

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

KIOCL/MTLS/IOF/IND/24-25/P&S/01

DATED: 19.04.2024

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

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

for supply of Iron Ore Fines -Haematite from indigenous sources and purchase of an equivalent quantity of Pellets produced by KIOCL in DMT for export.

<p>No. KIOCL/MTLS/IND-P&S/24-25/01 Dated: 19/04/2024 Please visit our Company website to take note of any further corrections/modifications/addendums to the tender terms and quote accordingly.</p>	<p>DUE ON: 17/05/2024 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
Email: bpurchase@kioclltd.in

Mr.Govinda B
Senior Manager (Purchase)
Mobile: +91 8951972591
Email: bpurchase@kioclltd.in

Subsequent amendments to the tender if any, shall be posted only on <https://sap.kioclltd.in:44302/irj/portal>, 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 supply of 2,00,000 DMT ± 10% Iron ore Fines–Hematite to be delivered to KIOCL Pellet Plant at Panamburu, New Mangalore Port on “Total Delivered Cost” at KIOCL Limited, Pellet Plant, Mangalore Stock Yard basis, including all taxes & statutory levies as applicable. **Bidders who are willing to purchase equivalent quantity of Pellets produced by KIOCL to be exported as Third Party Export only need to submit their quotations.** Specimen copy of the Pellet Sale Contract for third party export 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 fines. The highest differential bid received will be awarded with the Contract for supply of iron ore fines as well as Contract for Sale and Purchase of iron Ore Pellets.

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

1. **Submission of Tender Documents for supply of Iron Ore Fines-Hematite:**

- a) Please quote your price on **"Total Delivered Cost" at KIOCL Limited, Pellet Plant, Mangalore Stock Yard" basis**, including all taxes & statutory levies as applicable and freight charges.
- b) The tenders complete in all respects conforming to the Specification, commercial Terms & Conditions and General Conditions for Indigenous Supply KIOCL- P/1 shall be submitted as under:

1.1 Earnest Money Deposit.

Earnest Money Deposit: The bidders shall furnish an interest free Earnest Money Deposit (EMD) of Rs.40,00,000/- (Rupees Forty Lakh only) by way of RTGS/Demand Draft (from Nationalized bank/scheduled bank in India. Demand drafts from Co-operative and Garmin Banks will not be accepted), in favour of "KIOCL LIMITED", payable at Bangalore (or) Bank Guarantee from Indian Nationalised Banks / Scheduled Banks in India in favour of KIOCL Limited. The Bank Guarantee shall be strictly as per KIOCL format and kept valid for 8 months from the date of opening. Bank Guarantee issued by Co-operative Banks and Gramin banks will not be accepted.

Please note that those Bids not accompanied with EMD will be rejected. Quotation even if received by due date and time but without original EMD will also be rejected.

The EMD will not carry any interest till it is returned. The EMD will be returned without any interest to unsuccessful bidders on identification of successful bidder and in the case of successful bidder, the EMD will be returned after receipt of security deposit towards performance guarantee.

In case the bidder withdraws their quotation before the tender validity specified in this tender document, the EMD amount will be forfeited irrespective of whether the bidder has offered shorter validity than the validity stipulated in this tender document.

NOTE: In case the offer submitted is withdrawn or modified by the bidder in a manner not acceptable to KIOCL, before the expiry of validity as per terms and conditions, the EMD Money submitted

by bidder shall be forfeited without any further reference to the bidder.

State/Central Govt. Organization, PSU and valid UAM/NSIC registered (for the tendered item) firm can produce documentary evidence issued by Govt. Authorities for exemption towards submission of EMD. In case of SSIs /MSEs firms need to submit notarized copies of the relevant, valid registration certificates for claiming exemption.

For bidders who want to offer part quantity, the EMD for such part quantity offers shall be as below:

- 1 Upto 50,000 MT: Rs.10,00,000**
- 2 Above 50,000MT and upto 1,00,000 MT: Rs.20,00,000**
- 3. Above 1,00,000MT and upto 1,50,000 MT: Rs.30,00,000**
- 4. Above 1,50,000MT and upto 2,00,000 MT: Rs.40,00,000**

1.2 Techno Commercial Tender comprising of

- (a) Check list for submission of bid : Annexure - 1
- (b) Specification of Iron Ore Fines: Annexure-2
- (c) KIOCL Commercial Terms & Conditions including General Conditions for Indigenous Supply KIOCL - P/1: Annexure-3
- (d) Copy of the Un- Priced Bid without indicating Price : Annexure- 4
- (e) Details of Mines and facilities of bidder : Annexure-5
- (f) Business Rule for e-auction : Annexure-6
- (g) Integrity Pact between KIOCL and the Bidder: Annexure-7
- (h) Format of Bank Guarantee for Security Deposit : Annexure-8
- (i) KIOCL RTGS details: Annexure-9
- (j) KIOCL format for Company Profile:Annexure-10
- (k) Shipping Terms & conditions for delivering the material on "Total Delivered Cost" at KIOCL Limited, Pellet Plant, Mangalore Stock Yard basis: Anx-11.
- (l) Specimen Contract for Sale of Pellets : Annexure-12

The above Annexure duly signed and sealed affixed on all the pages as an indication of acceptance by the bidder is to be submitted as part of the techno-commercial bid.

Important Note:

KIOCL, at its discretion, may amend the tender terms and also extend the due date for submission of bids. Any future corrigendum/amendments/alterations/modifications to this tender shall be published in <https://sap.kioclltd.in:44302/irj/portal>, www.kioclltd.in and CPP Portal only. The prospective bidders are requested to visit these websites from time to time to take note of any updates and submit their bid/quote accordingly.

2. PRE-QUALIFICATION / ELIGIBILITY CRITERIA

i) The bidder should have an annual turnover of not less than Rs 48.00 Crores in any one of the last Three Financial Years, ending with 31st March of the previous financial year. Copies of the audited Annual Reports to be submitted as documentary proof.

ii) The bidder should have handled/supplied/traded any bulk cargo in any one of the last three years, prior to tender date. The bidder should submit documentary evidence i.e., Invoice/Work Completion Certificate to support the requirement

Bidders not meeting the above conditions, their offer will be rejected.

Note: The bidders who wish to supply part quantity, the Annual turnover for supply of such part quantity shall be considered on prorata basis.

4. TENDER OPENING:

Techno-commercial Tenders submitted as above will be opened at **3 PM(IST) on 17/05/20124.**

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.

5. 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 them.

6. 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.

