching Lives, adding value

Core-1, SCOPE Complex, 7, Institutional Area, Lodi Road New Delhi – 110 003, India

SECTION – I

1.0 COMMODITY

MANGANESE ORE FINES

2.0 QUANTITY

20,000-30,000 WMT ($\pm 10\%$ AT SELLER'S OPTION)

3.0 LOAD PORT

VISAKHAPATNAM PORT, India

4.0 SHIPMENT PERIOD

February-March, 2015

5.0 ORIGIN

Indian origin

6.0 SPECIFICATIONS

Please see details of description and specifications of Manganese ore Fines **at Annexure I**

7.0 PRICE (To be quoted)

The bidders shall quote, Prices in USD PDMT FOBT Visakhapatnam Port India (In bulk) for Manganese ore Fines.

Please see Price Bid format at **Annexure III.**

8.0 BONUS/ PENALTY RATE

The base price shall be increased / decreased by single pro-rata of the price above/below 24% Mn for Manganese ore Fines.

9.0 EARNEST MONEY DEPOSIT

USD 33000 in the form of a bank guarantee (Proforma enclosed at **Appendix –I)** through a scheduled commercial bank (other than Gramin bank, Dhanlakshmi Bank, Nainital Bank and Co-operative bank) in Delhi (or NCR), India in favour of MMTC Limited. The BG should be valid till 31-03-2015. Overseas buyers having purchased Mn Ore from MMTC during any of the FY 2011-12 / 2012-13 / 2013-14 satisfactorily shall be exempted from furnishing EMD.

10.0 SAMPLING ANALYSIS

At the time of **loading at Indian port**, M/s Mitra S.K. Pvt Ltd. / SGS shall be appointed to undertake quantity and quality analysis. Load port results shall be final and binding for payment.

11.0 LOADING TERMS

CQD BASIS

12.0 VALIDITY

The bidders shall keep their bids valid for a period of 7 (Seven) calendar days from the date of closing of tender excluding the date of closing. In case the 7th day falls on a Saturday/Sunday/Holiday or remains closed for the seller, such bids will be deemed to be automatically extended to be valid up to the next working day of seller.

13.0 ELIGIBILITY CRITERIA

Bidder shall fulfill the following criteria and submit supporting documents in a tender box kept in MMTC, New Delhi Office.

- i) Bidder shall have minimum annual turnover of USD 50 Millions in each year during 2012-13 & 2013-14.
- ii) Past experience: Minimum experience of one year in minerals business.
- iii) Credit rating: Minimum 'satisfactory' or equivalent (i.e. from D&B, S&P, Moody's, ICRA, CRISIL, CARE etc.). The credit rating report should be issued on or after 31st March 2014.
- iv) Bidder shall submit a Bank's Reference Report issued on or after 31st March 2014.
- lv) Bidder shall submit an Earnest Money Deposit (EMD) for USD 33,000 (US Dollars thirty three thousand only) in the form of Bank Guarantee (BG format enclosed at Appendix - I). Bid bond conditions are exempted for such buyers who have purchased manganese ore from MMTC during any of the FY 2011-12 / 2012-13 / 2013-14 satisfactorily.
- v) Bidder shall submit an undertaking to furnish a Performance Bank Guarantee (PBG) for 10% of the total contract value. (Format enclosed at Appendix -II)
- vi) Bidder shall submit an undertaking to make 100% payment through an irrevocable at sight letter of credit with TT reimbursement clause. Load port results are final and LC shall be negotiated for 100% payment on Loadport results basis. (Format enclosed at Appendix - III)
- vii) MTPL, Singapore a 100% subsidiary of MMTC will be exempted from submission of Earnest Money deposit, performance guarantee bond and establishment of letter of credit towards the value of cargo.

14.0 EVALUATION OF BIDS

MMTC shall evaluate technical bids of the bidders received within due date in tender box. The bidder shall submit technical and price bids in physical mode. Thereafter, MMTC shall open the price bids of those bidders who have qualified in their technical bids. MMTC shall award the contract to the successful bidder (H1). In case, there is more than one H-1 bidder, contract will be awarded to the bidder who has procured maximum quantity from MMTC during 2011-12 to 2013-14.

15.0 AWARD OF CONTRACT

MMTC shall offer the cargo to the highest bidder (H1) subject to reconfirmation from the supplier of the cargo. MMTC and the successful bidder shall enter into a sale contract as per standard terms and conditions of MMTC (Contract format enclosed at **Appendix - IV**). In case the successful bidder fails to forward the signed sale contract within 3 calendar working days from the date of issuance of contract by MMTC, the seller (MMTC) reserves the right to invoke the bank guarantee submitted by the bidder as EMD.

16.0 PERFORMANCE GUARANTEE

MMTC shall issue a letter to the successful bidder accepting the price and shall also indicate amount of performance guarantee required from the successful bidder. The bidder shall furnish a performance bank guarantee @ 10% of contracted value (with +10% tolerances) in favour of MMTC limited, New Delhi within 7 calendar days from the date of signing of sale contract. Nomination of vessel shall be accepted only after receipt of original bank guarantee and its confirmation by issuing bank. This performance guarantee shall be valid for a minimum period of 30 days after latest date of delivery and further 30 days as claim period. In case the successful bidder fails to establish the requisite performance bank guarantee within stipulated time, MMTC reserves the right to invoke the bank guarantee submitted by the bidder as EMD.

MMTC reserves the right to invoke this performance guarantee in case the buyer fails to perform the contractual obligations as per sale contract.

