



A Govt. of India Enterprise
Touching Lives, adding value

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No: MMTC/CO/STEEL/EOI/STEEL BILLETS/2015-16/01

DT: 29.06.2015

Notice Inviting Expression of Interest (EOI) for Sale/Purchase of Concast Mild Steel Billets Manufactured by Neelachal Ispat Nigam Limited (NINL)

(1) INTRODUCTION:

MMTC Limited is a Govt. of India Enterprise, having its Corporate Office at Core-1, Scope Complex, Lodhi Road, New Delhi-110 003 (hereinafter called MMTC). MMTC Limited was set up in 1963 under the Ministry of Commerce, Government of India. The company is engaged in international and domestic trading of commodities/products. The commodities/products handled by the company are Minerals, Precious metals, Metals, Non-Ferrous metals, Steel, Power, Fertilizer & Fertilizer raw materials, Coal & Hydrocarbon, Agro commodities and General trade.

MMTC has a strong nation-wide presence with offices covering all the major consumption centers and port towns in India with deployment of over 1500 highly skilled and experienced manpower across the country. With the 'state of art' wide area network providing on-line information exchange throughout the country through ERP, the company has capability to pro-actively source items surplus to domestic demand for exports from India and also to co-ordinate the demand of domestic users for import.

Neelachal Ispat Nigam Limited (NINL), a company promoted by MMTC Limited, Industrial Promotion and Investment Corporation of Orissa limited (IPICOL) and other government agencies has set up an 1.1 million ton Integrated Iron & steel plant at Kalinga Nagar, Duburi, Dist-Jajpur, Orissa. Presently the main products are Pig Iron, Billets and LAM coke along with other by-products like Nut coke, Coke breeze, Crude Coal Tar, Ammonium sulphate and BFG Slag.

MMTC invites "Expression of Interest (EOI)" from reputed business groups / buyers with past experience engaged in steel Re-rolling, Ferro-alloy manufactures, Auto component manufacturing and Forging operations for sale of **STEEL BILLETS** manufactured by NINL. The period of MoU shall be for **One year** w.e.f the date of signing the MoU and thereafter as per the terms & conditions given hereunder.

(2) Establishment of MoU:

Interested customer/s found suitable will be required to sign MoU with MMTC for sale/purchase of a mutually agreed upon quantity of Steel Billets for the period of One year and thereafter w.e.f date of signing the MoU with option to extend the same further by mutual consent.

(3) **Security Deposit (SD):**

Customers entering into the MoU will be required to Deposit **Rs. 5, 00,000/-** (Five Lakhs) with MMTC as security in shape of CASH or BG in the MMTC approved format before/at the time of signing of the MoU. SD, so deposited shall be forfeited in case the customer fails to deposit payment or lift material or comply other terms and conditions of MoU signed. SD, which shall not bear any interest, shall be returned on successful lifting of entire agreed upon quantity of material.

(4) **Eligibility of Customers:**

The customers should be regular potential buyers/consumers/traders/consignment agent of Steel Billets with substantial capacity with valid requisite documents as required to enter into MoU and purchase of Steel Billets.

(5) **Quantity Offered:**

Customers interested have to lift at least **33,000 MTs (+/- 5%)** of Billets for the period of One year i.e. @ **2,750 MT (+/-5%) per month**. The customers to ensure that the MoU commitment is fulfilled every quarter. The Turnover discount shall be offered to the parties at the end of the year for lifting of the material as per the following slabs:

Achieving 60% of Annual Quantity	Achieving 80% of Annual Quantity	Achieving 100% or more of Annual Quantity
Rs. 100/- PMT	Rs. 150/- PMT	Rs. 200/- PMT

This would be in addition to any discounts offered in the sales prices declared by MMTC through Price Circulars from time to time.

MMTC reserves the right to change the quantities under MoU arrangement depending on plant production. MMTC shall have flexibility to compensate any shortfall in monthly quantity within the relevant quarter.

(5.1) **Concast Mild Steel Billets:**

Concast MS Billets is produced with fully automated Basic Oxygen Steelmaking shop and Continuous Casting facility at NINL Plant. The Billets are produced in Steel Melting Shop (SMS) with world class technology and it was provided by SMS Seimag, Germany. It is manufactured with different grades by adjusting the chemical Composition with various amounts of elements like Carbon, Manganese, Phosphorous, Sulphur, Chromium, Silicon and Oxygen etc., and by slight variations in the different stages of Steel making process.

NINL produces Steel Billets of Sizes 150 mm x 150 mm and 100 mm x 100 mm with 6-12 mtrs length. NINL accredited with BIS License as per IS 2830:2012 in July 2013 for Carbon Steel cast billets ingots, Billets, Blooms and slabs for re-rolling into steel for general structural purposes.

NINL steel billets will be catering to the need of rolling and re-rolling large and MSME industries having products like construction, automobile, engineering, forging and special grade steels. Billets are used to the manufacture of all long steel products such as bars, rods, pipes, tubes, wire & wire products, structural shapes, structural profiles, building beams, rails and columns. NINL is producing only carbon steel grades.

(5.2) Standard Chemical composition & Specifications of CC MS Billets is detailed below:

C-20 HMn-C grade conforming to IS 2830:2012, Carbon Steel Cast Billet for Re-Rolling into Steel for General Structural purposes.

Parameters	C (%)	Mn (%)	S (%)	P (%)	S+P (%)	CE (%)
Specification	0.18-0.22	0.90-1.20	0.40 Max	0.40 Max	0.075 Max	0.42 Max

Dimension: 150 mm x 150 mm and 100 mm x 100 mm / Tolerance: +/- 5 mm.

Size: 12 mtr length and 6 mtr length / Tolerance: +/- 0.20 mtr.