7. **SPECIAL NOTE**

- 7.1 No deviation from the tender terms is permissible. Bidders shall strictly comply with the requirements of all the tender terms. **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.**
- 7.2 The bidder should read and understand clearly the tender terms, general and special conditions before submission of documents and submission of bid.
- 7.3 The Bidder shall bear all the costs associated with the preparation and submission of its bid, and the KIOCL shall not be responsible or liable for these costs, regardless of conduct or outcome of the bidding process.
- 7.4 The bids cannot be withdrawn after the tender closing time. If the bidder withdraws the bid after tender closing time, his EMD shall be forfeited.
- 7.5 If, on 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.
- 7.6 KIOCL reserves the right to obtain required commercial and technical Clarifications/information/documents from the Bidders before opening of price bid. Obtaining such clarifications shall not entitle the Bidders to revise the price quoted.
- 7.7 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.

8. **EVALUATION OF BIDS:**

- i) Issue of Enquiry: by KIOCL
- ii) Receipt of quotation in Two Bid system
- iii) Techno-commercially qualified bidders will be allowed to participate in the **forward e-auction** process to be held by KIOCL through SRM Portal.

Important note:

It is to be noted here that the forward e-auction will be held for SI No. "c" of the price bid, i.e. for the differential price. The successful bidder should give the break-up price for SI No. "a" and "b" of the price bid format while confirming the H-1 price discovered in the e-auction.

Thanking you,



Yours faithfully,
for KOCL Limited,

(John A Gonsalvez)
CGM (Materials)
Phone: +91 9741899456
Fax: +91 (080)-25532153
E-mail: bpurchase@kioclltd.in

Enclosures:

- (a) Check list for submission of bid : Annexure – 1
- (b) Specification of Iron Ore Fines: Annexure-2
- (c) Purchaser's Commercial Terms & Conditions including General Conditions for Indigenous Supply KIOCL - P/1 : Annexure-3
- (d) Copy of the Un- Priced Bid without indicating Price : Annexure- 4
- (e) Details of Mines and facilities of bidder : Annexure-5
- (f) Business Rule for e-auction : Annexure-6
- (g) Integrity Pact between KIOCL and the Bidder : Annexure-7
- (h) Format of Bank Guarantee for Security Deposit : Annexure-8
- (i) KIOCL RTGS details: Annexure-9
- (j) KIOCL format for Company Profile:Annexure-10
- (k) Shipping Terms & conditions for delivering the material on "Total Delivered Cost" at KIOCL Limited, Pellet Plant, Mangalore Stock Yard basis: Anx-11.
- (l) Specimen Contract for Sale of Pellets: Annexure-12

Note: Format for Bank Guarantee & Integrity Pact Agreement copy can be down loaded from KIOCL web site: www.kioclltd.in.

ANNEXURE-1

CHECK LIST FOR SUBMISSION OF BID.

1	EMD	Furnished Yes/ No
2	Security Deposit.	Acceptance Indicated Yes/ No
3	Confirmation of Acceptance of Specification of Iron Ore Fines as per Annexure-2.	Acceptance Indicated Yes/ No
4	Confirmation to acceptance to Purchaser's Commercial Terms & Conditions including General Conditions for Indigenous Supply, KIOCL- P/1-Annexure-3.	Acceptance Indicated Yes/ No
5	Un-priced Bid (without price) enclosed with Techno- Commercial Bid (Annexure 4).	Acceptance Indicated Yes/ No
6	Price Bid: Price on "Total Delivered Cost" at KIOCL Limited, Pellet Plant, Mangalore Stock Yard, basis, including all taxes & statutory levies as applicable, excluding applicable GST is indicated in Annexure-5 for supply of IOF and on loaded on to vessel, spout trimmed, New Mangalore Port basis, applicable taxes and duties extra for purchase of Pellets and the difference between the supply and purchase price is indicated as per Annexure-5.	Acceptance Indicated Yes/ No
7	Details of Mines & Facilities with supporting documents furnished as per Annexure-6.	Enclosed Yes/ No
8	Confirmation to acceptance to KIOCL's Business rules for e- auction as per Annexure-7.	Acceptance Indicated Yes/ No
9	Confirmation of acceptance of Integrity Pact Agreement (Annexure-8).	Signed Copy attached Yes/ No
10	Confirmation of acceptance of KIOCL's Evaluation of Tenders.	Acceptance Indicated Yes/ No
11	Confirmation to acceptance that iron ore is sourced from legitimate source only and it will be ensured that Iron Ore from illegitimate source is not supplied.	Acceptance Indicated Yes/ No
12	Confirmation to adherence to applicable statutory laws pertaining to iron ore selling/ purchase.	Acceptance Indicated Yes/ No
13	Confirmation to acceptance to KIOCL format for Company Profile as per Annexure-11.	Details furnished Yes/ No
14	Confirmation to acceptance to KIOCL Shipping Terms & conditions for delivering the material on "Total Delivered Cost" at KIOCL Limited, Pellet Plant, Mangalore Stock Yard basis as per Annexure-12.	Acceptance Indicated Yes/ No
15	Confirmation to acceptance to purchase of an equivalent quantity of pellets produced by KIOCL on their own or through their Agency, as per specimen contract for sale and purchase of iron Ore Pellets placed at Annexure-13.	Acceptance Indicated Yes/ No

ANNEXURE-2

INDICATIVE SPECIFICATION OF IRON ORE FINES

- | | | | |
|----|--------------------------------|---|--|
| a) | Fe | : | 63.50% Guaranteed |
| b) | SiO ₂ | : | 5.00% max |
| c) | Al ₂ O ₃ | : | 1.70% max |
| d) | Moisture | : | 9% max during normal season and 10% max during rainy season. |
| e) | Sulphur | : | 0.04% max |
| f) | Phosphorus | : | 0.045% max |
| g) | Size | : | (-) 10mm |
| h) | Tolerance | : | (+) 10mm : 5% max
(-100mesh) : 25% max |
| i) | LOI | : | 2.00% max |

Note:

The corresponding indicative Iron Ore Pellet (IOP) specification against the above indicative Iron Ore Fines (IOF) specification is as per clause no.7.0 of ANNEXURE-13

If the LOI is above 2% then the quantity of Pellets produced will be reduced on a pro-rata basis.

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

Indicative IOF Fe is 63.50%, however IOF with Fe less than 63.00% will be summarily rejected. For the supply of IOF with Fe content 63.00% and above, Fe% for the resultant IOP will be reduced by 0.20%.

Confirmation by Bidder

We hereby agree to supply Iron Ore Fines of above indicative specification.

ANNEXURE-3

COMMERCIAL TERMS AND CONDITIONS FOR SUPPLY OF IRON ORE FINES TO KIOCL.