(Performance Bank Guarantee format is attached at Appendix-V)

17.0 PAYMENT TERMS

The buyer shall establish from a first class international bank (acceptable to MMTC) an irrevocable and without recourse to the drawer workable letter of credit payable at sight to cover 100% value of the cargo with tolerance for quantity and value as per contract . Letter of credit shall be in favour of the sellers/beneficiaries (MMTC Limited, MMTC Bhawan, Port Area, Visakhapatnam: 530035. Andhra Pradesh, India) and shall remain valid for minimum 45 days after latest date of shipment. The said letter of credit shall be established within 7 calendar days from the date of signing of contract by both MMTC and the overseas buyer. The LC shall be advised through Bank of India, Visakhapatnam Main Branch, 47-10-23/4 & 5, 1st floor, Isnar Khazana, Lane no.2, Dwarakanagar, Visakhapatnam, Andhra Pradesh-530016, India, SWIFT: BKIDINBBVIP. The opening bank shall also add that the telex/swift is operating instrument and no further confirmation is required. The LC shall allow negotiation of documents for 100% shipment value within 21 days after bill of lading date at the counter of LC negotiating bank. Notice of Readiness (NOR) shall be accepted only after receipt of workable LC through banking channels and completion of pre-shipment formalities with customs/port authorities. Pre-shipment documents shall be processed by MMTC only after receipt of workable LC and performance guarantee. The buyer shall nominate suitable vessel in such a manner so that seller shall get at least two clear working days (excluding the date of receipt of LC & PBG and date of NOR) prior to arrival of vessel at loading port for processing of pre shipment documents by the appropriate authority. LC shall provide for T.T. reimbursement within two working days upon receipt of claim from the negotiating bank. All bank charges outside India shall be to the buyers account. LC shall also provide for negotiations and acceptance of documents even with spelling, grammatical and other technical mistakes etc. for payment. LC instrument is subject to UCPDC600.

List of banks from where LC shall be acceptable to MMTC is as per <http://www.accuity.com/useful-links/bank-ratings/>.

18.0 DUE DATES

Submission of Technical Bids and Price Bids: **09.02.2015 by 12.00 hrs IST**
Opening of Technical Bid : **09.02.2015 by 12.30 hrs IST**
Opening of Price Bid : **09.02.2015 by 16.00 hrs IST**

19.0 MODE OF SUBMISSION OF TENDER

19.1 The bidder shall participate in the tender through physical mode for both technical and price bid.

19.2.0 Bidder shall submit their offers separately in the following two-bid format:

- I) PART A: Technical Bid (Physical mode) and
- II) PART B : Price bid (Physical mode).

19.2.1 Part – A: TECHNICAL BID :

Bidder shall fulfill the eligibility criteria as stated at Para 13 and submit the following supporting documents in tender box.

- a. Bidder shall enclose an **Auditor's Certificate** indicating annual turnover for 2012-13 & 2013-14 and past experience as mentioned in eligibility criteria. Please enclose annual financial statement for FY 2012-13 and FY 2013-14.
- b. Bidder shall enclose a **Credit rating** Report (issued on or after 31-03-2014) from any one of the following agencies: (D&B, S&P, Moody's, ICRA, CRISIL, CARE)
- c. Bidders shall enclose a **Bank reference** report issued on or after 31-03-2014.
- d. Bidder shall submit an **EMD** for an amount of USD 33,000 (US Dollars thirty three thousand only) in the form of Bank Guarantee (BG format enclosed at **Appendix - I**)
- e. Bidder shall submit an undertaking to furnish a **PBG** for 10% of the total contract value. (Format enclosed **at Appendix -II**)
- f. Bidder shall enclose an **undertaking** to make payment through an irrevocable letter of credit with TT reimbursement clause. Load port results are final and LC shall be negotiated for 100% payment on Load port results basis. (Format enclosed **at Appendix -III**)
- g. Bidder shall submit **Price Bid format** duly signed and stamped.
- h. Bidder shall submit duly signed and stamped all documents given in **Section-I** of the tender notice.

MTPL, Singapore a 100% subsidiary of MMTC will be exempted from submission of Earnest money deposit, performance guarantee bond and establishment of letter of credit towards the value of cargo.

The above documents along with technical bid compliance form (as per **Annexure-II**) are required to be submitted physically in sealed envelopes to be dropped in tender box, by due date and time so as to reach **Shri L.M. Bagga, Addl. General Manager, Mineral**

Division, MMTC Ltd., Core-1, SCOPE Complex, 7, Institutional area, Lodhi Road, New Delhi-110003.

Incomplete offers, offers for partial quantity or offers received after the closing time and date shall not be accepted. The technical bids will be opened as per due date. After scrutiny of technical bids, the price bids of only those bidders whose technical bids are acceptable will be opened and considered further.

Bidders who have earlier submitted the supporting documents as per Clause 19.2.1(a, b & c) during current financial year against their bid for Manganese ore, need not submit the same again.

19.3.2 PART-B: PRICE BID:

The bidders shall submit their price bids in physical mode. The price shall be quoted in USD PDMT only FOBST Visakhapatnam and confirming validity of offer as per tender in the price bid format.

- 19.4** Any bidder willing to participate in the tender opening process, may attend directly or depute their representative through proper authorization on their letter head with signatures in original clearly stating the name of firm, person, designation and his signatures.
- 19.5** EMD of the unsuccessful bidder will be returned back. EMD of the successful bidders will be returned upon receipt of performance guarantee.

