

<p>ಕೆಐಒಸಿಎಲ್ ಲಿಮಿಟೆಡ್ (ಭಾರತ ಸರ್ಕಾರದ ಉದ್ಯಮ) ಎರಡನೇ ಹಂತ, ಕೋರಮಂಗಲ, ಸರ್ಜಾಪುರ ರೋಡ್, ಬೆಂಗಳೂರು- ೫೬೦ ೦೩೪ ಖರೀದಿಯ ಇಲಾಖೆ ದೂರವಾಣಿ: ೦೮೦-೨೫೫೩೧೪೬೧-೭೦ ಇ ಮೇಲ್: bpurchase@kioclltd.com ಫ್ಯಾಕ್ಸ್: ೦೮೦- ೨೫೫೩೨೧೫೩/೨೫೬೩೦೯೮೪ ವೆಬ್ ಸೈಟ್: www.kioclltd.in</p>	<p>केअइओसीएल लिमिटेड (भारत सरकार का एक उद्यम) II ब्लॉक कोरामंगला, सरजापुर रोड बैंगलूर-560 034 क्रय विभाग टेलिफोन: ०८०- २५५३१४६१ - ७० ईमैल: bpurchase@kioclltd.com फेक्स: ०८०-२५५३२१५३/२५६३०९८४ वेबसाइट: www.kioclltd.in</p>	<p>KIOCL LIMITED (A Government of India Enterprise) II Block, Koaramangala, Sarjapura Road Bangalore – 560 034 <u>PURCHASE</u> <u>DEPARTMENT</u> Telephone: 080 – 25531461 to 70 Email: bpurchase@kioclltd.com Fax: 080 - 25532153/25630984 Website: www.kioclltd.in</p>	 <p>KUDREMUKH ಐಎಸ್ಒ 9001, 14001 ಮತ್ತು ಓಹೆಸ್ಎಸ್ 18001 ಸಂಸ್ಥೆ ಅಝೆ ಎಸ್ ಆಂ 9001, 14001 ತಥಾ ಆಂಇಇಇಇಇಇ 18001 ಕಂಪನಿ ISO 9001, 14001 & OHSAS 18001 COMPANY</p>
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NOTICE INVITING TENDER (E-PROCUREMENT MODE ONLY)

KIOCL Limited invites online bids (SRM e-tender) from registered agencies on KIOCL e-tendering website

<https://sap.kioclltd.in:44302/irj/portal>

for the supply of Iron Ore Concentrate-Hematite from Offshore sources and the purchase of Pellets produced by KIOCL from the supplied Iron Ore concentrate in DMT for export.

<p>No. KIOCL/MTLS/P&S(Off-Shore)/24-25/02 Dated: 07/11/2024</p>	<p>DUE ON: 04/12/2024 AT 14:00 Hrs.</p>
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For any queries, please contact the following officers:

Mr.C Sivakumar
General Manager (Materials)
Mobile: +91 9980699556
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Mr.Govinda B
Senior Manager (Purchase)
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Subsequent amendments, if any, shall be posted only on the <https://sap.kioclltd.in:44302/irj/portal>, the KIOCL Company website i.e., www.kioclltd.in, and CPP Portal hence Bidders are advised to visit the above websites regularly.

Online bids are invited from reputed Iron ore Suppliers, i.e., Mine Owners/Traders/Stockists for the supply of 10,00,000 DMT ± 10% Iron ore Concentrate-Hematite **on CIF New Mangalore Port Authority (NMPA) basis** as per the details given here under. **The suppliers who are willing to purchase Pellets* produced by KIOCL from the supplied Iron Ore Concentrate in DMT for export only need to submit their quotations.** A specimen copy of the Pellet Sale Contract is attached to the tender. Tender will be evaluated based on the differential value of the offer price received for purchase of Pellets and offer price received for the supply of Iron ore

Concentrate-Hematite. The highest differential bid received will be awarded with the Contract for supply of Iron ore Concentrate -Hematite as well as contract for sale and purchase of iron ore pellets.

* **Purchase of Pellets:** The purchase of Pellets refers to the net quantity of Pellets produced by KIOCL from the supplied Iron Ore Concentrate after accounting for KIOCL's handling and processing loss (Please refer Clause No.15 of ANNEXURE-3).

Part Quantity: The bidders can submit their bids for part quantity also. The minimum part quantity shall be of 2,50,000 DMT. (Refer Clause No:18 of ANNEXURE-3 of Purchaser's Commercial Terms & conditions)

Important Note:

As KIOCL is an Export Oriented Unit (EOU) and has to fulfil Export Obligations, the successful bidder has to export the Pellets produced by KIOCL

The bidders shall submit their bids as detailed at clause-1, submission of tender documents.

1. Submission of Tender Document(s) for supply of Iron ore Concentrate:

Bidder shall submit the Bid complete in all respects conforming to indicative Specification, Commercial Terms & Conditions, and General Conditions for Offshore Supply [KIOCL-P/2](#) along with the Annexures 1 to 11 as mentioned below

- (a) Checklist for submission of bid: Annexure - 1
- (b) Indicative specification of Iron Ore Concentrate: Annexure-2
- (c) Purchaser's Commercial Terms & Conditions including General Conditions for Off-Shore Supply KIOCL - P/2: Annexure-3
- (d) Copy of the Un- Priced Bid without indicating Price: Annexure- 4
- (e) Business Rule for e-forward auction: Annexure-5
- (f) Integrity Pact between KIOCL and the Bidder: Annexure-6
- (g) Format of Bank Guarantee for Security Deposit: Annexure-7
- (h) KIOCL RTGS details: Annexure-8
- (i) KIOCL format for Bidder's Company Profile: Annexure-9
- (j) Terms & conditions for delivery of material on CIF, NMPA, basis: Annexure-10
- (k) Specimen Contract for Sale & Purchase of Iron Ore Pellets: Annexure-11

The above annexures are to be duly signed and sealed on all the pages as acceptance by the bidder and are to be submitted as part of a techno-commercial bid.

Note: The format for the Bank Guarantee & Integrity Pact Agreement copy can be downloaded from the following links:

- 1) Bank Guarantee: <https://kioclltd.in/assets/uploads/320236143.pdf>
- 2) Integrity Pact: <https://kioclltd.in/assets/uploads/18-integrity-pact-revised-dec-2019-2-.pdf>

2. TENDER OPENING:

Techno-Commercial Bid opening:

Techno-commercial Tenders submitted as above will be opened electronically at **15:00 hrs (IST) on 04/12/2024.**

If due date for opening of the tenders happens to be a Public holiday or a declared holiday for KIOCL Limited, the opening of tenders will be done on the next working day at the same time specified originally for opening.

3. FORMATS AND SIGNING OF BIDS:

All the bid documents and their contents shall be legibly filled up signed and seals affixed on all the pages by the Bidder or a person or persons duly authorized. The person or persons signing the bid shall sign on all pages of the bid as an indication of his /their acceptance of the tender terms & conditions. Any interlineations, erasures, or overwriting /corrections shall be valid only if the person or persons signing the bid attest to them.

4. The tender documents should not be altered/ tampered with by the bidders, and it can only be downloaded. The downloaded tender document should be affixed with seal and signature on all the pages and submit along with techno-commercial offer.

5. SPECIAL NOTE

- 5.1 Conditional bids shall be rejected without assigning any reasons thereof. In case of any deviations from the tender terms, the same shall be brought out clearly in a separate sheet by the bidders in their offer and the acceptance of such deviations from the tender terms is at KIOCL's discretion.
- 5.2 The bidder should read and understand clearly the tender terms, and general and special conditions before submission of documents and submission of bid.

- 5.3 The Bidder shall bear all the costs associated with the preparation and submission of its bid, and the Buyer shall not be responsible or liable for these costs, regardless of the conduct or outcome of the bidding process.
- 5.4 The bids cannot be withdrawn after the tender closing time.
- 5.5 If, on the check, it is found that there are discrepancies between the rates given by the bidder in words and figures, then the rates quoted in words shall be taken as correct.

Thanking you,

Yours faithfully,
for KOCL Limited,

(C Sivakumar)
GM (Materials)
Phone: +91 9980699556
Fax: (080)-25532153
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ANNEXURE-1

CHECK LIST FOR SUBMISSION OF BID.

1	Acceptance of indicative specification of Iron ore Concentrate – Hematite as per Annexure-2.	Acceptance Indicated Yes/ No
2	Acceptance to Purchaser's Commercial Terms & Conditions including General Conditions for Off-Shore Supply, KIOCL- P/2- Annexure-3.	Acceptance Indicated Yes/ No
3	Security Deposit.	Acceptance Indicated Yes/ No
4	Acceptance to Un-priced Bid (without price) (Annexure 4).	Acceptance Indicated Yes/ No
5	Acceptance to KIOCL's Business rules for e-forward auction as per Annexure-5.	Acceptance Indicated Yes/ No
6	Acceptance of Integrity Pact Agreement (Annexure-6).	Signed Copy attached Yes/ No
7	Acceptance of KIOCL's Evaluation of Tenders	Acceptance Indicated Yes/ No
8	Acceptance to furnish Country of Origin of Iron ore Concentrate –Hematite as per tender.	Acceptance Indicated Yes/ No
9	Acceptance to KIOCL format for Bidder's Company Profile as per Annexure-9.	Details furnished. Yes/ No
10	Acceptance to terms & conditions for delivery of material on CIF, NMPA, basis, as per Annexure-10.	Acceptance Indicated Yes/ No
11	Acceptance to purchase of Pellets produced by KIOCL from the supplied IOC, as per Pellet Sale contract placed at Annexure-11.	Acceptance Indicated Yes/ No

Note: Duly filled in check list to be submitted along with Techno-Commercial offer.

ANNEXURE-2

INDICATIVE SPECIFICATIONS OF IRON ORE CONCENTRATE-HAEMATITE

1. Chemical:

CONSTITUENT	Guaranteed Specification	Limiting value (%)
Fe	63.50 % min	Min. 62.00
ALUMINA (Al ₂ O ₃)	2.00 % max	Up to 3.00
SILICA (SiO ₂)	4.50 % max	Up to 5.00
PHOSPHOROUS (P)	0.04 % max	Up to 0.045
SULPHUR (S)	0.03 % max	Up to 0.04
TITANIUM OXIDE (TiO ₂)	0.10 % max	Up to 0.15
ARSENIC (As)	0.008 % max	Up to 0.01
OTHER CONSTITUENTS	0.18 % max	Up to 0.20
LOSS ON IGNITION (COMBINED WATER)	2.00 % max	Up to 4.00
MOISTURE	9 – 10%	

2. Physical (Limiting values):

+ 100 MESH	5 % max
-325 MESH	60 to 70 %
BLAINE NUMBER	1400 - 1800 Sq. cm/gm.