Besides above, NINL can also supply Billets as per the specific requirements of the customers.

(6) Delivery:

By Road or Rail. In case of delivery through railway rakes invoicing shall be done on actual weight of the wagons. However, freight will be charged as per RR on tare basis of wagon.

(7) Quality:

The sale under MoU is offered on Ex-Plant basis and the test results, as determined by NINL lab shall be final and binding on the buyer.

(8) Weight/Weighment:

Billets will be dispatched as per actual Weighment at NINL weighbridge/s and as recorded in the e-printouts. In case NINL weighbridge is not available/out of order, RR weight will be taken as final in case of rake delivery.

(9) Sale Price:

Sale Price, to be the same as declared by MMTC through Price circulars prevailing on the day of actual delivery. All Terms and conditions of the Price Circulars to apply to the MOU customers also. Sale Price shall be Ex-NINL plant basis exclusive of excise duty, sales tax, freight and other statutory duties/taxes etc which shall be paid extra by the customers.

(10) Payment Terms:

Customers to make 100% advance payment along with applicable duties, taxes, cess and other statutory levies /charges at actuals as per terms & conditions of Price Circulars issued by MMTC. Cost of left-over/ minor / less than full regular carrier/vehicle load shall be refunded (or) adjusted against cost of following/next lot of supplies.

(11) Invoicing:

(11.1) For Sale in Odisha:

NINL will issue EXCISE INVOICE whereas TAX INVOICE shall be issued by MMTC. EXCISE INVOICE issued by NINL to be used by customer for MODVAT benefits. MMTC will not issue any EXCISE INVOICE. E-15 Declaration form to avail concessional Entry Tax rate to be prepared and issued in favour of /to NINL but to be submitted to MMTC.

(11.2) For Sale outside Odisha:

EXCISE-CUM-TAX INVOICE will be issued by NINL which is to be used for all purposes. MMTC will not issue any invoice. Form - C Declaration Form to be prepared and issued in favour of /to NINL but submitted to MMTC. Keeping submission of C-Form pending, security deposit (C-form SD) to be paid @ 6 % of assessable/basic value plus Excise Duty along with advance payment for the material. C-Form SD shall be released on receipt of C-Form for invoice value. The C-form should be complete and in-order in all respects. In case C-Form, as due, is not received within one month from last date of the supply quarter (quarter during which Billets was sold), sale made to the party shall be treated as LOCAL/VAT sale and C-Form SD shall be adjusted towards differential tax, penalty, penal interest etc., as may be applicable. Short-fall, if any, shall be recovered from the defaulted customer.

(12) Rail Freight:

For dispatch of Billets by Rake, Customer will pay Railway freight in advance to NINL. Railway freight shall be charged at actuals as charged by the railways.

(13) Detailed Terms and Conditions:

Detailed terms and conditions of the MoU and need based techno-commercial parameters shall be discussed, clarified and finalized during the process of establishment of the MoU.

(14) Submission of EOI and Place:

Interested customers may submit their "Expression of Interest" for Steel Billets, preferably in the annexed Format to:

Addnl. General Manager (Steel), MMTC Limited, 3rd floor, Core-1, Scope complex, 7, Institutional Area, Lodhi Road, New Delhi-110 003. Email Id: abhatnagar@mmtclimited.com Tele: 011-41083113, Mob: +91-9811866345.

"Expression of Interest" may be delivered personally or be sent by Courier/Registered Post/Speed Post/ Fax/E-Mail (Confirmatory hard copy by Courier).

(15) Date for Submission of Expression of Interest:

The Expression of Interest shall be submitted by the buyers within the period of one year from the date of issuance of EOI i.e. **upto 28.06.2016**. The EOI shall be accepted & executed on FIRST cum FIRST SERVE BASIS.

(16) Reservation of Rights:

MMTC reserves the right to enter into MoU with one or multiple no's of customers for any such quantity as it may deem proper keeping in view the production capacity and other relevant factors.

MMTC also reserves the right to cancel/withdraw this invitation or abandon/cancel the process of entering into MoU for sale of Billets without assigning any reason or notice, whatsoever or make any changes in the terms and conditions.

Mere submission of Expression of Interest (EOI) will not confer any right forward of MoU/contract/agreement. MMTC reserves the right to reject any or all the EOIs at its sole discretion without assigning any reason or notice.

(Ashok Bhatnagar)
Addnl. General Manager (Steel)
Tel: 011 - 41083113
Mob: 9811866345

EXPRESSION OF INTEREST TO PURCHASE BILLETS UNDER MoU

1	Name Of the Customer :		
2	Address :		
3	Contact Person/s :		
4	Telephone No :		
5	Mobile No :		
6	Fax No :		
7	E-mail Id :		
8	Type of Firm/ Unit :		
9	Brief details on the activity of the customer/profile: (may attach separate sheets if required)		
10	Month-wise quantity of Steel Billets interested to purchase under MOU during 2015-16 :	Month	
		C-20 HMn-C Grade	
		July 2015	_____MT
		August 2015	_____MT
		September 2015	_____MT
		October 2015	_____MT
		November 2015	_____MT
		December 2015	_____MT
		January 2016	_____MT
		February 2016	_____MT
		March 2016	_____MT
		April 2016	_____MT
		May 2016	_____MT
		June 2016	_____MT
	TOTAL	_____MT	
11	Any other information	<p>I/We accept the terms & conditions of EOI Invitation Notice dated 29.06.2015 and express our interest to enter into MOU with MMTC for sale/purchase of Steel Billets as indicated above .</p> <p>Date : _____ Place : _____</p> <p align="right">Signature: _____ Name : _____ Designation : _____</p> <p align="right">Seal : _____</p>	