20.0 GENERAL CONDITIONS

- 20.1.** Subject to the terms and conditions set out herein, sale shall be made to the successful bidder for exports on FOB basis only. Seller reserves the right to modify and amend the terms & conditions and announce the same at any time before the tender concludes. Announcements during the tender on the website and/or by fax including announcement of any additional conditions or correction in the catalogue and/or additions or deletions of items being offered for sale are binding on the bidder
- 20.2.** Participation and bidding in this tender shall be treated as conclusive evidence of the fact that bidder is well aware about the Foreign Trade Policy of Govt. of India that export of Manganese ore is allowed through MMTC Limited only. The cargo for export shall be procured from the associate supplier of MMTC and all terms & conditions shall be on back to back basis with our supplier. Our associate supplier shall perform the export contract and MMTC will not be responsible for any quality, quantity or any other claim of the bidder. It shall also imply that the bidder has carefully gone through and understood the terms and conditions of tender including the amendments if any, prevailing at the time of tender.
- 20.3** In the event of failure on account of (i) establishment of performance guarantee or (ii) signing of contract within 3 calendar working days from the date of issuance of contract by MMTC, the seller reserves the right to invoke the bank guarantee submitted by the bidder as EMD. The seller also reserves the right to debar such bidder from participating in any future tender of MMTC or any other action as deemed fit.
- 20.4** The BG issuing bank must have a net worth of at least Rs.500 Crore and Capital Adequacy Ratio of at least 9%.
- 20.5.** MMTC shall have the right and authority to review / modify / amend any condition / format before the tender concludes.
- 20.6.** After finalization of the sale price, MMTC will arrange to send standard sale contract to the buyer for signatures.
- 20.7** After receipt of signed contract from MMTC through fax/e-mail, the buyer will put their signatures of authorized official with seal and send the signed contract to MMTC within three working days. The buyer will also arrange to open the performance guarantee (PG) bond in the form of a bank guarantee (BG), (as per format at Appendix-II), within ten calendar days of receipt of MMTC signed contracts by fax/e-mail and forward same to MMTC immediately. The **PBG** bond will be for appropriate value. Since shipment is prompt, as such, the requisite PG bond has to be furnished before vessel nomination or 10 days whichever is earlier.
- 20.8** MMTC reserves the right to accept or reject any or all tenders or to re-tender at MMTC's sole discretion without assigning any reasons. Incomplete offer or offers received after the closing time and date shall not be accepted. The complete details of the tender enquiry are available at MMTC's website www.mmtclimited.gov.in, <http://eprocure.gov.in>.

21. ARBITRATION

All disputes arising between the parties (Buyer and Seller) out of or in relation to the work order shall be settled amicably. If, however, the parties fail to resolve amicably, the same shall be referred to and settled through an arbitration proceeding of a single/sole arbitrator, to be nominated by CMD, MMTC. The arbitration proceeding shall be conducted in

NIT No.MMTC/MIN/2014-15/MN/9484/Q4/01 dated 28th January 2015

accordance with the arbitration and conciliation Act, 1996 of India. The reasoned award made in pursuance there of shall be binding on the parties, the venue of arbitration shall be New Delhi. Only the courts at New Delhi shall have the jurisdiction over the disputes in relation to and arising out of the work order.

ANNEXURE – I

SPECIFICATIONS

(I) Manganese Ore Fines :

Mn	: 24% Basis 22% Min.
Fe	: 16% Min
SiO ₂	: 15% Max
Al ₂ O ₃	: 7% Max
Phos	: 0.45% Max
Moisture	: 12% Max

Physical (on square mesh screen):

0 to 10 mm	: 90% Min
10 to 100mm	: 10% Max

ANNEXURE – II

TECHNICAL BID COMPLIANCE FORM

Sl.No	Document	Compliance (Y/N)	Deviations, if any	Remarks
1	Name, Address, Tel No, Fax No, E Mail Id etc of the Bidder			
2	Company's Profile			
3	Auditor's Certificate indicating annual turnover and past experience in Minerals Trade and Annual financial results for last two years [Clause 19.2.1 (a)]			
4	A copy of credit rating report by D&B/S&P/MOODY/CRISIL/ FITCH/ICRA/CARE [Clause 19.2.1(b)]			
5.	Bank reference report(Clause 19.2.1(c))			
6	Bank Guarantee (EMD) [Clause 19.2.1 (d)] together with Banker's certificate(clause 20.4)			
7	Undertaking for PBG [Clause 19.2.1 (e)]			
8	Undertaking for LC [Clause 19.2.1(f)]			
9	Price Bid Format duly signed and stamped [Clause 19.2.1 (g)]			
10	Signed & Stamped Copy of Tender Documents given in (Section-I)of tender notice [Clause 19.2.1 (h)]			

Authorized Signature with official seal

Date: _____

ANNEXURE-III

PRICE BID

1.	Name of the Bidder	
2.	Address of the Bidder	
3.	Commodity	Manganese Ore Fines
4.	Quantity (+/- 10% at seller's option)	20, 000-30,000 WMT Mn Ore Fines
5.	Price in USD PDMT FOBST Visakhapatnam port, India, basis 24% Mn Ore Fines	
6.	Validity of Price	

Authorized Signature with official seal

Date: _____

PROFORMA FOR BANK GUARANTEE FOR EMD

(On a stamp paper of applicable amount to be executed by a Delhi / NCR Branch of a Scheduled Bank other than Gramin Bank, Nainital Bank, Dhanlakshmi Bank or Cooperative Bank)

Bank Guarantee No. _____
REF No.

Date _____

MMTC LIMITED,
Core -1, Scope Complex,
7, Institutional area,
Lodi Road,
New Delhi-110 003.