Note:

Please note that KIOCL will be selling Pellets produced at its Pellet Plant in Mangalore. There will be a drop in the Fe Content when handling and processing the Hematite Iron ore Concentrate for making Pellets. Bidders should note the same and ensure the supply of IOC with a higher Fe content if the Pellet Fe is required to be above 63.50%.

Indicative IOC Fe is 63.50%, however IOC with Fe less than 62.00% will be summarily rejected. For the supply of IOC with Fe content 62.00% and above, and LOI of 2.00%, the Fe% for the resultant IOP will be reduced by 0.20%.

There will be an increase of around 0.20% of Alumina content in the Pellets compared to Iron Ore Concentrate due to the addition of Bentonite and Limestone during Pellet making.

Confirmation by Bidder

We hereby agree to supply Iron ore Concentrate –Hematite of the above indicative specification.

Page 6 of 49

(Signature of the Bidder with Date & Seal)

ANNEXURE-3

COMMERCIAL TERMS AND CONDITIONS FOR PROCUREMENT OF IRON ORE CONCENTRATE- HAEMATITE BY KIOCL

1. **MATERIAL:** Iron ore Concentrate - Hematite.
2. **QUANTITY:** 10,00,000 DMT \pm 10% (20 Shipments of 50,000DMT \pm 10% per shipment without transshipment)

3. **PRICE:**

- (a) For the tender for supply of Iron ore Concentrate-Hematite, Bidders are requested to submit their Quotations in United States Dollars (US\$) currencies only on "**CIF New Mangalore Port Authority (NMPA), India**" basis, inclusive of all taxes, duties & statutory levies as applicable if any imposed outside the Buyer's country and freight up to NMPA, India excluding applicable GST.

For the tender for sale of Pellets, bidders are requested to submit their quotations in US\$ currencies only on Loaded onto Vessel, Spout trimmed, applicable taxes and duties extra basis.

- (b) The price quoted by the Bidder shall be firm during the Bidder's performance of the contract and shall not be subject to any escalation/variation on any account. A bid submitted with an adjustable/conditional Price Quotation will be treated as non-responsive and rejected.

4. **TAXES AND DUTIES:**

The Seller shall be entirely responsible for all taxes, stamp duties & statutory levies, License fees and other such levies imposed outside the Buyer's country excluding applicable GST.

5. **EXPORT LICENCE FOR SUPPLY OF IRON ORE CONCENTRATE:**

It shall be the responsibility of the Seller to obtain the requisite export License and comply with other relevant laws of his country to export the Materials and he shall keep the Buyer indemnified for any losses which may accrue the Buyer because of any defect therein.

6. LANGUAGE OF BID:

The Bid prepared by the Bidder and all correspondences and documents relating to the Bid exchanged by the Bidder and the Purchaser shall be in English Language only.

7. PAYING AUTHORITY:

CGM (F), KIOCL Limited, II Block, Koramangala, Bangalore-560 034 and/or his authorized representative.

8. CONSIGNEE:

DGM (Stores) KIOCL Limited, Pellet Plant, Mangalore - 575 010 and/or his authorized representative.

9. DELIVERY/TIME PERIOD FOR THE CONTRACT:

9.1 The period of the contract is for ONE Year. (Both the transactions, i.e., the supply of Iron Ore Concentrate-Hematite and the lifting of Iron Ore Pellets from the KIOCL Stock Yard, have to be completed within ONE Year).

The indicative delivery schedule for supply of Iron Ore Concentrate for the financial year shall be as below:

SI No	Month	Quantity (MT)
01	April	50,000
02	May	50,000
03	June	1,00,000
04	July	1,00,000
05	August	1,00,000
06	September	1,00,000
07	October	1,00,000
08	November	1,00,000
09	December	50,000
10	January	1,00,000
11	February	1,00,000
12	March	50,000
	Total	10,00,000

The delivery schedule is for 12 months, commencing in the month in which the order is placed and continues for the following months.

The exact delivery schedule will be provided to the successful bidder at the time of order placement. However, KIOCL may change the delivery schedule if required.

9.2 The successful bidder must ensure that the last shipment of Iron Ore Concentrate is made at least 30 days before the expiry of the purchase order's validity period.

9.3 For any delay in clearance at the port of destination i.e., New Mangalore Port Authority, Mangalore, India, on account of non-supply of shipping documents in time and/or due to submission of faulty documents or for any other reason not attributable to the Buyer, the Seller would be solely responsible for any demurrage, port rents etc.

9.4 TIME PERIOD FOR LIFTING OF PELLETS: The period of the contract for lifting each shipment of pellets will be a maximum of 15 days from the date of readiness of pellets cargo at the KIOCL pellet plant or a mutually acceptable period. The same lifting period will be applicable for subsequent shipments. Submission of Security Deposit for the subsequent shipments after the first shipment has to be ensured either by establishing a new BG/Standby LC or by extending the existing BG/Standby LC established for the first/previous shipment.

9.5 For supply of part quantity: The delivery period shall be based on the mutual agreement between KIOCL and the successful bidder.

10. PAYMENT:

10.1 KIOCL will open an irrevocable Letter of Credit for 100% value of the shipment on a "CIF NMPA, India" basis in favour of the beneficiary for the first shipment and extend the same for the succeeding shipments. The cost of opening the Letter of credit will be borne by KIOCL as a buyer of Iron ore Concentrate-Hematite. All Bank charges outside India to the account of the Beneficiary of the LC.

The payment will be released on a DMT basis only in two stages.

10.2 90% will be released against submission of the following original documents through our Bankers:

- a) 3/3 Negotiable Bills of Lading (Charter Party Bill of Lading acceptable)
- b) Signed provisional Invoice in Originals basis indicative moisture
- c) Load Port Draft Survey Report of the third-party surveyor.

- d) Certificate of Origin by Chamber of Commerce and Industry of the Country of Export. Certificate of Origin provided to the Buyer outside the LC is acceptable.
- e) Proof of shipment- a copy of Seller's e-mail advice of shipment to the Buyer.

10.3 Balance 10% amount due to the Successful Bidder based on actual moisture content will be released by KIOCL within 15 working days of submission of the following documents without any discrepancy through our Bankers:

- a) Final Signed invoice in 3 original and 3 copies for the balance amount based on Load Port analysis Certificate.
- b) Load Port Sampling and Analysis Report of third party.

11 INSPECTION, SAMPLING AND ANALYSIS AND DETERMINATION OF QUALITY:

AT LOAD PORT

The seller shall, at his own expense arrange to carry out Sampling and Analysis, at the Load Port in accordance with the relevant British Standard Specifications (BS specifications)/Specifications of the American Society for Testing and Materials (ASTM Specification)/Specifications of the International Organization for Standardization (ISO Specification), through an independent inspection agency at Load Port, acceptable to both the Seller and Buyer. The Seller should arrange for sampling whilst the product is ready to be loaded on the designated vessel at the Load Port.

The Load port analysis will be final for determining the quality of the material and for payment purposes.

12. DETERMINATION OF QUANTITY AND WEIGHT:

The quantity at the Load Port will be determined by the Seller, at his own cost, by means of a draft survey, which shall be conducted by the independent inspection agency (through approved marine surveyors) appointed by the Seller and acceptable to both the Seller and Buyer. The dry quantity shall be determined by deducting the free moisture (based on Load port analysis) from the Load port draft survey quantity. The weight thus determined shall be final for final invoicing.

13. SECURITY DEPOSIT (SD):

13.1 The bidder shall submit an undertaking that they shall purchase without any conditions, net quality of Pellets as per Annexure-11, produced by KIOCL from the supplied Iron Ore Concentrate (IOC) in DMT. To ensure the same, as a bonafide measure, the successful bidder will have to deposit as Security Deposit (SD) an amount equivalent to 50% value of the Pellets for the first shipment and extend the same for the succeeding shipments. **This amount will not bear any interest** and will be retained with KIOCL till the bidder completes the contractual requirement of lifting the complete quantity of Pellets produced by KIOCL from the supplied IOC. Security Deposit can also be furnished by way of RTGS/Demand Draft/Bank Guarantee/Stand-by Letter of Credit.

13.2 SD mentioned above is to be furnished before LC is opened by KIOCL for the supply of Iron ore Concentrate. Please note that at the time of lifting of Pellets, the opening of LC acceptable to KIOCL is necessary.

13.3 The Security Deposit furnished will be released without interest after the complete execution of the Pellet Sale Contracts for the entire quantity, after receipt of full payment for the Pellets, and after the contractor fulfils all contractual obligations. The Security Deposit will be forfeited in case the contractor does not fulfill the Contractual obligations.

13.4 Pellets are to be lifted within a maximum of 15 days from the date of readiness of the cargo at the KIOCL Pellet Plant, failing which SD furnished is liable to be forfeited, and penal clauses under SD will be exercised in favour of KIOCL. Under unavoidable circumstances, this period of a maximum of 15 days for the lifting of Pellets can be extended up to a further period on mutually agreeable terms. If the pellets are not lifted in this extended period also, the SD furnished will be forfeited, and the Pellets will be disposed of by KIOCL at its discretion, and the successful bidder will have no claim on this material.

13.5 The Demand Draft /Bank Guarantee mentioned should be issued by any Nationalized or Scheduled Bank, which **will not carry any interest**. The Bank Guarantee and Demand Draft issued by Co-operative and Gramin Banks will not be accepted. If a Bank Guarantee is submitted, it should be in the prescribed format. The bank guarantee shall remain valid until the pellets corresponding to the initial shipment are duly lifted by the buyer. The bank Guarantee will be considered null and void once the Pellet Invoice is settled under the LC and the funds received by KIOCL. Format for the [Bank Guarantee](https://kioclltd.in/assets/uploads/320236143.pdf) can be downloaded through the link <https://kioclltd.in/assets/uploads/320236143.pdf>.

13.6 In case the Successful Bidder desires to submit a Bank Guarantee from a Foreign Bank, the same should be confirmed by any of the Nationalized/Scheduled Banks in India. The charges towards confirmation will be to the bidder's account.

13.7 The conditions governing the security deposit for the initial shipment shall extend to subsequent shipments.

14. PRICE ADJUSTMENT AND PENALTY

i) LOI Penalty:

For Iron Ore Concentrate supplied with LOI above 2.00% and up to 2.50% i.e., for the half percent increase in LOI, the base price shall be decreased by ₹50/- per DMT fraction pro rata.