1. MATERIAL: IRON ORE FINES-HEMATITE

2. QUANTITY: 2,00,000 DMT $\pm 10\%$ (4 shipments of about 50,000 DMT $\pm 10\%$, **without any transshipment** in case of transportation through the Sea route. Initially, only one shipment will be supplied, and balance quantity confirmation will be given after the successful completion of the First shipment).

3. PRICE:

- a) Bidders are requested to submit their Quotations only in **INR, on "Total Delivered Cost" at KIOCL Limited, Pellet Plant, Mangalore Stock Yard basis, including all taxes & statutory levies as applicable and freight charges.**
- b) The price quoted by the Bidder shall be firm during the Bidder's Performance of the contract and shall not be subjected to any escalation/variation on any account except variations as per the provisions of clause 11, on price adjustment: Bonus/Penalty. Bid submitted with adjustable price/ variable price/ conditional price will be treated as non-responsive and rejected.
- c) **STATUTORY LEVIES AND TAXES:** The price quoted should be inclusive of all taxes and statutory levies as applicable, excluding applicable GST.
- d) Any additional levies and Taxes, i.e., either new or Revisions to the existing ones introduced by the Government during the currency of the contract, with a character of being passed on to KIOCL, the same shall be paid extra by KIOCL to the Successful Bidder on exhibiting the same in the invoice or recoverable from the Successful Bidder as the case may be.

4. PAYING AUTHORITY:

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

5. CONSIGNEE:

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

6. DELIVERY:

Supplies can be made on "Total Delivered Cost" at KIOCL Limited, Pellet Plant, Mangalore Stock Yard", basis including all taxes & statutory levies as applicable, freight charges, Unloading and Stacking Charges, except applicable GST through Road/Rail cum sea route by Coastal movement.

The delivery and other details are furnished below.

6.1 DELIVERY, SAMPLING AND DETERMINATION OF QUALITY:

6.1.1 DELIVERY:

6.1.1.1 The ordered quantity shall have to be delivered within 120 days from the date of issue of the purchase order. However, in view of urgent requirements, it is requested to commence supplies as early as possible and complete supplies within the delivery period. Depending on its Plant requirement, KIOCL may seek change in rate of supplies.

Note: For supply of 2,00,000 MT: 120 Days

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

a) By Ship:

6.1.1.2 In case of delivery through Ship, the convergence of supplies shall commence immediately from the date of placement of the Purchase Order at the rate of about 50,000DMT±10% per shipment, without any transshipment. However, in view of urgent requirement, it is requested to commence supplies as early as possible and complete supplies within the delivery period. Depending on its Plant requirement, KIOCL may seek change in rate of supplies.

The successful bidder has to make necessary arrangements for unloading the material at New Mangalore Port from the Ship to the Wharf and then for loading on to Trucks/ Tippers for shifting to KIOCL Limited Pellet Plant Unit stock yard.

b) By Rake

6.1.1.3 The successful bidder shall make necessary arrangements for transportation of Iron Ore Fines from the mine head/ stock yard and up to Railway siding identified by him for loading on to the Rake. The successful bidder should make necessary arrangements for plots at the Railway siding identified by him for convergence of Iron Ore Fines. Subsequently the material has to be loaded by the successful bidder in the Rake nominated by them for transporting the same to KIOCL Limited, Pellet Plant Unit, Mangalore. The successful bidder has to make necessary arrangements for unloading the material at Panambur

Railway siding (Code: PNMB) from the Rake to the siding and then for loading on to Trucks/ Tippers for shifting to KIOCL Limited Pellet Plant Unit stock yard.

c) By Road

6.1.1.4 The Successful bidder can deliver the Iron Ore Fines by Road also on "Total Delivered Cost" at KIOCL Limited, Pellet Plant, Mangalore Stock Yard basis, including all taxes & statutory levies as applicable, freight charges, Unloading and Stacking Charges, except applicable GST.

6.1.2 SAMPLING AND DETERMINATION OF QUALITY & MOISTURE:

(a) LOAD PORT ANALYSIS:

The supplier has to ensure that IRON ORE FINES as per the tender specification only is loaded. To ensure the same, quality of IRON ORE FINES being loaded should be sampled and analyzed as per (BIS) IS: 1405-2010 & IS:1493-2011 Sampling & Testing Procedure by a mutually accepted Registered Independent Assayer. Cost of load port Sampling and Analysis is to Successful Bidder's Account. Please note that load port analysis carried out by the successful bidder is for ensuring that the material loaded conforms to tender specification of the product only and is the basis for claiming 90% of initial payment. It shall be the responsibility of the successful bidder to ensure that material loaded is always as per the indicative specification of the product as detailed at Annexure-2. KIOCL, if necessary, may depute its representative or its nominated agency at his cost to witness and observe the loading operations/ sampling and analysis at the load port/port plot at his own cost. Successful Bidder would extend full co-operation to KIOCL to achieve this objective. Prior consent of KIOCL is required to be obtained for loading the material based on the test results ascertained as above. KIOCL will not permit loading of cargo in which LOI is beyond 4.00%.

(b) DISCHARGE PORT ANALYSIS:

The balance 10% payment as per clause No. 9.3 will be released based on the discharge port analysis to be carried out by a mutually accepted Registered Independent Assayer as per IS: 1493-2011 Testing Procedure for the representative samples of the Product collected by the same Assayer as per (BIS) IS: 1405-2010 sampling procedure. Cost of discharge port Sampling and Analysis is to KIOCL's Account. The discharge port analysis will be final for determining the quality of the material and the balance 10% payment will be adjusted accordingly.

(c) The Successful Bidder, if necessary, may depute his representative or its nominated agency at his cost to witness and observe the un-loading operations/ sampling and analysis at the discharge port/port plot at his own cost. KIOCL would extend full co-operation to Successful Bidder to achieve this objective. Samples will be collected at the discharge port either from the wharf or from the loaded tippers/trucks as desired by the KIOCL's In- charge at the site. The results obtained thereof are binding on both the parties and shall be final for both acceptance of material as well as for settlement of balance 10% payment after adjusting for the penalties.

6.2 TIME PERIOD FOR LIFTING OF PELLETS:

The period of contract for lifting each shipment of pellets will be 30 days from the date of supply of iron ore fines or 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 first / previous shipment.