Sir,

1. WHEREAS, MMTC LIMITED, Core 1, SCOPE Complex, 7 Lodhi Road, NEW DELHI-110 003, India, (hereinafter referred to as MMTC) has invited bids vide Manganese ore of Indian Origin Global Tender (hereinafter referred to as Invitation to Bids) for supply of 20,000-30,000 MTs +/-10% Manganese ore Fines.
2. WHEREAS, the said Invitation to Bid requires that any eligible bidder intending to make a bid in response thereto shall furnish an irrevocable bid guarantee amounting to USD 33,000 (US Dollars thirty three thousand only) in favour of MMTC, New Delhi in the form of a Bank Guarantee of USD 33,000 (US Dollars thirty three thousand only) for each lot with a validity till 31-03-2015.
3. AND WHEREAS at the request of M/s. _____ (Name & address of the Bidder) we _____ (Name & address of the Bank) do hereby unconditionally and irrevocably guarantee and undertake payment to MMTC, New Delhi up to and not exceeding the sum of USD 33,000 for each lot with a validity till 31-03-2015 and that the Bidder M/s. _____:-
 - a) shall keep his offer firm and valid for acceptance by MMTC as per tender against which offer is made.
 - b) Shall sign the sale contract forwarded by MMTC within three calendar days.
 - c) shall in the event of the offer being accepted by MMTC, bidder will establish a Performance Bank Guarantee (within 10 calendar days from the issuance of signed sale contract or before nomination of the vessel, whichever is earlier) in favour of MMTC in the form indicated in the said Invitation to Tender for 10% of the contracted quantity through a scheduled Commercial Bank (other than Gramin Bank, Nainital Bak, Dhanlakshmi Bank and Co-Operative Bank) at New Delhi, India.
 - c) shall in the event of the offer being accepted by MMTC, bidder will establish an irrevocable at sight Letter of Credit in favour of MMTC (within 10 calendar days from the date of issuance of signed sale contract) in the form indicated in the said Invitation to Tender covering full value of the quantity of Manganese ore at the price and on the terms accepted by MMTC.
 - d) shall further arrange to lift the confirmed quantities as per the sale contract by the last date of shipment indicated in the sale contract.
 - e) Any other conditions as stipulated by MMTC from time to time.
4. We _____ (Name and Address of the Bank) (hereinafter referred to as the Bank which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns) do hereby guarantee that in the event of the said Bidder failing to abide by any of the conditions referred to in any of the preceding paragraphs, this Bank shall pay to

MMTC Limited, New Delhi, India on demand without MMTC having to substantiate its demand and without protest or demur and without any reference to the said Bidder a sum of USD 33000 (US Dollars thirty three thousand only). This Bank further agrees that the decision of MMTC as to whether the said bidder has committed a breach of any of the conditions referred to in the preceding paragraphs shall be unquestionable, conclusive, final and binding.

5. We _____ (Bank) undertake to pay the amount demanded by MMTC, not exceeding the sum of USD 33000 (US Dollars thirty three thousand only) without any demur, delay, protest and without any reference or recourse to M/s. _____ (Bidder) notwithstanding any dispute raised by _____ (Bidder) in any suit proceedings relating thereto pending before any court or tribunal our liability under these presents being absolute and unequivocal.
6. The payment shall be made to MMTC, New Delhi across the counter of this bank on the same day of receipt of invocation of this bank guarantee.
7. NOTWITHSTANDING anything to the contrary contained hereinabove, liability under the Guarantee is restricted to USD 33000 (US Dollars thirty three thousand only).
8. Your demand in writing may be presented to the Bank by courier / Fax / Airmail/ Speed Post/ Registered Post or in person and the same shall be binding on us.
9. This guarantee will not be discharged due to change in the constitution of the Bank or the said M/s. _____ (Bidder).
10. The liability of this bank shall discharge upon receipt of USD 33000 (US Dollars thirty three thousand only) by MMTC.
11. This Bank further undertakes that this Guarantee shall remain irrevocably valid and in force till 31-03-2015 and that the same shall be extended further according to the provisions contained hereinabove, and shall not be amended or withdrawn without the previous consent of MMTC in writing.
12. This Guarantee is governed by the Laws of India and comes into force forthwith.
13. We have the power to issue this guarantee in your favour under the Charter of our Bank and the undersigned has full power to execute this Guarantee under the Power of Attorney granted by the Bank.

Signature : _____

Name and code : _____

Designation: _____

Seal of the Bank : _____

Appendix-II

(On Company Letterhead)

Dated:_____

To,

The Chief General Manager (Minerals),
MMTC Limited,
Corporate Office,
Core-1, SCOPE Complex,
7, Institutional Area,
Lodi Road,
New Delhi-110 003(INDIA)

Sub: Undertaking on Performance Bank Guarantee

Dear Sir,

We hereby agree and undertake that we shall furnish a performance guarantee bond in the form of a Bank Guarantee (as per format at Appendix-II) in favour of MMTC Limited within 10 calendar days from the date of issuance of signed sale contract by MMTC Limited or before nomination of the vessel, whichever is earlier. In case, we fail to furnish performance guarantee, MMTC Limited shall be at liberty to invoke / encash EMD and also to take appropriate action as deemed fit.

Thanking you,

Yours faithfully,

(Authorized Signatory)

Appendix-III

(On Company Letterhead)

Dated:_____

To,

The Chief General Manager (Minerals),
MMTC Limited,
Corporate Office,
Core-1, SCOPE Complex,
7, Institutional Area,
Lodi Road,
New Delhi-110 003(INDIA)

Sub: Undertaking for Letter of Credit.