For LOI above 2.50% and up to 3.00% i.e., for the half percent increase in LOI, the base price shall be decreased by ₹100/- per DMT fraction pro rata.

For LOI above 3.00% and up to 3.50% i.e., for the half percent increase in LOI, the base price shall be decreased by ₹150/- per DMT fraction pro rata.

For LOI above 3.50% and up to 4.00% i.e., for the half percent increase in LOI, the base price shall be decreased by ₹200/- per DMT fraction pro rata.

It is to be ensured that under any circumstances, Iron ore Concentrate shall not be supplied with LOI beyond 4.00%.

ii) Alumina Penalty

a) For Alumina content above 2.00% and up to 2.50%: the base price shall be decreased by ₹100/-per DMT fraction pro rata.

b) For Alumina content above 2.50% and up to 3.00%: the base price shall be decreased by ₹200/-per DMT fraction pro rata.

The RBI exchange rate on the Techno-Commercial bid opening date will be considered for converting the above penalties into USD.

15. HANDLING AND PROCESSING LOSS

15.1 Please note that there will be a handling loss of 2% in the quantity of Iron Ore Concentrate at KIOCL Pellet Plant while handling for making Pellets.

15.2 There will be a processing loss in the quantity of Iron Ore Concentrate at KIOCL Pellet Plant while making Pellets as below:

1. LOI above 2.00% & up to 2.50% - process loss of 0.50%
2. LOI above 2.50% & up to 3.00% - process loss of 1.00%

3. LOI above 3.00% & up to 3.50% - process loss of 1.50%
4. LOI above 3.50% & up to 4.00% - process loss of 2.00%

A sample calculation considering a handling loss of 2% and processing loss of 2% is as below:

If a bidder supplies 50,000 MT of Iron Ore Concentrate:

- The handling plus processing loss borne by KIOCL is 4% of 50,000 MT, which is 2,000 MT.
- The net Iron Ore Concentrate considered for pellet production is 48,000 MT.
- The supplier has to purchase 48,000 MT of pellets produced from the 50,000 MT of Iron Ore Concentrate.

The bidders are requested to consider this loss to be incurred by KIOCL and accordingly furnish their quote so as to compensate KIOCL suitably.

16. PRE-QUALIFICATION / ELIGIBILITY CRITERIA:

The bidder shall be an established Mine Owner/Trader/Stockist in the supply of any bulk cargo and to this effect submit documentary evidence as below:

i) **Annual Turnover:** The bidder should have an annual turnover of not less than USD 33240000 or in any other equivalent currency in any one of the last three Financial Years, i.e. 2021-22, 2022-23, and 2023-24. Copies of the audited Annual reports to be submitted as documentary proof.

ii) **Past Performance:** The bidder should have handled/supplied/traded any bulk cargo for 40% of the bid quantity in at least one of the last five financial years before the bid opening date. Copies of the Work Completion Certificate or B/L copies proving that the material have been supplied against the contract to be submitted as documentary proof.

Note: The above requirement of annual turnover and past performance are for the entire tender quantity of 10,00,000 DMT. However, for part quantity offers, the turnover and past performance shall be considered on a pro-rata basis.

17. EVALUATION OF TENDERS:

Quotes will be sought for supply of Iron ore Concentrate to be delivered at New Mangalore Port on CIF NMPA basis, inclusive of all taxes, duties & statutory levies as applicable and freight up to NMPA, India and exclusive of GST as applicable, as well as for purchase of Pellets on "FOB ST, New Mangalore port Authority" basis as per Annexure-4, i.e., Un-Price Bid. The suppliers who are

willing to purchase pellets as per Annexure-11, produced by KIOCL in DMT only need to submit their quotations. Pellet Sale Contract is attached to the tender. Tender will be evaluated based on the differential value of the offer price received for purchase of Pellets and offer price received for the supply of Iron ore Concentrate. The highest differential bid received will be awarded with the Contract for supply of Iron ore Concentrate –Hematite as well as contract for Sale and Purchase of Iron Ore Pellets.

18. ORDER FOR PART QUANTITY:

a) KIOCL reserves the right to accept the bids for part quantity of the tendered quantity and the bidder shall confirm acceptance to part quantity at the price quoted for the tendered quantity.

b) The minimum part quantity shall be 2,50,000 DMT.

19. OPTION CLAUSE:

KIOCL reserves the right to increase/decrease the ordered quantity up to 25 per cent at any time, till final delivery date (or the extended delivery date of the contract), by giving reasonable notice even though the quantity ordered initially has been supplied in full before the last date of the delivery period (or the extended delivery period).

If the purchase order quantity is 2,50,000 DMT, then KIOCL reserves the right to increase the ordered quantity up to 25 per cent at any time, till final delivery date (or the extended delivery date of the contract), by giving reasonable notice even though the quantity ordered initially has been supplied in full before the last date of the delivery period (or the extended delivery period).

20. MODIFICATION:

Bidder shall not be allowed to modify their tenders after submission. If the tendering firm, after submitting tender, rescinds from its offer, the tender is liable for rejection.

Any change, modification or any addition to the terms and conditions of this Contract shall become effective only when confirmed by both the Seller and Buyer in writing.

21. CLARIFICATIONS ON TECHNO-COMMERCIAL BIDS:

KIOCL reserves the right to seek clarifications on the Techno-Commercial bids from any or all the bidders before opening the price bids. However, such clarification(s)/ confirmation(s) sought shall not permit the bidder to revise the price bids submitted. The request for clarification and the response shall be in writing and no change in the price or substance of the Bid shall be sought, offered or permitted.

- 22.** KIOCL reserves the right to accept or reject any or all of the tenders (Cancellation of Tendering Process), if need arises, at its discretion without assigning any reasons thereof. KIOCL also reserves the right to reject any or of all of the tenders in case bidders are not furnished the requisite details/documents as specified in the tender and in this regard, no further communication will be sent to bidders.

23. PARALLEL CONTRACT:

KIOCL reserves the right to enter into parallel contract for procurement of Iron ore Concentrate–Hematite during the currency of the contract.

24. SPLITTING OF QUANTITY (PROCUREMENT FROM MULTIPLE BIDDERS):

- a) KIOCL reserves the right to split the tendered quantity and place Order on more than one tenderer subject to the following even if H-1 party has offered full tender quantity within the scope of work. Splitting of order quantity would be at the discretion of KIOCL.
- b) The other tenderers who are ranked H-2, H-3,.. will be asked to match the price of H-1 for consideration for placement of split order quantities.
- c) The distribution ratio for split order, in case it is decided, will be as follows:
Splitting of order quantity would be considered between two parties in the ratio 70:30, even if more than two qualified bidders have quoted for this tender.

25. VALIDITY:

The offer to be kept valid for **45 days** from the date of opening of the techno-commercial tenders. Tenders with inadequate validity will be rejected.

26. JURISDICTION OF COURTS:

Since the contract is executed at Bangalore, the courts at Bangalore will have jurisdiction on any dispute for adjudication arising out of the contract/agreement.

If any disputes or differences arising out of the subject contract finalised against the subject tender shall be decided only by the Courts or Tribunals situated in Bangalore city irrespective of place of signing agreement. No suit or other legal proceedings shall be instituted elsewhere.

27. FORCE MAJEURE:

The successful bidder will not be liable for the delay in transporting the Iron Ore for reasons of "Force Majeure" such as acts of God, acts of public enemy, acts of Government, fires, floods, strikes, lockouts etc.

The successful bidder shall within 10 days from the day of resulting such delay, notify to the KIOCL in writing the cause of delay. The KIOCL shall verify and grant such extension of time as the facts may justify.

No price variation shall be allowed during the period of force majeure and penalty would not be levied for this period.

28. INSURANCE:

Insurance will be covered by the Seller of Iron Ore Concentrate. Immediately on shipment, the seller shall send Fax/e-mail message to General Manager (Materials) KIOCL, 2nd Block, Koramangala, Bangalore-560 034 INDIA. Fax No. 080-25630984, and Deputy General Manager (Stores), KIOCL, Panambur, Mangalore-575 010, Fax No.0824 - 2407422/2408224 furnishing the following details in your message:

- a) Name of the consignee: KIOCL Limited, Panambur, Mangalore, India.
- b) Name of the Vessel,
- c) Bill of Lading No. & date.
- d) Description of Cargo and quantity.
- e) CIF value.
- f) Port of shipment and Port of Discharge.
- g) Purchase Order Number and date.

29. FRAUD PREVENTION POLICY OF KIOCL

Everyone may take a note that a "Fraud Prevention Policy" is being followed at KIOCL, which provides a system for prevention, detection / reporting of any fraud. It also forbids everyone from involvement in any fraudulent activity and that where any fraudulent activity is suspected by anyone, the matter must be reported to the 'Nodal Officer' (Chief Vigilance Officer) as soon as he / she comes to know of any fraud or suspected fraud.

30. TERMINATION OF THE AGREEMENT

30.1 If the successful bidder/Company fails or neglects to observe or perform or commits or allows to be committed breach of any of the terms, conditions, provisions or stipulations of the Agreement on its part to be observed and performed and if such breach is remediable, fails to remedy the same within 30 days of notice by specifying such default and requiring such default to be remedied then KIOCL will be entitled to terminate the Agreement.

30.2 KIOCL reserves the right to terminate the Agreement without any liability in case the successful bidder/Company:

- i) fails to furnish the signed document within the stipulated period (as specified by the successful bidder/Company) after acceptance of the LOI/ PO.
- ii) Goes into liquidation.

31. LEGAL INTERPRETATIONS:

31.1 The Contract shall be Governed and interpreted in accordance with the laws in India. Any provision required to be included in a Contract of this type by any applicable and valid Law, Ordinance, Rule or Regulation shall be deemed to be incorporated herein.

31.2 To interpret all the commercial terms and abbreviations used herein which have not been otherwise defined, the rules of "INCOTERMS 2010" shall be applied.

32. INTEGRITY PACT:

All the tenderers shall execute an integrity pact agreement as per the enclosed Integrity Pact Agreement (Annexure-6). The Independent External Monitor (IEM) details are as below:

1) Shri. Paul Antony, IAS (Retd.)
No. 70, GCDA Road, Periyar Gardens,
Thottakattukara, Aluva,
Kerala – 683 108.
e-mail: paulantony@gmail.com

2) Ms.Saroj Punhani, IA &AS (Retd.)
A-11/23, Vasant Vihar
New Delhi – 110057
e-mail:Saroj_punhani@hotmail.com
punhani@cag.gov.in

33. LEGITIMACY OF SUPPLIES:

The supplier should ensure that iron ore emanates from legitimate sources and approved mines only. As such, no illegitimate or uncertified iron ore is to be supplied. To this effect documentary evidence in the form of Certificate of Origin by Chamber of Commerce and Industry of the country of Export is to be produced.