7. DETERMINATION OF QUANTITY AND WEIGHMENT:

The weight of the material in DMT (Determined based on the moisture content as analyzed by a mutually accepted Registered Independent Assayer as per 6.1.2 (b) above) as recorded at KIOCL Limited, Pellet Plant Weigh Bridge at Panambur, Mangalore and the draft survey weight in DMT will be taken into consideration for determining the weight. However, either of the draft survey weight or weighbridge weight in DMT whichever is lower shall be final for all purposes including payment. Empty tipper/truck will be weighed once in a day for tare weight and the loaded tipper/truck will be weighed every time at KIOCL Limited, Pellet Plant, weighbridge. The difference between the two weights i.e loaded weight and tare weight of the tipper/truck is considered as weight of material received in DMT after accounting for moisture. Adjustments, if any, to be made after release of 90% payment (Clause 9.2), will be effected while releasing the balance 10% payment as at Clause 9.3 below based on the quantity determined under this clause.

8. UNLOADING & STACKING:

8.1 Unloading of iron ore fines brought by tippers from Ship unloading point /trucks from the mine head and stacking shall be by the successful bidder at his cost at the designated place at KIOCL, Limited, Pellet Plant, Mangalore stock yard strictly as per instructions of KIOCL authorities. Unloading will be done on round the clock basis as per requirement on all days including Sundays and holidays.

8.2 All instructions given by KIOCL regarding the transportation / Unloading / Dumping of the material at places like approach roads, outside stock yard shall

be strictly followed and with reference to spillage enroute, the same shall be cleared by the supplier immediately as per KIOCL Engineers directions.

8.3 Strict discipline shall be adhered to in dumping of material by the supplier and a skilled supervisor shall be deployed by him for this purpose round the clock for ensuring compliance of KIOCL's instructions.

9. **PAYMENT:**

9.1 KIOCL will open an irrevocable Letter of Credit for 100% value of the shipment on "Total Delivered Cost" at KIOCL Limited, Pellet Plant, Mangalore Stock Yard", basis, in favor of the beneficiary for the first shipment and extend the same for the succeeding shipments.

OR

KIOCL shall directly pay the successful bidder on receipt and acceptance of IOC at KIOCL Pellet Plant Unit, Mangalore.

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

9.2 **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) Successful Bidder's signed Commercial Invoice
- c) Load Port Draft Survey Report of third party surveyor.
- d) Load Port Sampling and Analysis Report by a mutually accepted Registered Independent Assayer.

9.3 Balance **10%** amount due to the Successful Bidder after adjusting for penalty if any for deviations in tender specifications will be released by KIOCL within 15 working days of submission of the following documents through our Bankers:

- a) Final Signed commercial invoice in 3 original and 3 copies for the balance amount based on discharge Port analysis Certificate.
- b) Copy of Discharge Port Draft Survey Report of third party surveyor.
- c) Copy of Discharge Port Analysis Certificate issued by a mutually accepted Registered Independent Assayer appointed by the KIOCL at the receiving end.

9.4 Determination of Quality as at Clause No. 6.1.2(b) and determination of Quantity and weightment as at Clause.7.0 of tender document (NIT) may please be read with while considering this balance 10% payment clause.

9.5 **PAYMENT TO MSE FIRMS:** Bidders may please note that payment to all MSME firms will be made through any one of the following TreDs digital platform only. No other mode of payment will be entertained. MSME

Firms should accordingly register on any one of the digital platform and the details are as below:

Name of Exchange for TreDS platform	KIOCL Registration ID
RXIL	KI0000225
INVOICEMART	1000036916
M1XCHANGE	BUYER00004765

9.6 **PAYMENT TO NON MSE Firms:** KIOCL will open an irrevocable Letter of Credit for 100% value of the shipment on "Total Delivered Cost" at KIOCL Limited, Pellet Plant Unit, Mangalore Stock Yard basis in favor of the beneficiary.

10. EARNEST MONEY DEPOSIT:

- a) Tender must be accompanied by a crossed Demand Draft in favor of KIOCL Limited, Bangalore for Rs.40,00,000/-(Rupees Twenty Lakh only) issued by any Nationalized or scheduled Bank and payable at Bangalore as EMD, which will not carry any interest. EMD from Co-operative and Gramin Banks will not be accepted. EMD can also be remitted through RTGS transfer.
- b) EMD of the successful bidder(s) shall be returned on submission of Security Deposit.

11. PRICE ADJUSTMENT: PENALTY:

LOI Penalty:

For Iron Ore Fines 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 Rs. 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 Rs. 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 Rs. 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 Rs. 225/- per DMT fraction pro rata.

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

b) The supplier shall submit invoices for the supplies made and final payment however shall be made after price and quantity adjustments as per the relevant terms above.

12. SECURITY DEPOSIT (SD):

- a) The successful bidder shall submit an undertaking that he shall purchase without any conditions, an equivalent quantity of pellets produced by KIOCL in DMT on their own or through their Agency. To ensure the same, as a bonafide measure, the successful bidder will have to deposit as a 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 successful bidder completes the contractual requirement of lifting the complete quantity of Pellets equivalent to the quantity of IRON ORE FINES purchased by KIOCL from the Successful Bidder. Security Deposit can be furnished by way of RTGS/Demand Draft/Bank Guarantee/Stand-by Letter of Credit (SBLC).
- b) SD mentioned above to be furnished before LC is opened by KIOCL for supply of Iron ore Fines. Please note that at the time of lifting of Pellets, opening of LC acceptable to KIOCL is necessary.
- c) Security Deposit furnished will be released after complete execution of Pellet Sale Contracts for entire quantity and after receipt of full payment for Pellets and after fulfilling all contractual obligations.

Security Deposit will be forfeited in case the contractor does not fulfill the Contractual obligations.

- d) Pellets to be lifted within a maximum of 30 days from the date of receipt of iron ore at KIOCL Pellet Plant failing which SD furnished is liable to be forfeited. Under unavoidable circumstances, this period of a maximum 30 days for the lifting of Pellets can be extended up to a further period on mutually agreeable terms
- e) 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. In case Bank Guarantee is submitted, it should be as per the prescribed format and kept valid for one year from the Purchase order date with a claim period of six months thereafter for proper fulfillment of contract. If required, the BG should be extended from time to time. Format for the Bank Guarantee can be down loaded from our website www.kioclltd.in. The Bank Guarantee will be considered null and void once the pellet invoice is settled under LC and funds received by KIOCL.