Dear Sir,

We hereby agree and undertake that we shall establish an irrevocable 100% at sight Letter of Credit with TT reimbursement clause towards full value of contracted quantity (including tolerance of +10%) in favour of MMTC Limited within 10 calendar days from the date of issuance of signed sale contract by MMTC Limited or before nomination of the vessel, whichever is earlier. LC shall be opened from a bank acceptable to MMTC (i.e. from any of the bank mentioned in the appendix VI of tender No.MMTC/MIN/2014-15/MN/9484/Q4/01 dated 27th January 2015. Load port results are final and LC shall be negotiated by MMTC for 100% payment on load port results basis. In case, we fail to establish workable LC, MMTC Limited shall be at liberty to invoke Earnest Money Deposit or performance guarantee and also to take appropriate action as deemed fit.

Thanking you,

Yours faithfully,

(Authorized Signatory)



Core-1, SCOPE Complex, 7, Institutional Area, Lodi Road New Delhi – 110 003, India
Phone #:24362200/24381513 Fax #: 0091-011 24364106

www.mmtclimited.gov.in

FORMAT OF SALE CONTRACT

This agreement is made on ____day ____month 2015 between MMTC Limited, Core-1 Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi – 110003, INDIA, hereinafter called the SELLER (which expression unless excluded by or repugnant to the context shall include its successors and assigns) of the one part and (Name and address of buyer) hereinafter called the BUYER (which expression, shall unless excluded by or repugnant to the context, shall include its successors and assigns) of the other part.

WHEREAS the Sellers have agreed to sell and the Buyers have agreed to buy the following quantity of Manganese Ore on the terms and conditions hereinafter mentioned.

Now it is hereby mutually agreed and declared by and between the parties hereto as follows:

ARTICLE 1: COMMODITY

Manganese Ore Fines of Indian origin (herein after called “Ore”)

ARTICLE 2 : QUANTITY

20,000-30,000 WMT (+/-10% at Seller’s option) Mn ore Fines of 24/22% grade.

Source of Supply: M/s. S.K.Sarawagi & Co. (P) Ltd., Visakhapatnam.

ARTICLE 3 : SPECIFICATIONS

Mn : 24% Basis / 22% Min.

Fe : 16% Min

SiO₂ : 15% Max

Al₂O₃ : 7% Max

Phos : 0.45% Max

Moisture : 12% Max

Physical (on square mesh screen):

0 to 10 mm : 90% Min

10 to 100mm : 10% Max

PACKING : Loose in Bulk

ARTICLE 4: PRICE

US\$ _____ (US Dollars _____ only) PDMT FOBST
Visakhapatnam Port, India, basis 24% Mn content, fraction pro rata.

ARTICLE 5: PRICE ADJUSTMENT

In case there is any difference between the specifications as per Article 3 and analysis report as per Article 9 of this contract, price will be adjusted at the rate mentioned below and documents will not be treated as discrepant.

A) For Mn Content

In respect of each shipment of manganese ore which does not meet the Mn specifications set forth in Article 3, the base price referred to in Article 4 shall be adjusted in accordance with Mn content as determined pursuant to the provisions of Article 9 as follows:-

The base price shall be increased / decreased by US\$ _____ for each one per cent Mn above/below 24% Mn fraction prorata.

B) For Other Elements

If the shipment does not meet any of the chemical specifications other than Mn provided in Article 3 as finally determined in accordance with the provisions of the Article 9, the base price shall be decreased as follows, fraction prorata.

i) For Fe

At the rate of 10 (ten) US Cents per dry metric tonne for each 1.00% of Fe lower than 16%.

ii) For excess Silica

At the rate of 5(five) US Cents per dry metric tonne for each 1.00% of Silica in excess of 15%.

iii) For excess Alumina

At the rate of 5(five) US Cents per dry metric tonne for each 1.00% of Alumina in excess of 7%.

iv) For excess Phosphorus

At the rate of 5(five) US Cents per dry metric tonne for each 0.01% of Phosphorus in excess of 0.45%.

v) For Size : US Cents 50 per WMT beyond tolerance level.

ARTICLE 6: DESTINATION

Name of destination port shall be indicated by buyer at the time of nomination of vessel.

ARTICLE 7: DELIVERY PERIOD

February/March : 2015

Laycan shall be accepted 5 days before the last cancellation date i.e. upto 26th March, 2015.

ARTICLE 8: PORT OF SHIPMENT

VISAKHAPATNAM PORT (INDIA)

ARTICLE 9: SAMPLING & ANALYSIS

At the loading port Seller shall at its own cost appoint M/s. Mitra SK Pvt. Ltd./ SGS to determine the specification of ore content in each shipment and shall obtain a certificate showing details of the determination / analysis and also the percentage of free moisture loss as per BIS norms. The load port results so determined shall be final for payment. Foreign buyer may at his expense send his representative to be present at the time of sampling.

ARTICLE 10: WEIGHMENT

At the loading port seller at seller's expenses to determine the weight of shipment of ore by draft survey. The weight of ore as ascertained and certified by the surveyor nominated along with analysis certificate shall be basis of seller's invoice. Foreign buyer may at his expense send his representative to be present at the time of draft survey.

ARTICLE 11: PERFORMANCE GUARANTEE

The buyer shall furnish a performance guarantee for USD _____00 in the form of a bank guarantee towards 10% of the sale value in favour of the seller through a scheduled commercial bank (other than Gramin Bank, Nainital Bank, Dhanlakshmi Bank and Co-operative Bank) in India within ten calendar days from the date of issuance of signed sale contract by MMTC. Performance guarantee shall remain valid for a minimum period of 30 days after latest date of delivery and furthers 30 days as claim period. The Seller will accept the nomination of the vessel only after receipt of performance guarantee and its confirmation by issuing bank. In case the buyer either fails to perform the contract satisfactorily or fails to establish a workable letter of credit within stipulated time, MMTC will have the right to invoke the bank guarantee. In addition, MMTC will have right to claim all losses, damages, expenses, etc. from buyers and any other appropriate action as deemed fit. The PBG will be returned after satisfactory performance of contract by buyer.