34. LIABILITY OF GOVERNMENT OF INDIA:

It is expressly understood and agreed by and between the Seller and the Buyer that the Seller 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 Govt. of India is not a party to this Agreement and has no liabilities, obligations or rights hereunder. It is expressly understood and agreed that the Buyer is an independent legal entity with power and authority to enter into contracts solely in its own behalf under the applicable laws of India and general principles of Contract Law. The Seller expressly agrees, acknowledges, and understands that the Buyer (Purchaser) is not an agent, representative or delegate of the Govt. of India. It is further understood and agreed that the Govt. of India is not and shall not be liable for any acts, omissions, commissions, breaches, or other wrongs arising out of the contract. Accordingly, the Seller hereby, expressly waives, releases, and foregoes any and all actions or claims, including cross claims, impleader claims or counter claims against the Govt. of India arising out of this contract and covenants not to sue the Govt. of India as to any manner, claim, cause of action or thing whatsoever arising of or under this agreement.

Please note that in case of supply of Iron ore Concentrate-Hematite, KIOCL will be the "Buyer (Purchaser) of Iron ore Concentrate, Hematite" and the successful bidder will be the "Seller of Iron ore Concentrate-Hematite". In case of sale of Pellets, KIOCL will be the "Seller of Pellets" and the Successful bidder will be the "Buyer (Purchaser) of Pellets".

- 35.** The Successful bidder has to ensure that the supplied material is free from contamination and does not contain foreign materials like Concrete Blocks, Metallic Particles, Wooden Blocks, Boulders, Pellets etc.

36. GENERAL CONDITIONS OF CONTRACT:

Bidder to confirm acceptance to our General Conditions of Contract for off-shore supplies, KIOCL- P/2. However, the terms and conditions as contained in this tender enquiry shall prevail over General Conditions of Contract wherever

applicable and to the extent applicable(The General Conditions of Contract-
[KIOCL- P/2](#))

I/We have read and understood the conditions of the tender as detailed and as a proof of my/ our acceptance of the same without any alterations and modifications I/We affix my/our signatures as follows:

Place:

Date:

ANNEXURE-4

No.....

Date:.....

UN-PRICED BID

UN-PRICED BID FORMAT BLANKING THE PRICE PORTION

(To be submitted along with the Techno-Commercial bid duly signed and seal affixed)

Name of the Bidder:.....

Material: Supply of quantity ofDMT \pm 10% of Iron ore Concentrate – Hematite of indicative specification as per Annexure-2 and purchase of Pellets of indicative Specification as per Annexure-11, produced by KIOCL in DMT.

Sl	Particulars	Price in USD per DMT	
		In Figures	In Words
A	Supply of quantity ofDMT \pm 10% of Iron ore Concentrate, basis indicative specification as per Annexure-2 without any transshipment on "CIF New Mangalore Port, India "basis, inclusive of all taxes, duties & statutory levies as applicable freight up to New Mangalore Port, India except applicable GST	This is an unpriced bid. Do not indicate the price.	This is an unpriced bid. Do not indicate the price.
B	Purchase ofDMT \pm 10% of Pellets basis indicative specification as per Annexure-11, produced by KIOCL in DMT as per (A) above on "FOB ST, New Mangalore port" basis, Quantity subject to max. draft permitted by NMPT.	This is an unpriced bid. Do not indicate the price.	This is an unpriced bid. Do not indicate the price.
C	Difference between the sale price of Pellets produced by KIOCL as per (B) above and the purchase price of IOC as per (A) above. → (B) – (A)	This is an unpriced bid. Do not indicate the price.	This is an unpriced bid. Do not indicate the price.

Confirmation by the Bidder.

- 1) The supply of Iron ore Concentrate–Hematite is on the "CIF New Mangalore Port, India "basis, inclusive of all taxes, duties & statutory levies as applicable, freight up to New Mangalore Port, India except applicable GST. The price quoted will remain firm throughout the period of the contract (till completion of supplies for the contractual quantity). GST on iron ore import as applicable is payable by KIOCL.
- 2) The supply of Pellets is on "FOB ST, New Mangalore port Authority" basis.
- 3) In the event of any inconsistency between the price quoted in figures and in words, the price quoted in words shall prevail and shall be binding.
- 4) Tender will be evaluated based on the differential value of the offer price received for purchase of Pellets and offer price received for the supply of Iron ore Concentrate. The highest differential bid received, if accepted by the First Party, will be awarded with the Contract for procurement of Iron ore Concentrate, as well as the contract for Sale and Purchase of Iron Ore Pellets.
- 5) It is to be noted here that the E-forward auction will be held only for the part "C" of the price bid above, i.e., for the differential price. The successful bidder should give the break-up price for Sl No "A" and "B" above while confirming the H-1 price discovered in the e-auction.

ANNEXURE –5

BUSINESS RULES FOR e-FORWARD AUCTION

GENERAL TERMS AND CONDITIONS

- 1) Against this Enquiry for the subject item with detailed scope of supply as per our specification, KIOCL Limited, hereinafter referred to as KIOCL, may resort to "FORWARD AUCTION PROCEDURE" i.e. e-FORWARD AUCTION on INTERNET.
- 2) For the proposed e-forward auction, technically and commercially acceptable bidders only shall be eligible to participate.
- 3) e-forward auction will be conducted on schedule date & time.
- 4) At the end of e-forward auction event, the highest bidder value will be known on the network.

BUSINESS RULE FOR FINALIZATION OF THE PROCUREMENT:

KIOCL shall finalize the procurement of the item against this tender through e-forward auction mode. Please go through the guidelines given below and submit your acceptance to the same along with your Techno-Commercial Bid.

The e-forward auction shall be conducted for the highest differential price received for the supply of Iron ore Concentrate and the offer price received for the purchase of Pellets obtained electronically through the SRM Portal. This highest differential price shall be the start bid price for the e-forward auction.

- 1) Computerized e-forward auction shall be conducted by KIOCL, on pre-specified date, while the vendors shall be quoting from their own offices/ place of their choice. Internet connectivity shall have to be ensured by vendors themselves. Failure of power at the premises of vendors during the Forward auction cannot be the cause for not participating in the forward auction. On account of this, the time for the auction cannot be extended by KIOCL nor responsible for such eventualities.
- 2) UNIT OF MEASUREMENT **in DMT** and BIDDING CURRENCY: **USD**
- 3) BID PRICE: **CIF NMPA basis** inclusive of all taxes, duties & statutory levies as applicable, freight up to New Mangalore Port, India except applicable GST.
- 4) VALIDITY OF BIDS: The Bid price shall be firm specified in the tender document and shall not be subjected to any change whatsoever.
- 5) **The detailed process for e-forward auction is explained below:**

The H1 start bid price is arrived by opening the electronic price bids submitted by all the techno-commercially accepted bidders.

The computer screen will display Start Bid Price and which shall be visible to the all vendors. You will be required to start bidding after announcement of Start Bid Price and increment amount. Also, please note that the start price in e-forward auction is open to all the participating bidders. Any bidder can start bidding, in the e-forward auction, from the start bid price itself. If the start bid price is your own price, you still need to bid in the e- forward auction. Also, please note that the first online bid that comes in the system during the e-forward auction should be higher than the auction's start bid price by one increment or should be higher than the auction's start bid price by multiples of increment and so on.

- a) e-Forward (no ties) Auction shall be for a period of one hour. If a bidder places a bid in the last 10 minutes of closing of the e-Forward Auction and if that bid gets accepted, then the auction's duration shall get extended automatically for 10 minutes, for the particular Event/Lot. Please note that the auto-extension will take place only if a bid comes in those last 10 minutes and if that bid gets accepted. If the bid does not get accepted, the auto-extension will not take place even if that bid might have come in the last 10 minutes. In case, there is no bid in the last 10 minutes of closing of e-Forward Auction, the auction shall get closed automatically without any extension. However, the bidders are advised not to wait till the last minute or last few seconds to enter their bid during the auto-extension period to avoid complications related with internet connectivity, network problems, system crash down, power failure, etc.
- b) The weightage factor (multiplication factor), bid increment amount shall be specified by KIOCL before start of online bidding. The bidder can bid higher than the start bid price in e-forward auction by a bid increment or multiple of Bid increment.
- c) The start price bid for the e-forward auction is H1 price arrived based on the evaluation and comparison of bids as mentioned above.
- d) Bidder will be able to view the following on your screen along with the necessary fields in the English forward Auction(no ties):
 - i). Leading Bid in the Auction
 - ii). Bid Placed by you
 - iii). Your Own Rank
 - iv). Start Bid Price & Bid Increment value.
- e) After the completion of e- Forward Auction (no ties), the Closing Price (CP) shall be available.
- f) Final price received from bidder will be taken as an offer to supply as per terms and conditions of tender document. Bids once made by the bidders, cannot be cancelled / withdrawn.

- g) During the e-Forward auction, if no bid is received in the auction system/website within the specified time duration, then KIOCL, at its discretion, may scrap the e-Forward auction process and consider sealed price bids of all technically and commercially acceptable bidders submitted earlier along with techno-commercial bids.
- h) KIOCL's decision on award of Contract shall be final and binding on all the Bidders. KIOCL shall be at liberty to cancel the forward auction process / tender at any time, before ordering, without assigning any reason. KIOCL shall not have any liability to bidders for any interruption or delay in access to the site irrespective of the cause. Other terms and conditions shall be as per techno-commercial offers and other correspondences till date.

ANNEXURE-6

INTEGRITY PACT PROGRAMME

1) INTRODUCTION:

KIOCL Limited (KIOCL) is a Central Govt. Public Sector Undertaking engaged in Mining of Iron Ore and Manufacturing Pellets and marketing it in India and abroad. KIOCL Limited enjoys *Mini Rathna* status among the Central Govt. Public Sector undertakings, and conducts its business in highest ethical standards, fully adhering to CVC guidelines and exemplary industry practices.

KIOCL Limited does its business with a number of domestic and international buyers, contractors and vendors of goods and services. It is committed to fostering ethical and corruption free business environment, and values its relationships with all counterparts and deals with them in fair and transparent manner.

In order to achieve and strengthen these goals, KIOCL Limited is implementing the Integrity Pact Program in Co-Operation with Central Vigilance Commission (CVC) and Transparency International India (TII). As part of this initiative KIOCL Limited will, in consultation with CVC and TII, appoint Independent External Monitors who will help KIOCL Limited monitor and implement the Integrity Pact Program.

