

Inviting Expression of Interest (EOI) for Manufacturing of Aluminium Alloy Billets under Tolling Arrangement

Date: 23-03-2021

Vedanta Limited, a subsidiary of Vedanta Resources Limited, is the world's leading Oil & Gas and Metals company, and one of the largest producers of Oil & Gas, Zinc, Lead, Silver, Copper, Iron Ore, Steel, and Aluminium & Power across India, South Africa, Namibia, and Australia.

Vedanta's Aluminium & Power Business is India's largest primary aluminium producer having an installed smelting capacity of ~2.2 MTPA. at Jharsuguda, in Odisha. With its world class smelters, power plants and alumina refinery spread across India, the company fulfills its mission of spurring emerging applications of Aluminium as the 'Metal of the Future' for a greener tomorrow. It operates a 1.6 MTPA aluminium smelter and 3615 MW thermal power generation facility at Jharsuguda, in Odisha.

As Vedanta strives to fulfill the needs of the country in all things aluminium, we are pleased to invite business partners with established facilities to manufacture 5” and / or 6” billets under tolling arrangement with us.

We are looking for partners across India with:

- Quality assessment facility to analyze quality of raw materials and finished goods entering and exiting the manufacturing premise
- Homogenization facility to treat the manufactured billets before dispatch

This is in line with Vedanta's long-term vision to expand its downstream and value-added product manufacturing capabilities, and bolsters the Govt. of India's initiative of 'Make in India' and 'Aatmanirbhar Bharat'.

1. Broad Scope of Work

- Vedanta shall provide the primary raw material i.e., 99.7% aluminium metal ingots or Aluminium billet extrusion scrap. Any additional raw materials/ consumables/ utilities required for production shall be procured by the selected partner.
- Usage / mixing of any other scrap material into Vedanta's final products shall be strictly prohibited.
- Partner shall ensure production of 5” and / or 6” of aluminium alloy billets in line with the agreed manufacturing process and quality requirements.
- Partner shall ensure branding, packing and labelling (any product watermarks) in line with Vedanta's requirements. Partner shall ensure marking Batch No. /Heat No. on Billets.
- Process input shall be transported and delivered to the partner's premises by Vedanta. Thereon, unloading of process input and loading of finished goods will be in the partner's scope of work.

- Partner shall ensure the availability of plant to process the input on an ongoing basis. Any plant shutdown should be planned and informed to Vedanta well in advance.
- Partner shall ensure storage & safe custody of materials as per Vedanta's SOP, and shall be accountable for any damage and stock pilferage of any material within their premise.
- Partner shall ensure adherence to Quality Assurance / Quality Check procedures prescribed by Vedanta. Vedanta may also appoint a 3rd party for QC checks.
- Partner shall ensure availability of production lines for process audits at any time.
- Partner shall ensure that their weighbridge facility and QC labs are calibrated as per the government requirements and as specified by the quality team of Vedanta. Partner shall ensure these common facilities are available round the clock for unobstructed inbound movement of raw materials inward and outbound movement of finished goods outward.
- Any statutory / licensing requirements for operating partner's facility / maintaining the Consent to Operate shall be in the partner's scope.
- Partner will maintain all the relevant documents (as per GST rules) required for defining the tolling process carried out at their facility.
- Partner shall establish a Process Control Laboratory in factory having adequate facilities to carry out testing / analysis as per Vedanta's standards. Partner shall maintain records in proper format to ascertain and ensure compliances.
- Partner shall follow all HSE guideline and Contractor Safety Management Standards of Vedanta.

2. Minimum Period of Engagement: To be mutually discussed and finalized

3. Production Capacity: Vedanta Ltd. anticipates production of around 20-30 KT billets of 5" and 6" sizes through this arrangement with primary focus on 5" billet size. More than one partner may also be identified to fulfill this capacity. Bidders may submit their quotes based on their capability along with production capacity.

4. Packing/Labeling and Branding: The end products shall be labelled and branded as per Vedanta's brand requirements. Any content provided for such packing/labelling and branding shall be considered Vedanta's intellectual property and will comply to the terms of Intellectual Property & Copyright clause specified by Vedanta in the final contract.

5. Selling & Distribution Rights: Selling and distribution rights of billets manufactured through this arrangement shall solely rest with Vedanta Ltd. Tolling partner shall have no right to claim or disclose the origin of such billets to the external parties.

6. Selection Process

- Submission of EOI along with the required documents by 7th April 2021
- Signing of Non-Disclosure Agreement for business critical, confidential, copyright information shared between the parties

- Technical Qualification: A technical assessment shall be carried out for all interested parties. This may involve an on-site technical feasibility study of the production facility of interested parties
- Request for Proposal: Post technical qualification, the selected participants shall be issued a request for proposal seeking final commercial offers
- Final selection: The commercial offers received shall be assessed by Vedanta and contract shall be awarded to the final selected bidder

7. Documents to be submitted along with EOI:

- Approach note with details on business proposal, size-wise billet production capability, existing facilities at premises including number of weighbridges, labs, homogenization facility, plans for facility ramp up within next 6 months (if any) etc.
- Quotes for tolling charge with detailed break-up of costing:
 - Quote 1: Using aluminium ingots as raw material
 - Quote 2: Using aluminium billet extrusion scrap as raw material
- Relevant documents establishing the 'Consent to Operate' for bidders offering their production unit, along with environment clearance certificate
- Financial statements for last 3 years duly audited by certified agencies
- Details of size wise billet production in last 3 years, including capacity utilization and brief on production process
- Any experience / acknowledgement certificates from reputed customers
- GST registration certificates
- Shareholding pattern of the firm including name and contact details of key promoters

8. Submission of EOI

Interested parties are requested to submit their EOI in electronic format to:

Designation: Chief Commercial Officer
 Email address: eoivedljsg@vedanta.co.in

Last date of submission: **7th April, 2021**

Annexure1: Represent Chemical and Physical Specification

Spec	Fe	Si	Mn	Mg	Cu	Cr	Ti	Zn	Others Each	Others Total
AA 6063	0.35 max	0.20-0.60	0.10 max	0.45-0.90	0.10 max	0.10 max	0.10 max	0.10 max	0.05 max	0.15 max
Most preferred	0.15-0.19	0.41-0.45	0.03 max	0.47-0.51	0.02 max	0.02 max	0.02 max	0.02 max	0.03 max	0.10 max

*Any other chemical specification than the above will be intimated at the start of the month by Vedanta team

during the course of execution of tolling partnership

The typical physical requirements are as follows:

1. Dimensions and Tolerances

- a. Length – 5800 +/- 10mm
- b. Diameter tolerance of +/- 0.5%
- c. Bow tolerance 2 mm per 1000 mm, 10 mm max over log length
- d. Extrusion billet is normally supplied with sawn ends. The maximum allowable deviation from square for each 100mm (4in) of diameter is 1mm (0.04in) or approximately 0036’.

2. Physical requirements

- a. All Billets are subject to ultrasonic testing for freedom from centerline cracks and porosity.
- b. Surfaces shall be free from dirt and grit, oil, grease, and corrosion products
- c. Mechanical damages / handling damages shall not be greater than 2 mm in depth, 5 mm in width and 250 mm in lengths on the surface of the billets.
- d. Spacers Marks - 2mm max in depth, 60mm max in width, 100mm max in length.

3. Packing

- a. The bundle packing is done by fumigated wooden runners strapped with plastic straps, 4 wooden runners with 90 mm height is being used for packing.
- b. We are in compliance with ISPM-15 requirements.