ARTICLE 12: COMMERCIAL INVOICE

The Seller's commercial invoice shall be made out for 100% (Hundred percent) of the value based on the price as set forth in Article 4 and Article 5 and calculated on the basis of analysis / weighment results at the load port conducted by the nominated surveyor.

ARTICLE 13: INSURANCE

Insurance covering shipment ore after it is loaded on board the vessel shall be arranged by the Buyer at his expenses.

ARTICLE 14: DELIVERY

Each shipment shall be deemed as delivered when it is loaded on board the vessel and trimmed.

ARTICLE 15: TITLE AND RISKS

Title with respect to each shipment shall pass to the Buyer when the Seller has negotiated the relative shipping documents against the L/C opened by the buyers and received the proceeds from the opening bank after completion of loading on board the vessel at the Indian port. Risk with respect to each shipment shall pass from the Sellers to the Buyer when the ore has been loaded on board the vessel.

ARTICLE 16: CHARTERING OF VESSEL

- A. The vessels to carry ore under this contract shall be chartered and allocated by the Buyer to the Seller. The buyer shall obtain from sellers, MMTC Ltd., Visakhapatnam, fax – 0891-2562611/2561716, prior stem approval, giving name of the vessel, quantity to be loaded, lay days and expected time of arrival at port of loading, before definitely fixing the space. Upon receipt of such advice MMTC Limited, Visakhapatnam shall forthwith reply to the buyer by fax/mail as to whether seller undertakes to effect the proposed shipment or not.
- B. Loading rate: CQD basis.
- C. In case shore cranes have to be hired at Visakhapatnam port for loading, the expenses shall be borne by buyers / charterers.
- D. All other expenses required up to and including trimming (seaworthy) shall be to the sellers account.
- E. Any expenses required for loading outside the working hours shall be on account of the party ordering the same except for vessels crew members overtime and light and the free use of the gears and winches, which shall be to the account of Buyers.
- F. BL quantity shall be the quantity loaded which shall be determined as per Article 10.
- G. The release instructions for the bill of lading should be arranged by the buyers immediately after completion of loading.

ARTICLE 17: MODE OF PAYMENT

The buyer shall establish from a first class international bank (acceptable to MMTC) an irrevocable and without recourse to the drawer workable letter of credit payable at sight to cover 100% value of the cargo with tolerance for quantity and value as per contract . Letter of credit shall be in favour of the sellers/beneficiaries (MMTC Limited, MMTC Bhawan, Port Area, Visakhapatnam: 530035 Andhra Pradesh, India) and shall remain valid for minimum 45 days after latest date of shipment. The said letter of credit shall be established within 10 calendar days from the date of issuance of signed sale contract by MMTC to the buyer. The LC

shall be advised through Bank of India, Visakhapatnam Main Branch, 47-10-23/4 & 5, 1st floor, Isnar Khazana, Lane no.2, Dwarakanagar, Visakhapatnam, Andhra Pradesh-530016, India, SWIFT: BKIDINBBVIP. The opening bank shall also add that the telex/swift is operating instrument and no further confirmation is required. The LC shall allow negotiation of documents for 100% shipment value within 21 days after bill of lading date at the counter of LC negotiating bank. Notice of Readiness (NOR) shall be accepted only after receipt of workable LC through banking channels and completion of pre-shipment formalities with customs/port authorities. Pre-shipment documents shall be processed by MMTC only after receipt of workable LC and performance guarantee. The buyer shall nominate suitable vessel in such a manner so that seller shall get at least two clear working days (excluding the date of receipt of LC & PBG and date of NOR) prior to arrival of vessel at loading port for processing of pre shipment documents by the appropriate authority. LC shall provide for T.T. reimbursement within two working days upon receipt of claim from the negotiating bank. All bank charges outside India shall be to the buyers account. LC shall also provide for negotiations and acceptance of documents even with spelling, grammatical and other technical mistakes etc. for payment. LC instrument is subject to UCPDC600.

List of banks from where LC shall be acceptable to MMTC is attached.

ARTICLE 18: DOCUMENTS

Following documents will be made available to buyer through opening & negotiating bank after receipt of TT reimbursement:-

- i. Commercial Invoice as per Article 12 in four copies.
- ii Certificate of Quality at loading port as per Article 9 in triplicate.
- iii Certificate of Weight at loading port as per Article 10 in triplicate.
- iv. Full set of negotiable clean on board ocean Bill of Lading evidencing shipment.
- v. Certificate of origin of cargo to be endorsed/issued by Chamber of Commerce in India detailing loaded quantity, commodity, carrying vessel and exporter's name and address.

ARTICLE 19: NON-DELIVERY

Notwithstanding Article 7 herein above in the event of failure to effect or to take delivery as provided in this contract due to cause(s) for which the Seller or the Buyer is responsible, the other party shall have an option either to cancel the contract in respect of the undelivered quantity or accept or supply it in the manner to be mutually agreed upon. However, since the contract is on back to back basis, seller will not be liable for any claim for non-delivery.

ARTICLE 20: DEFAULT

In case of non-lifting of cargo within the delivery period, the seller shall have the right to invoke the bank guarantee submitted towards performance guarantee. In

addition, MMTC will have right to claim all losses, damages, expenses, etc. from buyers and any other appropriate action as deemed fit.

