



EXPRESSION OF INTEREST

Subject: Tender for sale of Rampura Agucha Mine Zinc Concentrate

Hindustan Zinc Limited invites the Bid from interested parties for the sale of Zinc Concentrate

TENDER NO: HZL/CONC/RAM/ZN 2016-17 Jan01 Dated: 30th January 2016

1. Quantity

Rampura Agucha Mine (RAM) Zinc Concentrate of -

- a. Approximately 10,000 - 20,000 DMT for scheduled shipment in February 2017
- b. Approximately 10,000 - 20,000 DMT for scheduled shipment in March 2017

The above quantities are subject to +/-10% shipping tolerance in Seller's option.

2. Quality

Zinc concentrate as produced at Rampura Agucha Mine (RAM), the indicative chemical analysis is as per Annexure 1

3. Shipment

Two parcels to be shipped:

Lot 1: 10,000 to 20,000 DMT (+/-10% in Seller's option) scheduled for shipment in February 2017.

Lot 2: 10,000 to 20,000 DMT (+/-10% in Seller's option) scheduled for shipment in March 2017.

Final shipment volumes +/-10% of each lot to be declared by Seller at the start of the month of scheduled shipment.

Each parcel of 10k DMT will be shipped in bulk, subject to suitable transport available for movement of cargo to load port and suitable vessel availability on part-shipment basis and receipt of payment as per clause 5.

4. Delivery

CIF Free Out MCP (Main Chinese Port), Incoterms 2010 and its subsequent amendments thereof. Discharge rate to be 3000 WMT PWWD SHEX UU ATUTC for MCP. NOR to be tendered to the owner's/ receiver's agents upon arrival at customary NOR tendering point WWWW by fax/ email during normal office hours.

Port of Discharge to be declared within 3 working days after conclusion of business. Main Chinese River Ports will be acceptable subject to vessel minimum requirements and port restrictions.

For reference Lianyungang & any port south of Lianyungang would be included for shipment without parity and would include the following Main Chinese Ports: BEIHAI, FUZHOU, FANGCHENG, HUANGPU, LIANYUNGANG, NANJING, NANTONG, NINGBO, QINZHOU, QUANZHOU, SHANGHAI, SHANTOU, SHENZHEN, WENZHOU, ZHANJIANG, XIAMEN.

Parity for ports north of Lianyungang, Main Korean Ports (“MKP”) or Main Japanese Ports (“MJP”) shall be discussed and mutually agreed at the time of conclusion of business.

Delivery to any other Port will be considered on parity basis and shall be subject to agreement by vessel owners and HZL. Buyer may request for delivery to another port and HZL shall discuss in good faith with the vessel owners and advise the applicable parity. Buyer shall accept the parity without any negotiation, else will have to declare a MCP from above list of ports.

5. Payment

Against Sight Letter of Credit.
LC to be established within 5 days after awarding the contract

Note:

A 10% pre-payment would be required at the start of the quotation period for each parcel.

10% Pre-payment:

- a. The Seller requires a 10% pre-payment at the start of the quotation period.
- b. Payment to be made against a pro-forma invoice as provided by the Seller;
- c. The pro-forma invoice will be based on best estimate load quantities and assays, and average LME prices of the month prior to start of QP.

First Provisional Payment

100% payment against LC, less any pre-payments, on presentation of the following documents at the counter of negotiating bank:

- a. 3/3 Bills of Lading
- b. Provisional Invoice issued by HZL based on LME CSP averaged over 10 LME days prior to the Bill of Lading date
- c. Provisional weight and assay certificate issued by HZL
- d. Insurance certificate

Second Provisional Payment

100% payment less the first provisional payment, basis latest available data to be paid upon completion of QP

Final Payment

Buyer/Seller to pay to the indebted party (less provisional payments) once all final details are known.