Following are the details of KIOCL's Integrity Pact Program:

- Commitments and Obligation of KIOCL Limited
- Commitments and Obligations of counterparties
- Violation and Consequences
- Independent Monitor
- Implementation and Guidelines
- Periodic Review and Evaluation

2) COMMITMENTS AND OBLIGATION OF KIOCL LIMITED.

- (a) KIOCL Limited, is committed to have ethical and corruption free business dealings with counterparties.
- (b) KIOCL Limited values its relationship with all counterparties and will deal with them in a fair and transparent manner.
- (c) KIOCL Limited and /or its Associates (Employees, Agents, Consultants, and Advisors etc) will not seek or take bribes/undue benefits directly or indirectly for themselves or for third parties.
- (d) KIOCL Limited will honor its commitments and make due payments to counterparties in time subject to fulfilling contractual obligations.
- (e) KIOCL Limited will initiate punitive and corrective action, and pursue it vigorously whenever corruption or unethical behavior occurs.

3. COMMITMENTS AND OBLIGATIONS OF THE COUNTERPARTY.

- (a) The counterparty, directly or indirectly (through Agents/ Consultants/advisors etc), will not pay any bribes or offer or imply any form of illegal benefit to anyone to gain undue advantage in dealing with KIOCL Limited.
- (b) The counterparty will not engage in collusion, price fixing, cartelization, etc., with other counterparts.
- (c) The counterparty will not pass to any third party any confidential information entrusted to it, unless duly authorized by KIOCL Limited.
- (d) The counterparty will promote and observe ethical practices within its Organization and its affiliates.
- (e) The counterparty will inform the Independent External Monitor
- (f) The counterparty will not make any false or misleading allegations against KIOCL Limited or its Associates.

2. VIOLATIONS & CONSEQUENCES:

- (a) If a counterparty commits a violation of its Commitments and Obligations under the Integrity Pact Program during bidding process (from the date of publication of tender to the date of award of work), he/she shall be liable for forfeiture of EMD /Bid Security submitted, without prejudice to other action that may be taken against it.
- (b) In case of violation of the Integrity Pact whereby after award of the contract, KIOCL Limited terminates or is entitled to terminate the contract. KIOCL Limited shall be entitled to demand and recover from the counterparty liquidated damages equivalent to 10 percent of the contract value, or the amount equivalent to security deposit/ performance guarantee, whichever is higher.
- (c) KIOCL Limited may ban and exclude the counterparty from future dealings until the Independent External Monitors is satisfied that the counterparty will not commit any future violation.
- (d) KIOCL Limited may initiate criminal proceedings against the violating counterparty.
- (e) The counterparty will be liable to pay damages as determined by the Independent External Monitor.

4. INDEPENDENT EXTERNAL MONITOR (IEM)

- (a) CMD, KIOCL Limited is the authority to appoint Independent External Monitor(s) (IEM) to oversee Integrity Pact Program implementation and effectiveness. The process for their appointment shall be similar to Outside Expert Committee (OEC). For this purpose, a panel of Independent External Monitors may be constituted by KIOCL Limited in consultation with CVC, with whose clearance

they will be appointed. It will be voluntary, non-salaried position of 3-year term. IEM will have status/benefits similar to those of Chairman of Audit Committee of Board/ status of the Directors of KIOCL Limited.

- (b) In order to ensure their impartiality, they would not be drawn from KIOCL Limited background.
- (c) The IEM will be people of impeccable Integrity conversant with KIOCL's business and experienced in commercial activities.
- (d) It will be voluntary, non-salaried position of 3-year term. IEM will have status/benefits similar to those of Chairman of Audit Committee of Board/status of the Directors of KIOCL Limited.
- (e) The major goal of IEM will be to oversee the implementation of Integrity Pact program to prevent corruption, bribes, and any other unethical practices in the KIOCL Limited.
- (f) The IEM will not have administrative or enforcement responsibilities. He will coordinate his efforts with either anti-corruption institution such as CVC. He may engage services of outside agencies such as accounting firms, law firms etc., at KIOCL's expense, if required, in discharge of his responsibilities, with prior consent of KIOCL Limited.
- (g) The IEM will have access to all Officers and internal records of the KIOCL Limited. He will also have access to counterparties records and information regarding its dealing with KIOCL Limited.
- (h) The IEM will have the right to attend any meetings between KIOCL Limited and the counterparties.
- (i) If IEM observes or suspect an irregularity, he will inform the CMD of KIOCL Limited and Chairman of Audit Committee of its Board of Directors. Once the IEM is satisfied that an irregularity has taken place, he may inform the Board of KIOCL Limited.
- (j) The IEM can be removed from his Office for appropriate reasons by KIOCL Limited only by an open and transparent process and such decision will have to be ratified by the Board of KIOCL Limited.

5. IMPLEMENTATION GUIDELINES

To implement the Integrity Pact Program the following general guidelines will govern the same:

- (a) To select and appoint IEM in consultation with CVC
- (b) To get commitment from all Senior Level Executives/Officials of KIOCL Limited to implement the program, so that any resistance to acceptance of Integrity Pact Program is minimized.
- (c) To develop detailed implementation plan and finalize the Integrity Pact document in consultation with the IEM.

- (d) To notify all Senior Staff Members, Board of Directors, any other oversight body of the Organization and major suppliers of KIOCL's plan to implement the Integrity Pact Program, which is to be included in KIOCL's web site and disclosed to the media.

6. PERIODIC REVIEW & EVALUATION

KIOCL Limited will periodically review the effectiveness of Integrity Pact Program by the following procedure:

- (a) The IEM and senior leadership of KIOCL Limited will make an bi-annual self-assessment of Integrity Pact Program effectiveness and identify areas to improve.
- (b) The IEM will submit an annual report on the progress/effectiveness of Integrity Pact Program to the KIOCL Limited Board of Directors.
- (c) KIOCL Limited may conduct an annual 360-degree review (by an outside agency) with senior Executives, Junior Executives, suppliers and competitors of effectiveness of Integrity Pact Program in reducing corruption.
- (d) KIOCL Limited will arrange regular meet with TII and / or CVC on an annual basis to review the effectiveness of program.
- (e) For any amendments or changes in the clauses, consistent with the overall spirit of Integrity Pact, the CMD will be competent to approve the same and need not revert back to the Board.

INTEGRITY PACT WITH BIDDERS:

- a) All bidders to confirm their acceptance on all terms of Integrity Pact Agreement and to return signed copy of agreement affixing signature along with seal on all pages along with the techno-commercial bid.
- b) Please note that quotation not accompanying the Integrity Pact Agreement will not be considered for further processing, treating the offer as incomplete. However, the offer will be processed only after receiving the signed copy of the Integrity Pact.
- c) Details of Independent External Monitor (IEM) :

1) Shri. Paul Antony, IAS (Retd.)
No. 70, GCDA Road, Periyar Gardens,
Thottakattukara, Aluva,
Kerala – 683 108.
e-Mail: paulantony@gmail.com

2) Ms.Saroj_Punhani, IA &AS (Retd.)
A-11/23, Vasant Vihar
New Delhi – 110057
e-mail: Saroj_punhani@hotmail.com
punhani@cag.gov.in

INTEGRITY PACT AGREEMENT

THIS AGREEMENT is entered into between the following Parties:

KIOCL Limited hereinafter referred to as
"The Principal",
and
.....(Name **of the Party**) hereinafter referred
to as "**Second Party**"

Preamble

The Principal intends to award, under laid down organizational procedures, contract/s for The Principal values full compliance with all relevant laws of the land, rules, regulations, economic use of resources and of fairness/transparency in its relations with its Bidder(s) and /or Contractor(s).

In order to achieve these goals, the Principal will appoint Independent External Monitors (IEMs) who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

a) Section 1- Commitments of the Principal

(1) The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles: -

- a. No employee of the Principal, personally or through family members, will in connection with the tender for, or the execution of a contract, demand, take a promise for or accept, for self or third person, any material or immaterial benefit which the person is not legally entitled to.
- b. The Principal will during the tender process treat all Bidder(s) with equity and reason. The Principal will in particular, before and during the tender process, provide to all Bidder(s) the same information and will not provide to any Bidder(s) confidential /additional information through which the Bidder(s) could obtain an advantage in relation to the tender process or the contract execution.
- c. The Principal will exclude from the process all known prejudiced persons.

(2) If the Principal obtains information on the conduct of any of its employees which is a criminal offence under the IPC/PC Act, or if there be a substantive suspicion in this regard, the Principal will inform the Chief Vigilance Officer and in addition can initiate disciplinary actions.

b) Section 2- Commitments of the Bidder(s) / Contractor(s)

(1) The Bidder(s)/Contractor(s) commit themselves to take all measures necessary to prevent corruption. The Bidder(s)/Contractor(s) commit themselves to observe the following principles during participation in the tender process and during the contract execution.

a. The Bidder(s)/contractor(s) will not, directly or through any other person or firm, offer, promise or give to any of the Principal's employees involved in the tender process or the execution of the contract or to any third person any material or other benefit which he /she is not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.

b. The Bidder(s)/Contractor(s) will not enter with other Bidders into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelisation in the bidding process.

c. The Bidder(s)/Contractor(s) will not commit any offence under the relevant IPC/PC Act; further the Bidder(s) /Contractor(s) will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.

d. The Bidder(s)/Contractor(s) of foreign origin shall disclose the name and address of the Agents/representatives in India, if any. Similarly, the Bidder(s)/Contractor(s) of Indian Nationality shall furnish the name and address of the foreign principals, if any. Further details as mentioned in the "Guidelines on Indian Agents of Foreign Suppliers" shall be disclosed by the Bidder(s)/Contractor(s). Further, as mentioned in the Guidelines all the payments made to the Indian agent/representative have to be in Indian Rupees only.

e. The Bidder(s)/Contractor(s) will, when presenting their bid, disclose any and all payments made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.

f. Bidder(s) / Contractor(s) who have signed the Integrity Pact shall not approach the Courts while representing the matter to IEMs and shall wait for their decision in the matter.

(2) The Bidder(s)/Contractor(s) will not instigate third persons to commit

offences outlined above or be an accessory to such offences.

c) Section 3 – Disqualification from the tender process and exclusion from future contracts

If the Bidder(s)/Contractor(s), before award or during execution, has committed a transgression through a violation of Section 2, above or in any other form such as to put their reliability or credibility in question, the Principal is entitled to disqualify the Bidder(s)/Contractor(s) from the tender process or take action as per the procedure mentioned in the "Guidelines on Banning of business dealings".