13. EVALUATION OF TENDERS:

Quotes will be sought for supply of IRON ORE FINES on “Total Delivered Cost” at KIOCL Limited, Pellet Plant, Mangalore Stock Yard” basis, including all taxes & statutory levies as applicable and freight charges as well as for purchase of Pellets on loaded on to vessel, Spout trimmed, New Mangalore Port basis, applicable taxes and duties extra, as per Annexure-5, i.e., Price Bid. The suppliers who are willing to purchase equivalent quantity of Pellets produced by KIOCL to be exported as Third Party Export only need to submit their quotations. Specimen Contract for Sale and Purchase of Iron Ore Pellets 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 Fines. The highest differential bid received will be awarded with the Contract for supply of Iron Ore Fines as well as Contract for Sale and purchase of iron ore Pellets. The method of arriving at the H-1 bidder will be as per Point No.8 (evaluation of bids) of Notice Inviting Tender.

14. ORDER FOR PART OF TENDERED 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/Rate quoted for the tendered quantity.

b) **The minimum part quantity shall be 50,000 MT.**

15. OPTION CLAUSE:

KIOCL reserves the right to increase/decrease the ordered quantity by 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).

16. DELIVERY:

Subsequent to placement of order on the successful bidder, one trial shipment (in parcel size of 50,000 DMT \pm 10%) or a suitable quantity will be taken to assess the suitability of the iron ore fines for pellet production. Supply of balance quantity will depend on the suitability of the IOF supplied. KIOCL, at its discretion reserves the right to give clearance for the balance quantity and at its discretion and terminate the contract without any financial implication on either side, after settling the dues if any.

17. PARALLEL CONTRACT:

KIOCL reserves the right to enter into parallel contract for procurement of Iron Ore Fines during the currency of the contract and the bidder shall confirm his acceptance of the same.

18. VALIDITY:

The offer to be kept valid for **30 days** from the date of opening of the techno-commercial tenders. Tenders with inadequate validity will be rejected.

19. 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 finalized 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.

20. MINING PERMITS:

The Mining permits, if applicable as per the relevant State policy , is to be applied for material as per the grade specified in the KIOCL specification. Seller is responsible for obtaining mining permits for both seller and buyer. This includes all expenses incurred by the seller in this regard to be to the sellers account. All charges including user fee and application fee, if any, as per the rules of respective State Mining authorities, shall be paid by the tenderer only. At the time of supply, the mining permits, if any, shall be applied by tenderer on behalf of KIOCL. KIOCL shall provide the details of the License code (User id) & password if required at the time of applying mining permits based on a formal request from the successful tender along with an Undertaking as stipulated at Annexure-IV that they shall obtain the Mining permits strictly in conformity with the contracted specification of the Iron Ore Fines and that in case of any deviation / penalties thereon, the same shall be to the Contractor's account only. The successful tenderer is solely responsible for any grade variation in the mining permit and supplied material and ensure obtaining of the mining permits for the specified grade in the tender.

LETTER OF UNDERTAKING (TO BE SUBMITTED PRIOR TO APPLYING MINING PERMITS)

We., _____ M/s. _____ (Name _____ & Address) _____ do hereby declare that we are aware of Mining rules of (Name of the state of material origin) state Government and central Government. We have paid all royalties, taxes etc. applicable for the grade of material as specified in the Purchase order as per the rules of respective state & Central Government. The supplied material against the Purchase Order ref no. _____ ,dtd. xx/xx/2023 to

KIOCL; is after getting Mining permits and other permissions if any, from respective State Authorities. We have applied for the Mining permits strictly in conformity with the contract specifications and we shall be responsible for deviations, if any, and penalties levied thereon, legal issues, if any, in this connection as per the directives of statutory authorities. We indemnify KIOCL in this regard.

Name & Signature of the Tenderer

Date:

21. FORCE MAJEURE:

The successful bidder will not be liable for the delay in transporting the Iron Ore Fines 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 15 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.

22. INSURANCE:

The successful bidder has to arrange for Composite Insurance Coverage at its cost for the total value of the cargo moved till the cargo is received at KIOCL, Pellet Plant, Stock Yard at Mangalore.

23. FRAUD PREVENTION POLICY OF KIOCL

Every one 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 forbid 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.

24. TERMINATION OF THE AGREEMENT.

24.1 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.

24.2 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 Letter of Award/Intent.
- ii) Goes into liquidation.

25. LAW GOVERNING AGREEMENT:

“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”.

26. INTEGRITY PACT:

All the tenderers shall execute integrity pact agreement as per the enclosed Integrity Pact Agreement (Annexure-8). Shri. Paul Antony, IAS (Retd.) and Dr. Yatindra Pal Singh, IRSE (Retd.), will be the Independent External Monitor (IEM), whose address furnished below:

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

27. LEGITAMACY 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 clearance from Department of Mines of the state concerned shall be produced.

28. GENERAL CONDITIONS OF CONTRACT:

Bidder to confirm acceptance to the General Conditions of Contract for indigenous supplies- KIOCL-P/1. 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/1 can be downloaded from KIOCL website: www.kioclltd.in).

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 a quantity of 2,00,000 DMT \pm 10% of Iron Ore fines of specification as per Annexure-2 and purchase of equivalent quantity of Pellets produced by KIOCL in DMT.

Sl	Particulars	Price in INDAIN RUPEES (Rs/- per DMT)	
		In Figures	In Words
a	Supply of a quantity of 2,00,000 DMT \pm 10% Iron Ore Fines on "Total Delivered Cost" at KIOCL Limited, Pellet Plant, Mangalore Stock Yard basis, including all taxes & statutory levies as applicable and excluding applicable GST	This is Un-Priced bid. Do not indicate price.	This is Un-Priced bid. Do not indicate price.
b	Purchase of equivalent quantity of 2,00,000 DMT \pm 10% of Pellets produced by KIOCL in DMT as per (a) above on loaded on to vessel, spout trimmed, New Mangalore Port basis, applicable taxes and duties extra and excluding applicable GST. Quantity subject to max. draft of 12.5 meters/as permitted by NMPT.	This is Un-Priced bid. Do not indicate price.	This is Un-Priced bid. Do not indicate price.
c	Difference between the purchase price of IOF as per (a) above and sale price of Pellets produced by KIOCL as per (b) above. → (b) - (a)	This is Un-Priced bid. Do not indicate price.	This is Un-Priced bid. Do not indicate price.

Confirmation by the Bidder.

- 1) The supply of Iron Ore Fines on the "on "Total Delivered Cost" at KIOCL Limited, Pellet Plant, Mangalore Stock Yard basis, inclusive of all taxes & statutory levies as applicable and exclusive of applicable GST. The price quoted will remain firm throughout the period of the contract (till completion of supplies) with provisions of clause No.11 of Annexure-3 (Price Adjustment: Bonus/Penalty).
- 2) The supply of Pellets is on loaded on to vessel, spout trimmed, New Mangalore Port basis, applicable taxes and duties extra.
- 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 Fines. The highest differential bid received, if accepted by KIOCL, will be awarded with the Contract for procurement of Iron Ore Fines as well as Contract for Sale and Purchase of Iron Ore Pellets.
- 5) It is to be noted here that the forward e-auction will be held for the SI No."c" of the price bid above, i.e. for the differential price. The successful bidder should give the break-up price for the SI No. "a" and "b" above while confirming the H-1 price discovered in the e-auction.