Value Exposure:

In case there is a value exposure due to fluctuation of LME prices by more than 10% of the payment made, Buyer shall arrange to enhance the LC Value within 3 days of receipt of such request from the Seller. Such value exposure shall be calculated on a moving 15 calendar days Avg. LME basis.

Conditions of LC:

Irrevocable and sight LC (110% of Proforma Invoice value) to be opened by a first class international bank acceptable to Seller.

- a. LC to be opened on provisional price basis LME CSP averaged over 10 LME days prior to the date of Proforma Invoice.
- b. First provisional payment to be made on LME CSP averaged over 10 LME days prior to the date of Bill of Lading
- c. LC to allow for confirmation at Seller's cost
- d. LC to allow for multiple negotiations
- e. LC to have TT reimbursement clause for payment within 2 working days
- f. All charges outside India to be borne by the Buyer.

6. Splitting limits

Zinc 0.30%

7. Weighing / Sampling / Moisture Determination

These operations shall be carried out at the port of loading i.e Kandla, India or Mundra, India in accordance with international practice under the supervision of a reputable inspection company to be appointed by the Seller.

Samples lots size shall be of about 500 WMT each.

Final weights to be determined by means of Draft Survey done at the time of Loading. The concentrate shall be weighed by draft survey, sampled and moisture determined at Load Port by seller/ supervision agency on behalf of seller at its own cost as per International Practice. Buyer has the right to be represented at his own expenses. The dry weight as determined at Load port shall be accepted as final for settlement.

8. Deductions

Treatment Charge:

Treatment Charges to be quoted in USD /DMT, preferably on a flat basis without scales, delivered CIF Free Out MCP or freight parity.

All fractions pro rata.

9. Penalties

No penalties shall apply

10. Quotational Period

Quotational Period shall be LME average MOSS (Month of Scheduled Shipment).

95% of the payable metal, using the declared tonnage in dry metric tonnes and advised zinc assays, will be hedged over the quotational period. The Seller will declare the payable metal for pricing purposes latest by the last working day prior to start of each quotational period.

The balance payable metal, over or under, shall be hedged on one week average once final details are known.

11. Payable Metals

Zinc:

The Zinc to be paid for each DMT of Zinc concentrate shipped hereunder shall be 87.5% (Eighty-seven and a half percent) of the full Zinc content, at a price equal to the daily official LME Settlement Quotation for SHG Zinc in US Dollars, as correctly published in the "London Metal Bulletin" and averaged over the applicable Quotational Period.

12. Assays

To be exchanged in the usual manner by crossing courier or e-mail exchange of password protected pdf files (Buyer and Seller certificates). Buyer to furnish assay results on the letterhead of a LME registered laboratory.

If required, umpire laboratory/laboratories to be used from the following list of LME registered laboratories:

ALS Inspection (Stewart Group Inspection and Analysis Ltd),
Caddick Road, Knowsley Business Park
Prescot L34 9HP, England

Or
Alfred H Knight
Eccleston Grange, Prescot Road
St.Helens, Merseyside
L34 9ER, England

Or
Laboratory Services International BV
Pittsburghstraat 9
3047 BL, Rotterdam
The Netherlands

Or
Alex Stewart (International) Corporation
Unit 2B Olympic Way
Sefton Business Park, Aintree, Liverpool
Merseyside, L30 1RD, England

Or another mutually accepted laboratory.

Annexure 1

RAMPURA AGUCHA MINE Zinc Concentrate – Indicative chemical specifications

Element	UOM	RANGE	
Zn	%	50.00	51.50
Pb	%	0.70	1.15
Ag	PPM	65	90
Cd	PPM	1400	1700
Cu	PPM	780	1200
Fe	%	8.00	9.00
Gr C	%	0.85	1.40
SiO ₂	%	2.70	4.00
Moisture	%	7.5	11.0

Sieve analysis : P80 will be in 35-45 microns

<<<<<<<<<< END OF DOCUMENT >>>>>>>>>>
