

Online Tendering
Of
SILVER & OTHER SILVER DERIVATIVES
For All Locations

Hindustan Zinc Limited

Tender Number -- HZL / Silver Commodity / 19-20 / 001

Auction Date – 15th Dec'19

Contact Details

Mr. Ajay Shanbhag	+91 8310596455	Ajay.shanbhag@vedanta.co.in
Capt. Abhinaya Sharma	+91 9001995980	Abhinaya.sharma@vedanta.co.in



Required Documentation

KYC Process	<p>To secure Participation, If the customer has not already been registered with HZL, they would have to do so by 10th December'19 to secure Participation.</p> <p>The following Documents are required to complete the KYC Process.</p> <ol style="list-style-type: none">1. Filled Excel Sheet attached herewith2. Your Company Name & Registered Address3. Sold to Address4. Ship to Address5. Company PAN No. (Mention on email and attach PAN Card copy)6. VAT TIN No. (Mention on email and attach certificate)7. CST Registration No.8. GST Detail (Mention on email and attach certificate)9. Scan copy of a cancelled cheque.10. Audited balance sheets of last 3 years.11. Tax returns of last 3 years12. Bullion Registration certificate of past 3 years (If any)
New Bidder Registration	<p>Bidders who have not yet registered to the Ariba Portal will be provided with the Customer Code, Bank Details, Login ID & Password to the portal by 11th December'19. They will have to complete the Registration Process on the portal by 12th December'19 to ensure Participation.</p>
Declaration	<p>Scanned copy of Signed Declaration duly filled, signed and stamped (as attached at the end of this document) has to reach HZL representatives as mentioned on the cover page over Email by 04:00 PM on 12th December'19 to secure participation.</p>



Contract Details

Contract Type	6 Month Long Term Contract
Contract Period	Jan – 2020 to Jun – 2020
Material Purity	99.9 Purity (LBMA Certified)
Ingot Size	30kg (+/- 2%) / 1kg (+/- 2%)
Pricing	<p>The benchmark prices will be (a) LBMA Settlement silver price of 99.9% as declared in Website www.LBMA.org.uk (or of any other globally recognized and accepted platform) and RBI rate as declared in www.fbil.org.in for conversion in INR of that particular day.</p> <p>The “final applicable price” for 99.9% grade will be as follows:</p> <p>(LBMA settlement + Premium in cents)*32.1507*(Exchange rate declared by RBI on www.fbil.org.in for the same day + 4 paisa) + extra trade margin will be linked with prevailing multiplication factor pricing (As applicable on the date of dispatch/invoicing), currently 12.875%.</p>
Monthly Supply Quantity Tolerance	The Quantity Tolerance will be +/- 2%
Contract Details	<p>Quantity: Every Buyer will have a range of Maximum & Minimum Monthly Quantity. Every Buyer will have to confirm the Quantity to be lifted in any particular month before 25th of the preceding month. If the quantity is not confirmed, the Minimum Order Quantity will be automatically considered.</p> <p>Premium: The premium will be fixed and the Material will be sold at the said premium irrespective of the Market Premium until the end of the contract.</p> <p>Pricing: The Scheduled Supply Quantity to be priced on unknown LBMA Fixing (settlement) basis and to be priced within Scheduled Delivery month. Whereas Buyer is also allowed to Price Scheduled Supply month’s quantity in the previous month (e.g. The quantity which will be delivered in April, can be Priced in March). Any un-priced quantity will be automatically priced on the basis of last LBMA working of the schedule supply month and Priced quantity cannot be cancelled by either party for delivery.</p>



	<p>Delivery price: Delivery will be on till date LBMA landed month average in INR or last known LBMA landed price in INR, whichever is higher or on final price if it is known at the time of delivery.</p> <p>Pricing Intimation: Buyer should have sent Pricing intimation to seller in writing within 15:15 IST during summer period (and within 16:15 IST during winter period of LBMA).</p> <p>Prior Month Pricing: In case buyer prices the quantity one month prior to the delivery month, necessary Roll-over charges as applicable will be charged on the Priced quantity.</p>
Security Deposit	<p>The buyer will maintain a refundable (non-Interest bearing) security deposit of 5% of the current value of Maximum Scheduled Supply quantity of Month (via RTGS or Bank Guarantee); with the seller. The Security deposit will be refunded only after completion of contractual period. This Security is towards Pricing and performance of the contract.</p> <p>In case LBMA landed price volatility is beyond +/- 3% of provisional price or LBMA price fixed by the Buyer (whichever is higher), then Seller has the right to call for margin amount equivalent to the differential value and Buyer is required to remit the margin amount (by RTGS or Bank Guarantee) within one working day after receipt of such written notice. Incase Buyer fails to remit the margin amount within the stipulated time; Seller has the right to cancel the contract and de-price the hedge position with any consequential loss to be recovered from the Buyer's Pricing Security deposit.</p>
Payment Term	100% Advance on the date of Delivery