ANNEXURE-5

Page 1 of 2

Details of Mines & Facilities of Bidder.

A) In Case the bidder is a mine owner:

NAME OF BIDDER:

	<u>Information to be furnished by the bidder.</u>	<u>Confirmation by the Bidder</u>
1	Name of the Mine owner with complete details of Postal address. :	
2	Complete details of location of the Mines & its distance to KIOCL, Limited, Pellet Plant, Mangalore and address of the mine location. :	
3	Mining Lease No, & Validity. :	
4	Copy of the Mining Lease agreement enclosed. :	Yes /No
5	Extent of Mining Deposits. :	
6	Mechanical Crushing & Screening facilities (indicate number of crushers & screens with capacities & output per day in MT). :	
7	Loading arrangements at Mine head (Specify whether by pay loader or conveyor system). :	
8	Loading Capacity (per day basis). :	
9	Monthly Supply Capacity as per the existing facilities (in MT). :	
10	Quantity that can be earmarked to KIOCL per month (in MT). :	
11	Any other information. :	Attach sheet

Note: In case mining lease has expired and application for renewal has been filed, the tenderer shall enclose a copy of the renewal application & acknowledgement from the Mines and Geology department.

Details of Mines & Facilities of Bidder.

B) In Case the bidder is a Trader or stockiest:

NAME OF BIDDER:

	<u>Information to be furnished by the bidder.</u>	<u>Confirmation by the Bidder</u>
1	Name(s) of the Mines with complete details of Postal address (es), from where the iron ore will be sourced.	:
2	Distance of the Mines location(s)/ Stack Yard from KIOCL, Limited, Pellet Plant, Mangalore.	:
3	Extent of Mining Deposits (to be furnished mine wise).	:
4	Loading arrangements at Mine head (Specify whether by pay loader or conveyor system).	:
5	Loading Capacity (per day basis).	:
6	Monthly Supply Capacity as per the existing facilities (in MT).	:
7	Quantity that can be earmarked to KIOCL per month (in MT).	:
8	Any other information.	Attach sheet

ANNEXURE -6

BUSINESS RULE & TERMS & CONDITIONS OF 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 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.

- 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: **INR**

- 3) BID PRICE: **CIF NMPT basis** excluding Taxes and Duties.

- 4) VALIDITY OF BIDS: The Bid price shall be firm specified in the tender document and shall not be subjected any change whatsoever.

- 5) **The detailed process for e-forward auction is explained below:**

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 Reverse (no ties) {Reverse Auction}:
 - 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 (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 reverse 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.

CONTACT INFORMATION

M/s. KIOCL Limited,
(Formerly Kudremukh Iron Ore Company Ltd)
II Block, Koramangala,
Bangalore – 560 034.

Tel: +91 80 – 2553 1461 (10 Lines)
Extn: 401
Fax: +91 80 – 25630984
25532153

Mr.C Sivakumar
General Manager (Materials)
Mobile: +91 9980699556
Email: bpurchase@kioclltd.in

Mr.Govinda B
Senior Manager (Purchase)
Mobile: +91 8951972591
Email: bpurchase@kioclltd.in

VERY IMPORTANT NOTE

- 1) KIOCL reserves the right to conduct the e-Forward Auction at its discretion. KIOCL may or may not conduct the e-Forward Auction and in case KIOCL chooses not to conduct e-Forward Auction, Bids will be evaluated based on the Price quoted electronically in the SRM Portal.
- 2) The Business Rules stipulated above are subject to change. The changes/modifications/addendums to the Business Rules will be intimated well in advance to the qualified bidders

ANNEXURE-7

INTEGRITY PACT PROGRAMME

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

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.

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.

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.

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 back ground.
- (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.

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.

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.

INTIGRITY PACT

Between

KIOCL Limited hereinafter referred to as "**The Principal**",
and

..... hereinafter referred to as "**The Bidder / Contractor**"

Preamble

The Principal intends to award, under laid down organizational procedures, contract/s forThe 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 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)

e) 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.

f) 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.

g)

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-8

FORM OF BANK GUARANTEE FOR SECURITY DEPOSIT

In consideration of KIOCL Limited (hereinafter called Company) having agreed to exempt.....(hereinafter called the said Supplier (s) /bidder(s)) from demand under the terms and conditions of Purchase Order No.....Dated..... made betweenAnd for (hereinafter referred to as 'contract') of security deposit for the due fulfilment by the said suppliers(s) /bidder (s) of the terms and conditions contained in the said contract on production of a Bank Guarantee for Rs.....(Rupees.....only) we,..... (hereinafter referred as "the Bank") at the request of Supplier, (s)bidder (s) do hereby guarantee the payment to the Company an amount not exceeding Rs..... (Rupees.....only) and interest thereon at 15.5 percent per annum from the date of demand till payment 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)/bidder(s) of any of the terms and conditions contained in the said Contract.

2. We..... do hereby unconditionally and irrevocably undertake to pay to the Company an amount to the extent of Rs. (Rupeesonly) and interest thereon at 15.5 percent per annum from the date of demand till payment without any demur, merely on a demand from the Company stating that the amount claimed is due by way of loss or damage caused to or suffered or would be caused to or suffered by the Company by reason of breach by the said Supplier(s) /bidder(s) of any of the terms and conditions contained in the said Contract or by reason of the Supplier(s)/bidder(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 Rs..... (Rupees.....only) and interest thereon as mentioned above from the date of demand till payment.

3. Our liability under these presents is absolute and unequivocal and we undertake to pay to the Company the amount so demanded notwithstanding the Supplier(s)/Successful bidder(s) raising any dispute and / or disputes or filing any suit or proceeding before any Court or tribunal or other Authority. The payment so made by us under this Guarantee shall be a valid discharge of our liability for payment there under and the bidder(s) Supplier(s) shall have no claim against us for making such payment.

4. We.....further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the 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) /bidder(s) and accordingly discharges this Guarantee. Unless a demand or claim under this Guarantee is made on us in writing



on or before.....we shall be discharged from all liability under this Guarantee thereafter.