Section 4 – Compensation for Damages

- (1) If the Principal has disqualified the Bidder(s) from the tender process prior to the award according to Section 3, the Principal is entitled to demand and recover the damages equivalent to Earnest Money Deposit/Bid Security.
- (2) If the Principal has terminated the contract according to Section 3, or if the Principal is entitled to terminate the contract according to Section 3, the Principal shall be entitled to demand and recover from the Contractor liquidated damages of the Contract value or the amount equivalent to Performance Bank Guarantee.

Section 5 – Previous Transgression

- (1) The Bidder declares that no previous transgressions occurred in the last three years with any other company in any country conforming to the anti-corruption approach or with any other Public Sector Enterprise in India that could justify his exclusion from the tender process.
- (2) If the Bidder makes incorrect statement on this subject, he can be disqualified from the tender process for action can be taken as per the procedure mentioned in "Guidelines on Banning of business dealings".

Section 6 – Equal treatment of all Bidders / Contractors / Subcontractors.

- (1) In case of Sub-contracting, the Principal Contractor shall take the responsibility of the adoption of Integrity Pact by the Sub-contractor.
- (2) The Principal will enter into agreements with identical conditions as this one with all Bidders and Contractors.
- (3) The Principal will disqualify from the tender process all bidders who do not sign this Pact or violate its provisions.

d) Section 7 – Criminal charges against violation Bidder(s) / Contractor(s) / Sub contractor(s).

If the Principal obtains knowledge of conduct of a Bidder, Contractor or Subcontractor, or of an employee or a representative or an associate of a Bidder, Contractor or Subcontractor which constitutes corruption, or if the Principal has substantive suspicion in this regard, the Principal will inform the same to the Chief Vigilance Officer.

e) **Section 8 – Independent External Monitor**

- (1) The Principal appoints competent and credible Independent External Monitor for this Pact after approval by Central Vigilance Commission. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.
- (2) The Monitor is not subject to instructions by the representatives of the parties and performs his / her functions neutrally and independently. The Monitor would have access to all Contract documents, whenever required. It will be obligatory for him / her to treat the information and documents of the Bidders / Contractors as confidential. He / she reports to the CMD, KIOCL Limited.
- (3) The Bidder(s)/Contractor(s) accepts that the Monitor has the right to access without restriction to all project documentation of the Principal including that provided by the Contractor. The Contractor will also grant the Monitor, upon his / her request and demonstration of a valid interest, unrestricted and unconditional access to their project documentation. The same is applicable to Subcontractors.
- (4) The Monitor is under contractual obligation to treat the information and documents of the Bidder(s) /Contractor(s) /Subcontractor(s) with confidentiality. The Monitor has also signed declarations on Non-Disclosure of Confidential Information and of 'Absence of Conflict of Interest'. In Case of any conflict of interest arising at a later date, the IEM shall inform CMD, KIOCL Limited and recuse himself / herself from that case.
- (5) The Principal will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the Monitor the option to participate in such meetings.
- (6) As soon as the Monitor notices, or believes to notice, a violation of this agreement, he/she will so inform the Management of the Principal and request the Management to discontinue or take corrective action, or to take other relevant action. The monitor can in this regard submit non-binding recommendations. Beyond this, the Monitor has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.
- (7) The Monitor will submit a written report to the CMD, KIOCL Limited within 8

to 10 weeks from the date of reference or intimation to him by the Principal and, should the occasion arise, submit proposals for correcting problematic situations.

- (8) If the Monitor has reported to the CMD, KIOCL Limited, a substantiated suspicion of an offence under relevant IPC/PC Act, and the CMD, KIOCL Limited has not, within the reasonable time taken visible action to proceed against such offence or reported it to the Chief Vigilance Officer, the Monitor may also transmit this information directly to the Central Vigilance Commissioner.
- (9) The word '**Monitor**' would include both singular and plural.

Section 9 – Pact Duration

This Pact begins when both parties have legally signed it. It expires for the Contractor 12 months after the last payment under the contract, and for all other Bidders 6 months after the contract has been awarded. Any violation of the same would entail disqualification of the bidders and exclusion from future business dealings

If any claim is made/lodged during this time, the same shall be binding and continue to be valid despite the lapse of this pact as specified above, unless it is discharged/determined by CMD of KIOCL Limited.

f) Section 10 – Other Provisions

(1) This agreement is subject to Indian Law, Place of performance and jurisdiction is the Registered Office of the Principal, i.e. Bangalore.

(2) Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.

(3) If the Contractor is a partnership or a consortium, this agreement must be signed by all partners or consortium members.

(4) Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intentions.

(5) Issues like Warranty / Guarantee etc. shall be outside the purview of IEMs.

(6) In the event of any contradiction between the Integrity Pact and its Annexure, the Clause in the Integrity Pact will prevail.



(For & on behalf of the Principal)

(For & On behalf of Bidder/Contractor)

(Office Seal)

(Office Seal)

Place -----

Date -----

Witness 1:

(Name & Address)

Witness 2:

(Name & Address)

ANNEXURE-7

PROFORMA OF BANK GUARANTEE FOR SECURITY DEPOSIT

1. In consideration of the KIOCL Limited, II Block, Koramangala, Bengaluru 560034 (hereinafter called 'the Company') having agreed to exempt (Name and address of the supplier(s) / Contactor(s) [hereinafter called 'the said Supplier(s)' / Contractor(s)'] from the demand, under the terms and conditions of an Agreement/Purchase Order/ Letter of Intent No dated made between (Name and address of the Company: KIOCL Ltd, II Block, Koramangala, Bengaluru-560034 and (Name and address of the supplier(s)/Contactor(s)) for (Details about the Contract) (hereinafter called 'the said Contract'), of security deposit for the due fulfilment by the said Supplier(s) / Contactor(s) of the terms and conditions contained in the said Contract, on production of a Bank Guarantee for ₹/Foreign Currency.... (Value of the Security Deposit in figures and words) (Rupees/Foreign Currency only),

We, [(indicate the name and address of the Bank) (hereinafter referred to as 'the Bank')] having Registered / Head office at At the request of (Name and address of the supplier(s)/Contactor(s) [Supplier(s) / Contractor(s)] do hereby undertake to pay to the Company an amount not exceeding ₹ / Foreign Currency (Value of the Security Deposit in figures and words) (Rupees/Foreign Currencyonly) against any loss or damage caused to or suffered or would be caused to or suffered by the Company by reason of any breach by the said Supplier(s)/ Contactor(s) of any of the terms or conditions contained in the said Contract.

2. We (indicate the name of the Bank), do hereby unconditionally and irrevocably undertake to pay the amounts due and payable under this guarantee without any demur, merely on a demand from the Company of such demand stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the Company by reason of breach by the said Supplier(s) / Contactor(s) of any of the terms or conditions contained in the said Contract or by reason of the Supplier(s)/Contactor(s) failure to perform the said Contract. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this Guarantee. However, our liability under this Guarantee shall be restricted to an amount not exceeding ₹ / Foreign Currency (Value of the Security Deposit in figures and words) (Rupees/Foreign Currency only).

3. We undertake to pay to the Company the amount so demanded notwithstanding any dispute or disputes raised by the Supplier(s)/ Contractor(s) in any suit or proceeding pending before any Court or Tribunal or Arbitrator or any other authority relating thereto our liability under this present being absolute and unequivocal.

The payment so made by us under this Bank Guarantee shall be a valid discharge of our liability for payment thereunder and the Supplier(s)/ Contractor(s) shall have no claim against us for making such payment.

4. We (indicate the name of the Bank) further agree that the guarantee herein contained shall remain in full force and effect during the period from to, that would be taken for the performance of the said Contract and that it shall continue to be enforceable till all the dues of the Company under or by virtue of the said Contract have been fully paid and its claims satisfied or discharged or till the Company certifies that the terms and conditions of the said Contract have been fully and properly carried out by the said Supplier(s) / Contractor(s) and accordingly discharges this Guarantee.

Unless a demand or claim under this Guarantee is made on us in writing on or before (90 days from the date of expiry of the Bank Guarantee), we shall be discharged from all liability under this Guarantee thereafter.

5. We (indicate the name of the Bank) further agree with the Company that the Company shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Contract or to extend the time of performance by the said Supplier(s)/ Contractor(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by the Company against the said Supplier(s)/Contractor(s) and to forbear or enforce any 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 Supplier(s)/Contractor(s) or for any forbearance, act or omission on the part of the Company or any indulgence by the Company to the said Supplier(s)/Contractor(s) or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.

6. This Guarantee will not be discharged due to the change in the constitution of the Bank or the Supplier(s)/Contractor(s).

7. In order to give full effect to the Guarantee herein contained, the Company shall be entitled to act as if we were its principal debtors in respect of all its claims against the Supplier(s)/ Contractor(s) hereby guaranteed by us as aforesaid and we hereby expressly

waive all our rights of suretyship and other rights if any which are in any way inconsistent with the above or any other provisions of this guarantee.

8. Further, we hereby certify that this guarantee is adequately stamped under the relevant State Stamp Act and any deficiency in execution of this Guarantee shall not have the effect of relieving us.
9. We (indicate the name of the Bank) lastly undertake not to revoke this Guarantee during its currency except with the previous consent of the Company in writing.

Dated theday of(month & year)

For

.....

(Bank Name and Address)

Place of Issue
Bank Phone No.
Bank Fax No.
Bank E-MAIL ID.

IMPORTANT NOTE

The following Points should be taken care of while submitting the Bank Guarantee:-

- 1 The Bank Guarantee should be on non-judicial stamp paper having a value of Rs.200/- or as applicable.
- 2 The stamp paper should be purchased in the name of the Bank, who give the guarantee and not in the name of the Bidder.
- 3 The Bank Guarantee should be strictly as per the profoma.
- 4 The Bank Guarantee should be from any of the Nationalised Bank/Scheduled Bank.
- 5 If any correction is made on the guarantee the same should be endorsed by the Bank with its official seal
- 6 The Bank Guarantee should be valid for a period of period of three months from Purchase order date and shall be extended (if need be) to cover the entire duration of Pellet purchase contract and within the validity of the Letter of Credit issued for purchase of Pellets. The bank Guarantee will be considered null and void once the Pellet invoice is settled under the LC and the funds received by KIOCL.