ARTICLE 21: FORCE MAJEURE

Either party shall be relieved of its obligations and responsibilities under this contract if the performance of this contract is wholly or partially prevented and/or delayed by act of God and any other cause or causes beyond the control of either party such as fires, floods, strikes, lockouts, riots or civil commotion, epidemics, war and acts of Government. etc. Either party shall promptly i.e. within 15 days give notice to the other party of any force majeure given even effecting its obligations under this contract supported by documentary evidence such as certificate of Chamber of Commerce or of any other competent authority connected with the cause. If such notice is given, the obligations and responsibilities of the party giving such notice as well as the corresponding obligations and responsibilities of the other party shall be relieved to the extent made necessary by and continuance of force majeure. If such condition continues for more than 90 days, this agreement shall be deemed to be inoperative and parties shall be relieved from the respective obligations.

ARTICLE 22: ARBITRATION

Any dispute or difference whatsoever arising between the parties out of or relating to the construction, meaning, scope, scope, operation or effect of this contract or the validity or the breach thereof shall be settled by arbitration in accordance with the Rules of Arbitration of the Indian Council of Arbitration and the award made in pursuance thereof shall be binding on the parties. The governing law shall be Indian Law and the venue of Arbitration shall be New Delhi.

ARTICLE 23: VALIDATION

The contract shall become valid as and when signed by duly authorized representatives of both the Sellers and the Buyers.

ARTICLE 24: SPECIAL CLAUSE

It is expressly understood and agreed by and between the Buyer and the Seller that MMTC is entering into this agreement solely on its own behalf and not on behalf of any other person or entity. In particular it is expressly understood and agreed that the Government of India is not a party to this agreement and has no liabilities, obligations or rights hereunder. It is expressly understood and agreed that MMTC is an independent legal entity with power and authority to enter into contract solely on its own behalf under the applicable laws of India and general principles of contract law. The Buyers expressly agreed, acknowledges and understands that MMTC is not an agent, representative or delegate of the Government of India. It is further understood and agreed that the Government of India is not and shall not be liable for any acts, omissions, commissions, breaches or other wrongs arising out of the contract. Accordingly Buyer, hereby expressly waives, releases and foregoes any and all actions or claims including cross claims, implored claims or counter claims against the Government of India arising out of this contract and covenant not to sue the Government of India as to any manner, claim, cause of action or thing whatsoever arising out of or under this agreement.

MMTC is entering into this contract on the basis of back to back supplies by M/s. S.K.Sarawagi & Co. Pvt. Ltd., 10-1-31, Signature Towers, Level 4, Waltair Uplands, Visakhapatnam-530 003 (A.P.), India. All responsibility of quality/quantity as well as performance of this contract is to the account of M/s. S.K.Sarawagi & Co. Pvt. Ltd. MMTC shall not be responsible for any claim/damages of buyer and / or vessel owner for any reason whatsoever including non-performance of the contract by M/s.S.K.Sarawagi & Co. Pvt. Ltd., Visakhapatnam.

ARTICLE 25: LOSS OF CARGO

In the event of total / or partial loss of cargo, the analysis and the weight as determined at the loading port shall be treated as final and shall be used for final invoicing and payment.

ARTICLE 26: OTHERS

Any change or modification in the terms and conditions of this contract shall become effective only when confirmed by both the Seller and the Buyer in writing.

In witness whereof this contract is made in duplicate, the Seller and the Buyer having signed them on this _____ **2015** are retaining one (1) copy each.

BUYER
FOR AND ON BEHALF OF

SELLER
FOR AND ON BEHALF OF

APPENDIX- V

PERFORMANCE BANK GUARANTEE PROFORMA

Bank Guarantee No. _____ dated _____

(On a stamp paper of applicable amount to be executed by a Delhi / NCR Branch of a Scheduled Bank other than Gramin Bank or Cooperative Bank)

To
M/s MMTC Limited
Core 1, SCOPE Complex
7 Institutional Area
Lodi Road
New Delhi 110003 (INDIA)

Dear Sirs,

- 1) WHEREAS, MMTC Limited, having its registered office at Core-1, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi -110 003 India and one of its office at _____ (hereinafter called "the MMTC) have entered into Contract No. _____ dated _____ (hereinafter called 'the CONTRACT') for _____ with _____ M/s. _____ (name) address _____, (hereinafter called the 'XX')
- 2) AND WHEREAS the 'XX' under the CONTRACT is required to furnish a security for the performance of the CONTRACT and MMTC has agreed to accept the Bank Guarantee in lieu of security deposit of the said sum of US Dollars _____.
- 3) AND WHEREAS at the request of the 'XX', we _____ Bank, _____ (address), hereby irrevocably and unconditionally guarantee and undertake to payment to the MMTC, immediately on demand up to and not exceeding the sum of US Dollars _____ payable by the 'XX' in the event of failing to perform any or all their obligations under the CONTRACT. The decision of the MMTC that the 'XX' has failed to perform all or any of its obligations under the CONTRACT shall be conclusive, final and binding on us.
- 4) We, _____ Bank, undertake to pay the amount demanded by the MMTC not exceeding the sum of US Dollars _____ only without any demur, delay, protest and without any reference or recourse to the 'XX' notwithstanding any dispute raised by 'XX' in any suit proceedings relating there to pending before any court or tribunal our liability under these presents being absolute and unequivocal. The payment shall be made to the MMTC across the Counter of the bank on the same day of receipt of invocation of this Performance Bank Guarantee.
- 5) NOTWITHSTANDING anything to the contrary contained hereinabove, liability under the Guarantee is restricted to US Dollars _____. Our Guarantee shall remain in force until 30.04. 2015.
- 6) All your rights under the Guarantee shall be forfeited and we shall be relieved and discharged from all liability there under unless a claim under the Guarantee is made on our Bank in writing on or before 30.04.2015.
- 7) Your Letter of Demand in writing may be presented to the Bank by Registered Post or in person and the same shall be binding on us.
- 8) This guarantee comes into force forthwith.
- 9) We further agree that MMTC shall have the fullest liberty without our consent and without effecting in any manner, our obligations hereunder to vary any of the terms and conditions of the delivery or extend time of performance by the said "XX" from time to time or to postpone for any time or from time to time,