Tender Details

Tender Open Date	4th December'19
Tender Closing Date	15th December'19
Tender Platform	
Auction Process	<p>The Bidder will have to input 2 details.</p> <p>1. Quantity The bidder will input the maximum Quantity which they are interested in procuring on a monthly basis for the said Contract Period (12 Months).</p> <p>The quantity should be a minimum of 180kgs & should not exceed 2000kgs for any month.</p> <p>For Bidding quantities more than 500kgs, the customer can lift 250kgs lower than the said quantity in any month which would be the Minimum Order Quantity. The customer can exercise the option only if the said 250kgs is not priced and the same is communicated by 25th of the preceding month.</p> <p>2. Premium The bidder will input the best premium which they would be willing to pay for a One Year Contract. The premium input here will remain constant for the entire contract period irrespective of Market Premiums. Once the premium is fixed, no premium relaxation is available irrespective of the Market Premium.</p> <p>The bidding has the option to price the Quantity one month prior to the delivery month. If the customers opts to utilize this pricing option, necessary roll-over charges will be applicable as communicated on the said date of pricing.</p>
Bidding Details	Once the Bidder bids for the quantity & Premium on the Auction portal, no changes will be accepted on the same.
Earnest Money Deposit	<p>Every Bidder will have to deposit Rs. 5L as Earnest Money Deposit to participate in the Auction Process.</p> <p>This is refundable after the Tendering is completed.</p>
Bidding Modalities	Quantity



- The Unit of Measurement is in Kilograms (kg)
- The quantities should be a multiple of 180kgs

Premium

- The Unit of Measurement is in Cents / troy ounce
- The premiums should not be in decimals.

Taxes & Duties

- GST will be extra at actuals as per applicable rules as on the date of invoicing.

Any dispute on quality of material and bid cancellation shall not be entertained at any point after the auction.

At any point of time, retracting from a bid would not be entertained and serious consequences would be levied ranging from penalty (EMD) to ban of up to 1 year according to managements direction.



General Terms & Conditions

1. The Company reserves the right to accept or reject the highest offer and all or any other offer without assigning any reason whatsoever.
2. Should the seller for any reasons refrain from concluding a contract with the successful bidder, the latter shall have no right to claim and damages in this connection
3. Description given above is in brief. Offers by the bidders will be deemed to have been made on the clear understanding that intending bidder / bidders have satisfied themselves fully with regard to the nature, condition, quality of goods during inspection or otherwise. No error, omission or mis-statement or mis-description whatsoever and howsoever made or published whether in advertisement or list or otherwise and no defects or faults in the goods shall invalidate the contract or be subject matter of any claim on the part of the bidder whether in compensation or otherwise howsoever nor will any such claim be entertained by the sellers.
4. If, after the date of execution of this Agreement, there is any Change in Law which results in a change in the rate of any Tax included in the Buyer's prices or rates or the introduction of a new Tax and such change results in an increase or decrease in the cost to the Buyer of performing this Agreement then the Parties shall agree to a revision in pricing to reflect such change provided that:
 - i. the Party requesting such revision shall promptly (and in any case prior to submission of the Buyer's final invoice under this Agreement) notify the other Party that such change in law has arisen; and
 - ii. the Party requesting such revision shall provide the other Party with documentary proof of such change in cost to reasonable satisfaction of the other Party; and
 - iii. the provisions of this Clause 1.4 shall not apply to changes in Personal Income tax or Corporate Income tax or to changes in non-Indian Taxes
5. Prior to commencing the services under this Agreement, the Buyer shall notify the Company whether or not it has Fixed Establishment in India. If the Buyer notifies the Company that it does not have Fixed Establishment in India, then, any Indian GST chargeable on the services provided by the Buyer under this Contract shall be paid by the Company directly to the relevant Government Authority.
6. The Seller shall not be liable in any respect whatsoever in connection with the use of the Commodity by the Buyer or end-user.



7. Seller and Buyer agree that upon conclusion of the Addendums, price mentioned shall remain fixed for the shipment and shall not be revised.

8. Right of Acceptance / Rejection of offer :

- a. The Seller also reserve the right to accept any bid on "Subject To Confirmation" and the Seller's final decision will be informed to the purchaser as mentioned above.
- b. The goods are sold subject to the reserve price fixed by the Seller. The Seller is not bound to accept the highest offer. The Seller reserves the right to reject any CONDITIONAL offers.

For and on behalf of HZL,


Authorized Signatory
Hindustan Zinc Limited