ANNEXURE-8

KIOCL RTGS DETAILS FOR MAKING PAYMENT IF ANY

KIOCL LIMITED

Koramangala, Bangalore-560034

M/s. KIOCL Limited

Union Bank of India, Kormangala Branch,

Branch Code: IFSC CODE: UBIN 0551546

ACCOUNT NUMBER: 515401010022015

ANNEXURE-9

KIOCL FORMAT FOR BIDDER'S COMPANY PROFILE

1. Name of the Company with full address including, city, country, Postal code, fax / e-mail.
2. Company Registration number:
3. Registered Address: If other than one already provided.
4. Name of the Partners/ Directors.
5. Bidder Type: India/ Foreign
6. Company's Establishment year:
7. Company's Nature of Business:
8. Company's legal status such as limited company, undertaking/partnership firm/Joint Venture/others (**strike out whichever is not applicable**).
9. Contact person name and DOB, designation, contact e-mail, phone and mobile no.:
11. Area of operation: Overseas / India.
12. Type of business: Mine Owner/ Trader /Stockist (**strike out whichever is not applicable**).
13. Details of specific experience in the field of iron ore mining and supply to other customers.
14. Any other additional information.

ANNEXURE-10

TERMS AND CONDITIONS FOR DELIVERY OF THE MATERIAL ON THE BASIS OF CIF,NMPT, MANGALORE.

1. The SELLER shall effect shipments in single-deck, self-trimming type of vessels suitable for bulk discharge. Shipment of Iron Ore Concentrate shall be made on geared vessel. The discharge rate to be maintained 16,000 MT PWW D SHINC. Vessel over 15 years of age will be considered on mutually acceptable terms. Buyer shall appoint their own stevedores at the discharge port.

2. DISCHARGE PORT DETAILS

Discharge Port : New Mangalore Port, India.
Discharge Rate : 16,000 MT PWW D SHINC BASIS.
Draft Available : (LOA up to 190 Mtrs : 13.00 Mtrs with positive tide
LOA 190 Mtrs to 240 Mtrs: 13.00 Meters with suitable
tide)

3. **NOR TENDERING:** NOR to be served during normal working hours i.e., from 09:30 hrs to 16:30 hrs on all working days i.e., Monday to Friday and between 09:30 hrs to 12:00 noon on Saturday, excluding Sunday and holidays to the New Mangalore port office/KIOCL, Panambur, Mangalore.

4. COMMENCEMENT OF LAY TIME:

- i) Time to count 12 hours after NOR is served on arrival of the vessel within the port limits at port of discharge and whether in berth or not and in free pratique and ready in all respects to discharge the cargo. If the turn time of 18 hrs expires after office hours on Saturday, Sunday or holiday, lay time shall commence at 08:00 hrs on the first subsequent working day. If the discharge operation begins before commencement of lay time, the period so used shall be deemed as free time.
- ii) However, if the vessel is prevented from proceeding to the discharging berth due to her inefficiency, tidal conditions, bad weather, strike of tugs or pilots or mandatory regulations, then the notice of readiness to be valid and any time lost not to count as lay time.
- iii) Any time used in closing and opening of hatches and hatch inspection not to count as lay time. Shifting time shall not count as lay time, unless the vessel is already in demurrage. Time for draft check (initial & interim draft survey) and waiting for tide shall not count as lay time unless the vessel is already on demurrage.

- iv) Any time necessarily required by a vessel to wait for tide for completion of discharge shall not be counted as lay time. Lay time shall cease to count the time of completion of discharge.
- v) Lay time to count at actual when worked on charter party (c/p) holidays. For stoppages if any, during intervening c/p holidays, lay time not to count if the vessel is not on demurrage. If the vessel is already on demurrage, full time to count as lay time during the intervening c/p holiday.
- vi) Waiting time at the discharge port, if any due to want of berth at discharge port, for Custom Clearance or time lost to complete discharge port formalities, shall be included in the lay time.

5. OTHER DETAILS FOR NOMINATION OF THE VESSEL:

- 5.1 Shipment shall be done in a sea worthy vessel classified as 100 A1 by LLOYDS or equivalent classification society and entered with a Protection & Indemnity club which is a member of the International Groups of P& I Clubs. Vessel over 15 years of age will be considered on mutually acceptable terms. Vessel nominated is not self discharging gear type. Shore Crane Arrangement has to be made by the Buyer for discharging the cargo.
- 5.2 All cargo related charges shall be payable by the buyer to New Mangalore port. All vessel related charges such as port dues, pilotages, berth hire charges, watchman charges, custom duties and other taxes, assessments and charges..etc, which are customarily payable on or with respect to the vessel at discharge port are payable by the seller/ vessel owner.
- 5.3 Demurrage rate at discharging port shall be as per terms and conditions of the charter party. While nominating the vessel Buyer has to confirm the suitability within 1 business days of the proposal. Lay time Calculation at the discharge port will be made by Seller based on Statement of Facts (SOF) issued by the nominated agents at discharge port. In case of demurrage, the buyer shall endeavor to remit to the seller the agreed amount of Demurrage within about 45 (forty five) days from the date of receipt of the claim of the Seller together with all supporting documents.
- 5.4 In the case of Dispatch Money, the seller shall endeavor to remit to the buyer the agreed amount of Dispatch Money within about 45 (forty five) days from the date of the claim along with supporting documents of buyer. Such claim together with the supporting documents shall be submitted by either party within 30 days from the date of completion of discharge and should be settled on vessel-to-vessel basis.

ANNEXURE-11

SPECIMEN CONTRACT FOR SALE AND PURCHASE OF IRON ORE PELLETS

CONTRACT NO : KIOCL/PELLET/_____

DATE : _____

BUYER : _____

Tel : _____

Fax : _____

Mail : _____

SELLER : **KIOCL LIMITED**
II BLOCK, KORAMANGALA
BANGALORE - 560 034
INDIA.
TEL : +91 80 25521160
FAX : +91 80 25535941 / 25532153
e-mail : bcomml@kioclltd.com

This Contract is made by and between the Buyer and the Seller, whereby the Buyer agrees to buy and the Seller agrees to sell the under mentioned goods on the terms and conditions stated below:

1. NAME OF COMMODITY : IRON ORE PELLETS

1.1. COUNTRY OF ORIGIN : India

1.2. DESTINATION : Export to any country
(As per FTP guidelines)

2. DELIVERY PERIOD AND QUANTITY :

2.1. DELIVERY PERIOD : _____

2.2. QUANTITY : **xx,xxx MT +/- 10% MOLOO**
Subject to max. sailing draft of 12.50 metres with 1.0 metre tide.

[As the loading of the pellets is through a mechanized loading system, the actual quantity loaded on to the vessel may vary up to 500 MT more or less than the hatch plan given by the master. KIOCL will not entertain any claims including dead freight for such variation.]

2.3. PORT OF LOADING : **New Mangalore Port, India**

3. INDICATIVE SPECIFICATION:

The Pellets supplied by the Seller to Buyer will be with indicative specification as stated below:

Chemical Composition (on dry basis)	Specification (Indicative)
Fe	63.00 %
FeO	0.50 %
SiO ₂ + Al ₂ O ₃	8 % (Al ₂ O ₃ , 2.00 %)
S	0.01 %
P	0.045 %
TiO ₂	0.20 %
As	0.01 %
Other metals	0.20 %
CaO + MgO	2.00 %
Basicity	0.30
B. Physical Properties	
Size: 9 - 16 mm	85.00 %
Below 5 mm	5.00 %
Bulk Density	2.00 T/M ³
Tumble Index (ASTM) + 6.35 MM	92 %
Abrasion Index (ASTM) - 0.60 MM	6.00 %
Cold Crushing Strength Average	250 KG/P
Porosity	20.00 %
Reducibility	60.00 %
MOISTURE CONTENT	
Fair season (Oct - May)	4.00 %
Rainy season (Jun - Sep)	6.00 %

4. PRICE:

- 4.1. The price payable by BUYER to the SELLER shall be **US\$_____** (US Dollars _____ Only) **per DMT, FOB, ST New Mangalore**. The price is applicable for the shipments during the month MM/YYYY as per the mutually agreed Laycan.
- 4.2. For Pellets being produced out of feed material supplied, no bonus / penalties are applicable
- 4.3. **TAXES & DUTIES:** Taxes & Duties on pellets if any, before the cargo crosses the ship's rails, shall be to Sellers account [FOB Basis].

5. PRICE ADJUSTMENT:

No bonus/penalties, price adjustments will be applicable in respect of the quality of this cargo.

6. PAYMENT:

- 6.1. Buyer shall open, 5 days prior to the shipment, with any bank acceptable to Seller's bank, a **Letter of Credit** which is payable at sight to beneficiary, confirmable, irrevocable, unrestricted for negotiation, with (.....) in favour of Seller in USD for 100% of the estimated value of the shipment assuming for guaranteed iron content. The letter of credit has to contain suitable reimbursement clause for reimbursement of the total value of the shipment to negotiating bank. The cost of opening the Letter of credit has to be borne by the buyer. The Letter of Credit shall be initially valid for negotiation for at least 60 days. Buyer shall be responsible to extend the validity of the Letter of Credit further, if required, till the full settlement of sales proceeds.
- 6.2. The terms of the Letter of Credit have to be in accordance with the terms of contract. The Letter of Credit in an acceptable form and as per contract to be received at least 4 days before commencement of laydays. The vessel will be taken up for loading on receipt of LC in acceptable form. The arrival of the vessel shall be deemed to be shifted by 1 day from the date of receipt of Letter of Credit in acceptable form for calculation of the laytime. The latest shipment date should provide for at least 15 days from the end of the laydays.
- 6.3. The said Letter of credit shall be payable by telegraphic transfer reimbursement by opening bank against Seller's sight draft for the amount of hundred (100) per cent of the shipment value accompanied by the documents as stipulated in Clause 7, Weight Certificate issued by qualified surveyor by survey of ship's draft together with the certificate of analysis of sample and of the percentage of free moisture loss at 105 degrees centigrade issued by qualified Surveyor and qualified Assayer appointed Seller shall be the basis for Seller's invoice.

7. DOCUMENTS:

The SELLER shall draw and negotiate Bills for 100% of the value of the shipment by presenting the following documents within 15 days after the bill of lading date

- 7.1. Full set of 3/3 original plus 3 non negotiable copies of 'clean on board' **ocean** bills of lading made out to Order and blank endorsed, marked 'freight payable as per charter party', evidencing shipment from loading port.
- 7.2. Commercial invoice in one original and three copies, indicating the contract number, L/C number, name of the carrying vessel.
- 7.3. Certificate of Weight of the contracted goods in one original and three copies each issued by an Independent Surveyor at Load-port as set forth in clause 12.
- 7.4. Certificate of Analysis of the contracted goods in one original and three copies issued by an Independent Assayer at Load-port as set forth in clause 13. Certificate of Analysis to show actual result of tests on chemical composition and all other tests called for in this contract.
- 7.5. Certificate of Origin in One original and 3 copies issued by local chamber
- 7.6. Copy of fax or e-mail advising shipment according to Clause -11 of this contract.
- 7.7. SELLER'S certificate certifying that one set of non-negotiable documents have been sent to BUYER by e-mail /courier within 10 working days after shipment effected.