5. This Guarantee shall not be revocable by us except with the written consent of the Company and shall continue to be enforceable till.....should it be necessary to extend Guarantee beyond the said date, we undertake to extend the validity of this Guarantee for such further period as may be required by the Company, and such extension shall be given one month before the expiry of this Guarantee failing which the amount covered under this Guarantee shall become forthwith payable, notwithstanding that the Contract is continuing and /or the Company has or has not terminated the Contract or preferred any claim against the Supplier (s)bidder(s).

6. We..... 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 Contract or to extend time or performance by the said Supplier(s)/bidder(s) from time to time or to postpone for any time or from time to time in exercise of any of the powers exercisable by the Company against the said Supplier(s)bidder(s)

and to forbear or enforce any of the terms and conditions relating to the 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)/Successful bidder(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)/Successful bidder(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.

7. This Guarantee shall not in any way be affected due to change in our constitution or by your taking or varying or giving up any securities from the bidder(S)/ SUPPLIERS or any other person, firm or Company on its behalf or by the change in the constitution, winding up dissolution, insolvency or death as the case may be of the bidder(S)/SUPPLIER(S).

8. In order to give full effect to the Guarantee herein contained you shall be entitled to act as if we are your principal debtors in respect of all your claims against the bidder(S)/SUPPLIER(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.

9. We..... also undertake not to revoke this Guarantee during its currency except with previous consent of the Company in writing.

Dated theday of2017

For.....

(indicate the name of Bank)

IMPORTANT NOTE

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

(Signature of the Bidder with Date & Seal)

- 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 proforma.
- 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 six months from purchase order date with a claim period of one month thereafter for proper fulfilment of contract.

ANNEXURE-10

KIOCL RTGS DETAILS FOR MAKING PAYMENT EMD.

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-10

KIOCL FORMAT FOR COMPANY PROFILE.

1. Name of the Company with full address including, city, country, Postal code, fax / e-mail.
2. Company Registration number:
3. **GSTIN details** of the bidder to be furnished.
4. Registered Address: If other than one already provided.
5. Name of the Partners/ Directors.
6. Bidder Type: India/ Foreign
7. PAN No:.....
8. Company's Establishment year:
9. Company's Nature of Business:
10. Company's legal status such as limited company, undertaking/partnership firm/Joint Venture/others.
11. Company category: Micro Unit as per MSME/Small Units as per MSME/Medium Unit as per MSME/ Ancillary Unit as per MSME/Project affected person of this company/Small Scale Industry (SSI)/others.
12. Contact person name and DOB, designation, contact e-mail, phone and mobile no.:
13. Area of operation: Overseas / India.
13. Type of business: Mine Owner/ Trader /Stockist.
14. Details of specific experience in the field of iron ore mining and supply to other customers.
15. Any other additional information.

ANNEXURE-11

TERMS AND CONDITIONS FOR DELIVERY OF THE MATERIAL ON THE BASIS OF "TOTAL DELIVERED COST" AT KIOCL LIMITED, PELLET PLANT, MANGALORE STOCK YARD,

1. DISCHARGE PORT DETAILS

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

2. OTHER DETAILS FOR NOMINATION OF THE VESSEL:

2.1 Shipment shall be done in a sea worthy vessel classified as 100 A1 by LLOYDS or equivalent classification society and approved by General Insurance Corporation of India. The shipment shall be made on geared vessel. The vessel should hold a valid gear certificate in accordance with the international dock safety convention, covering the duration of the voyage and same shall have been tested and in good working condition. Vessel nominated should have its own hydraulic cranes fitted with grabs.

2.2 All Cargo related charges shall be payable by the Successful Bidder/ vessel owner 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 Successful Bidder/ vessel owner.

ANNEXURE-12

SPECIMEN CONTRACT FOR SALE AND PURCHASE OF IRON ORE PELLETS – THIRD PARTY EXPORT

This Contract No. KIOCL/COM/PEL/_____ is made on _____ for Sale and Purchase Of Iron Ore Pellets, hereinafter referred as “Contract”, made and entered:-

BY & BETWEEN

_____, A company incorporated under the laws of India and having its registered office at _____, e-mail: _____ which term or expression shall, unless exclude by or repugnant to the context or the meaning thereof, be deemed to included its successors and permitted assigns of second part hereinafter called BUYER

AND

1.

KIOCL LIMITED, A Government of India Enterprise and having its registered office at II BLOCK, KORAMANGALA, BANGALORE - 560 034. INDIA.TEL - +9180 25521160 , E-mail - bcomml@kioclltd.in hereinafter called SELLER.

Whereas Seller and Buyer both agree to finalize this Contract under the terms and conditions, it is therefore agreed as follows:

1.0 THIRD PARTY EXPORT :

Seller being an Export Oriented Unit (EOU), the contract is for export of pellets where Seller is exporting pellets through merchant exporter (Buyer), as per the provisions of para 6.10 of Foreign Trade Policy (FTP). Contract shall be executed as per relevant provisions of FTP. KIOCL will authorize the Third Party Exporter to export the Iron Ore Pellets manufactured by it, if required.

1.1. **DEFINITIONS** :In this Contract, unless the context otherwise requires, the following terms shall respectively have the following meanings:

- 1.1.1. **A fraction of a Rupee** in any calculation shall be rounded up to the nearest second decimal of Rupee if such fraction is one half of a Rupee or more and same shall be rounded down when otherwise.
- 1.1.2. **“Indian Rupee”**, “Rupee”, “INR” where used shall refer to the Indian currency.
- 1.1.3. **“FOB ST”** means “Free on Board, Spout Trimmed”.
- 1.1.4. **“Wet Basis”** means the Iron Ore Pellets in the Natural Wet State.

- 1.1.5. **“Dry Basis”** means the Iron Ore Pellets dried at 105° Centigrade.
- 1.1.6. **“Pratique”** means permission to do business at a port by a ship that has complied with all applicable local health regulations.
- 1.1.7. **“Statement of Facts”**, **“SOF”** means a document that is drawn up covering the time, the breakdown that occurred and deviation commencing from the time the vessel returned to the point of deviation and the voyage was resumed.
- 1.1.8. **“Time Sheet”** means a document which records all daily particulars relating to the loading or discharging of cargo as well as the duration of and reason for any stoppage of work and is used as a basis for the calculation of demurrage or despatch.
- 1.1.9. **“Ton(s)**, **“Tonne(s)”**, **“MT”**, means metric ton of 1,000 Kilograms as defined in “International System of Units”.
- 1.1.10. **“Working day”** means a day upon which business is regularly transacted and unless expressly stated, the term “day” shall be deemed to mean “calendar day”.
- 1.1.11. **“Applicant”** means Applicant of the Letter of Credit or the Buyer in this Contract.
- 1.1.12. **“Beneficiary”** means the Beneficiary of the Letter of Credit or the Seller in this Contract
- 1.1.13. **“Independent Inspection Agency”** means which are Independent Inspection Agency / Agencies that determine Quality and Quantity of the Iron Ore Pellets shipment.