any of the powers exercisable by MMTC against the said "XX" and to forbear or enforce any part of the terms and conditions relating to the said CONTRACT and we shall not be relieved from our liability by reason of any such variation or extension being granted to the said M/s 'XX'.

- 10) The liability of the Bank under this Guarantee shall be discharged on receipt of US Dollars _____ only by MMTC.
- 11) We _____ (Bank) lastly undertake not to revoke this guarantee during its currency except with the previous consent of MMTC Limited in writing.
- 12) This guarantee will not be discharged due to change in the constitution of the Bank or the said 'XX'.
- 13) We have the power to issue this Guarantee in your favour under the Charter of our Bank and the undersigned have full power to execute this Guarantee under the Power of Attorney granted to us by the Bank.

SIGNED AND DELIVERED THIS _____ DAY OF _____ 2015

Yours faithfully
For and on behalf of Bank
(Address)
(Banker's Seal)

LIST OF BANKS FROM WHERE LCS WILL BE ACCEPTABLE TO MMTC

- A LCs from foreign branches of Indian Nationalized Banks
- B MMTC would be accepting overseas LCs from **any branch** of following banks:
- 1 Australia and New Zealand Banking Group Ltd
 - 2 DBS Bank Limited
 - 3 Royal Bank of Scotland
 - 4 Bank of Tokyo
 - 5 Standard Chartered Bank
 - 6 HSBC
 - 7 BN Paribas
 - 8 Nova Scotia
- B In addition to above 8 banks, LC from any branch of top 50 banks ranked by Bankersalmanac.com are also acceptable to MMTC. Following 50 banks are ranked in top 50 banks by Bankersalmanac.com
- 1 Deutsche Bank AG , Frankfurt am Main , Germany
 - 2 BNP Paribas SA , Paris , France
 - 3 Industrial & Commercial Bank of China Limited , Beijing , China
 - 4 Crédit Agricole SA , Montrouge , France
 - 5 Barclays Bank PLC , London , UK
 - 6 JAPAN POST BANK Co Ltd , Tokyo , Japan
 - 7 China Construction Bank Corporation , Beijing , China
 - 8 Agricultural Bank of China Limited , Beijing , China
 - 9 The Royal Bank of Scotland plc , Edinburgh , UK
 - 10 Bank of China Limited , Beijing , China
 - 11 The Bank of Tokyo-Mitsubishi UFJ Ltd , Tokyo , Japan
 - 12 JPMorgan Chase Bank National Association , New York , USA
 - 13 Sumitomo Mitsui Banking Corporation , Tokyo , Japan
 - 14 Société Générale , Paris La Défense , France
 - 15 Banco Santander SA , Boadilla del Monte , Spain
 - 16 Lloyds TSB Bank plc , London , UK
 - 17 BPCE , Paris , France
 - 18 Bank of America NA , Charlotte , USA
 - 19 UBS AG , Zürich , Switzerland
 - 20 HSBC Bank plc , London , UK
 - 21 Citibank NA , New York , USA
 - 22 Wells Fargo Bank NA , San Francisco , USA
 - 23 UniCredit SpA , Milan , Italy
 - 24 ING Bank NV , Amsterdam , Netherlands
 - 25 Credit Suisse AG , Zürich , Switzerland
 - 26 Crédit Agricole Corporate and Investment Bank , Paris La Défense , France
 - 27 China Development Bank Corporation , Beijing , China
 - 28 Rabobank Nederland , Utrecht , Netherlands
 - 29 Mizuho Bank Ltd , Tokyo , Japan
 - 30 Mizuho Corporate Bank Ltd , Tokyo , Japan

- 31 Bank of Scotland plc , Edinburgh , UK
- 32 Nordea Bank AB (publ) , Stockholm , Sweden
- 33 Intesa Sanpaolo SpA , Milan , Italy
- 34 The Norinchukin Bank , Tokyo , Japan
- 35 Bank of Communications Co Ltd , Shanghai , China
- 36 Banco Bilbao Vizcaya Argentaria SA , Madrid , Spain
- 37 Commerzbank AG , Frankfurt am Main , Germany
- 38 The Toronto-Dominion Bank , Toronto , Canada
- 39 National Australia Bank Ltd , Melbourne , Australia
- 40 The Hongkong and Shanghai Banking Corporation Limited , Hong Kong , Hong Kong
- 41 Royal Bank of Canada , Montréal , Canada
- 42 Commonwealth Bank of Australia , Sydney , Australia
- 43 Westpac Banking Corporation , Sydney , Australia
- 44 Natixis , Paris , France
- 45 Credit Suisse International , London , UK
- 46 The Bank of Nova Scotia , Toronto , Canada
- 47 Australia and New Zealand Banking Group Limited, Docklands, Australia
- 48 Postal Savings Bank of China Co Ltd, Beijing, China
- 49 Kreditanstalt fur Wiederaufbau (KfW) , Frankfurt am Main , Germany
- 50 Standard Chartered PLC , London , UK