8. NOMINATION OF VESSEL:

Buyer shall advise Seller by e-mail: mcommercial@kioclltd.in at least (14) days in advance of the estimated date of arrival of the vessel at New Mangalore Port specifying the type of vessel and hatch division. The vessel shall not be more than 15 years of age and shall be seaworthy. In case the vessel's age is more than 15 years, the vessel shall be accepted subject to mutual consent, and any losses suffered by the seller on account of the overage of the vessel shall be to buyers account.

9. NOTIFICATION OF ARRIVAL:

The Buyer shall arrange for the Master of the vessel to notify Seller, AGM I/c (Commercial) on e-mail: mcommercial@kioclltd.in, three notices of the ETA of the vessel at the loading port. The first of such notice will be given ten (5) days prior to the ETA of the vessel, the second to be given forty eight (48) hours prior to the ETA and the third to be given twenty four (24) hours prior to the ETA.

10. LOADING TERMS:

- 10.1. Seller shall guarantee to accommodate safely the vessels with the following maximum dimensions at all times,

L.O.A.	: 245.00 meters
Beam	: 32.20 meters
Air Draft	: 13.75 metres Max
Sailing Draft	: 12.50 meters with tide (12.00 meters with tide from August to November)

- 10.2. Seller shall load iron ore pellets aboard the vessel at the following rates per weather working day of twenty four (24) consecutive hours Saturdays, Sundays and Holidays included, Charter party holidays as published by Local Chamber of Commerce excluded unless used :

Size of Vessel	Loading rate
20,000 – 30,000 DWT	25,000 WMT
30,001 – 40,000 DWT	30,000 WMT
40,001 – 45,000 DWT	32,000 WMT
45,001 – 50,000 DWT	34,000 WMT
50,001 – & above	36,000 WMT

- 10.2.1. **In case a vessel of larger size is placed for loading quantities falling in the smaller size vessel range, the loading rate as per the smaller size of the vessel shall apply.**
- 10.3. Notice of readiness to load shall be tendered with clean holds and ready in all respects to load at any time after vessel has arrived at loading port whether in berth or not, if the vessel is not in free pratique on arrival at the berth due to cause attributable to the vessel, then a new notice of readiness shall be tendered.
- 10.4. Laytime for loading shall commence, Twelve (12) running hours after tendering of notice of readiness unless used, in which case, actual time used to count.
- 10.5. In case loading has to be interrupted due to reasons of responsibility of the vessel, such time lost shall not count as laytime.
- 10.6. Stoppage of loading due to breakdown of the pellet loading plant shall be counted as laytime.
- 10.7. Time lost due to stoppage of loading due to rain / bad weather shall not be counted as laytime
- 10.8. Laytime to count at actuals when worked on Charter Party (C/P) holidays. For stoppages, if any, during intervening C/P holidays, laytime not to count if the vessel is not on demurrage. If the vessel is already on demurrage, full time to count as laytime during the intervening C/P holiday.
- 10.9. Demurrage and Despatch rate (Charge) per day at the loading port shall be as per charter party agreement between buyer and the vessel owner. However, lay time calculation shall be based on loading terms under clause 10 of the contract. Copy of such charter party agreement shall be furnished to KIOCL by the buyer before the arrival of the vessel.
- 10.10. **Despatch will be half of the demurrage rate.**
- 10.11. Any time necessarily required by a vessel to wait for tide for completion of loading shall be counted as laytime. Laytime shall cease to count from the time of completion of loading.
- 10.12. Shifting time shall not count as laytime unless, the vessel is already on demurrage.
- 10.13. Time used for draft surveys shall not count as laytime unless the stoppage is on specific request by the seller.
- 10.14. Demurrage or despatch money shall be paid by seller or buyer, respectively, within seven (7) days from the date of mutual acceptance of Seller's / Buyer's laytime statement. Daily demurrage rate to be as per Clause 10.9. Demurrage calculated per day and pro rata for part of a day, for all time used in excess of

allowed laytime and shall receive despatch being earned at one half the rate of demurrage per day or pro rata for part of a day for working time saved of allowed laytime

11. ADVICE OF SHIPMENT:

Seller shall, upon completion of loading, advise Buyer within 48 working hours by cable / telefax / e-mail of the Contract Number, Name of Commodity, gross weight, name of vessel and loading date.

12. WEIGHING:

12.1. At the loading port, the weight shall be determined by draft survey in accordance with international practice by "Independent Surveyor" nominated by Seller and "Certificate of Weight" shall be issued by the "Independent Surveyor". The "Certificate of Weight" shall be the basis for issuing the Bill of Lading ("B/L"). Such B/L shall be the basis for invoicing. The B/L weight shall be conclusive, final and binding upon the Parties for invoicing purposes with respect to the Shipment's wet weight.

12.2. The dry quantity shall be determined by deducting the free moisture referred to in Clause- 13 from such wet quantity.

13. SAMPLING AND ANALYSIS:

13.1. At the loading port Seller shall at Seller's expense, determine the specifications of iron ore pellets contained in each shipment, and shall provide a certificate showing details of the determination and also the percentage of free moisture loss at 105 degrees centigrade. Buyer may at Buyer's expense have their representative (s) present at the time of sampling.

13.2. For each Shipment, Samples shall be drawn by an 'Independent Assayer' nominated by the Seller at the loading port and shall carry out the chemical and physical analyses at the Loading Port and "Certificate of Analysis" shall be issued by the 'Independent Assayer'. Such "Certificate of Analysis" shall be final and binding upon the Parties and shall be the basis for invoicing. Seller shall issue Commercial Invoice based on B/L quantity, with the price defined above.

13.3. The quality certificate issued at the loading port will be final and binding on both buyer and seller.

14. BILL OF LADING:

Buyer shall ensure release of Bill of Lading in full set on board the vessel on completion of loading before sailing. KIOCL shall not be responsible for any delay in sailing of vessel due to delay in release of Bill of Lading.

15. INSURANCE:

To be covered by Buyer from the time iron ore pellets is loaded on vessel. For this purpose Seller shall advise Buyer by Cable / Telex after completion of loading of the particulars as called for in Clause 11 of this contract.

16. TITLE AND RISK:

Title with respect to each shipment shall pass from the Seller to the Buyer when the Seller has received the proceeds from the negotiating bank against the relative shipping documents as set forth in Clause 7 after completion of loading on board the vessel, with retrospective effect from the time of delivery of Iron Ore Pellets. All risk of loss, damage or destruction affecting Iron Ore Pellets delivered shall pass to the Buyer at the time of discharge of Iron Ore Pellets from the loading devices into vessel.

17. FORCE MAJEURE

- 17.1. If at any time during the existence of this contract either party is unable to perform whole or in part any obligation under this contract because of war, hostility, military operation of any character, civil commotions, sabotage, quarantine restriction, acts of government, fire, floods, explosions, epidemics, strikes or other labour trouble, embargoes then the date of fulfilment of any obligation shall be postponed during the time when such circumstances are operative.
- 17.2. Any waiver / extension of time in respect of the delivery of any instalment or part of the goods shall not be deemed to be waiver / extension of time in respect of the remaining deliveries. If operation of such circumstances exceeds three months, either party will have the right to refuse further performance of the contract in which case neither party shall have the right to claim eventual damages.
- 17.3. The party which is unable to fulfil its obligations under the present contract must within 15 days of occurrence of any of the causes mentioned in this Clause shall inform the other party of the existence or termination of the circumstances preventing the performance of the contract. Certificate issued by a Chamber of Commerce or any other competent authority connected with the Cause in the country of the Seller or the Buyer shall be sufficient proof of the existence of the above circumstances and their duration. Non-availability of material will not be an excuse to the Seller for not performing their obligation under this Contract.

18. JURISDICTION OF COURT :

The courts at Bangalore, India will have jurisdiction on any disputes for adjudication arising out of the contract.

19. GOVERNING LAW

This contract shall be governed by interpreted and construed in accordance with the substantive laws of India.

20. INCO TERMS:

For all terms and conditions not covered by above, Inco Terms 2010 and any further additions or amendments shall apply.

21. INTEGRITY PACT:

The Integrity Pact Agreement duly signed by the parties and enclosed shall form a part of this contract. The Independent External Monitor/s (IEM) for the contract/s is as below.

1) Shri. Paul Antony, IAS (Retd.)
No. 70, GCDA Road, Periyar Gardens,
Thottakattukara, Aluva,
Kerala – 683 108.
E-Mail: paulantony@gmail.com

2) Ms. Saroj_Punhani, IA & AS (Retd.)
A-11/23, Vasant Vihar
New Delhi – 110057
e-mail: Saroj_punhani@hotmail.com
punhani@cag.gov.in

22. COMPLIANCE:

The Seller warrants, represents and undertakes to Buyer that it will comply with all applicable laws, rules and regulations and anti-corruption laws in performing this contract.

23. INDEMNITY TO THE GOVERNMENT OF INDIA

It is expressly understood and agreed by and between the Buyer and Seller that Seller 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 herein under. It is expressly understood and agreed that Seller is an independent legal entity with power and authority to enter into contracts solely on its own behalf under the applicable Laws of India and general principles of Contract Law. The Buyer expressly agrees, acknowledges and understands that Seller 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, the Buyer hereby expressly waives, releases and foregoes any and all actions or claims, including cross claims, impleader claims or counter claims against the Government of India arising out of this contract and covenants 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.

24. FRAUD PREVENTION POLICY:

Everyone may take a note that a “Fraud Prevention Policy” is being followed at KIOCL, which provides a system for prevention/detection /reporting of any fraud. It also forbids everyone from involvement in any fraudulent activity and that where any fraudulent activity is suspected by any one, the matter must be reported to the ‘Nodal Officer’ (Chief Vigilance Officer) as soon as he/she comes to know of any fraud or suspected fraud (at cvo@kioclltd.in).

In witness hereof, the parties hereto have executed this Contract in duplicate by signature of their respective officers, there into duly authorised as of the day and year first above written.

SELLER

For and on behalf of
KIOCL LIMITED

BUYER

For and on behalf of