2.0 NAME OF COMMODITY : IRON ORE PELLETS

3.0 COUNTRY OF ORIGIN : INDIA

**4.0 DESTINATION : Export to any country
(As per FTP guidelines)**

5.0 DELIVERY PERIOD AND QUANTITY :

**5.1. DELIVERY PERIOD : _____
As per the mutually agreed Laycan**

5.2. QUANTITY : 50,000 MT ± 10% MOLOO.

[As the loading of the pellets is through a mechanised 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.]

The Delivery schedule and consumer(s) for the above quantities shall be mutually agreed between Buyer and Seller. Any changes in the same will be made subject to mutual consent.

6.0 PORT OF LOADING : NEW MANGALORE PORT, INDIA

7.0 INDICATIVE SPECIFICATION:

The Pellets supplied by the Seller to the Buyer will be with specifications 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 %

8.0 PRICE:

The price payable by BUYER to the SELLER shall be **Rs.** _____ (Indian Rupees _____ only) per DMT, Loaded on to Vessel, Spout trimmed, New Mangalore port, applicable taxes and duties extra. The price is applicable for shipments during _____ to _____ as per the mutually agreed Laycan.

For pellets, there shall be no bonus or no penalty payable.

9.0 TAXES & DUTIES:

9.1. Applicable taxes and duties extra to buyer's account.

9.2. Buyer shall furnish the following documents to seller: -

- 9.2.1. Copies of the Bill of Lading.
- 9.2.2. Letter confirming receipt of cargo (pellets) indicating the quantity as per the draft survey report and mentioning that the payment would be released as per the contractual terms subject to conformance of quality standard as per independent inspection agency quality certificate, duly signed by the authorised signatory. The letter to be issued on-board immediately after completion of loading and draft survey.
- 9.2.3. Buyer shall ensure that names of both Buyer and Seller are mentioned in the shipping bill and any other documents as may be required along with sellers EOU status.
- 9.2.4. Buyer and seller also agree to co-operate and furnish any other document/s in order to comply with laid down procedures / statutory requirements.

9.3. Wharfage charges as applicable shall be borne by the Buyer.

9.4. Buyer may opt to procure Iron ore pellets at concessional Tax rate as per GST Notification No.41/2017- Integrated Tax (Rate) dated 23/10/2017 or 40/2017- Central Tax (Rate) dated 23/10/2017 as applicable, by complying with the conditions laid down in the said Notification. In case the Buyer opts for the concessional rate and does not comply with the conditions laid down, Seller stands indemnified from all consequences arising out of the non-compliance.

10.0 SAMPLING & ANALYSIS

- 10.1. At the loading port, Seller shall at Seller's expense, appoint Independent Inspection Agency to carry out sampling at the time of cargo being loaded into the vessel and to determine the quality of pellets and shall provide a certificate showing details of the determination and also the percentage of free moisture loss at 105 degrees centigrade. The result of such Load Port analysis shall be final and binding and the basis for invoicing and payments.
- 10.2. Buyer may at Buyer's expense appoint an Independent Assayer to carry out Joint or Independent Inspection along with Seller's Assayer at loading port.

11.0 WEIGHMENT

- 11.1. At the loading port, Seller shall at Seller's expense, appoint Independent Inspection Agency to carryout draft survey and determine the wet weight of shipment of pellets. The dry quantity shall be determined by deducting the free moisture referred in Clause-10 from such wet quantity. The dry weight of pellets as ascertained and certified shall be basis of Seller's invoice.

- 11.2. Buyer may at Buyer's expenses appoint an Independent Surveyor to carry out Joint or Independent Inspection along with Seller's Surveyor at loading port during the loading and draft survey.

12.0 PAYMENT:

- 12.1. Buyer shall open, 15 days prior to the shipment, with any bank acceptable to Seller's bank, a letter of credit, payable at sight which is confirmed, irrevocable, unrestricted for negotiation, providing for multiple negotiations and without recourse to drawer with _____ (Seller's Bank) in favour of Seller in INR for 100% of the value of the cargo with a provision to draw 10% over and above the LC value. Bank details will be provided at the time of opening of LC.

The L/C has to contain suitable reimbursement clause for reimbursement of the cargo value of the shipment to negotiating bank. The L/C shall permit partial shipments & pro-rata negotiation. The cost of opening the Letter of credit has to be borne by the buyer. Confirmation charges will be borne by the seller. 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 LC further, if required, till the full settlement of sales proceeds.

The terms of the L/C 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 lay days. The latest shipment date should provide for at least 15 days from the end of the lay days.

- 12.2. Seller shall negotiate for 100% of the value of the cargo loaded against submission of following documents within 15 days from the date of each shipment:
- 12.2.1. Invoice - prepared based on certificate of quality including moisture content and certificate of weight issued by Independent Inspection Agency appointed by the seller at load port.
 - 12.2.2. Certificate of Quality – Issued by Independent Inspection Agency appointed by the seller at load port.
 - 12.2.3. Certificate of Weight - Issued by Independent Inspection Agency appointed by the seller at load port
 - 12.2.4. Packing List.
 - 12.2.5. Copy of e-mail / ~~fax~~ advising shipment to the buyer by seller.

OR

- 12.3. Buyer shall arrange for advance payment towards the cargo value including taxes and duties as applicable as per the Proforma forwarded

by the Seller prior to the shipment through RTGS transfer. The amount as per Proforma Invoice shall be deposited to Seller's account with their Bankers at UNION BANK OF INDIA, KORAMANGALA BRANCH, SURVEY OF INDIA COMPLEX, SARJAPUR ROAD, IIND BLOCK, KORAMNGALA, BANGALORE 560034 ACCOUNT NO 515401010022015, IFSC CODE: UBIN 0551546. The Seller shall take the vessel for loading only on confirmation of such advance payment(s).

13.0 NOMINATION OF VESSEL:

Buyer shall advise Seller by e-mail/Fax at least seven (7) 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 20 years of age and shall be seaworthy. In case the vessel's age is more than 20 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 buyer's account.

14.0 NOTIFICATION OF ARRIVAL

The Buyer shall arrange for the Master of the vessel to notify Seller's Commercial In-charge at Mangalore on email: mcommercial@kioclltd.in, three notices of the ETA of the vessel at the loading port. The first of such notice will be given ten (10) 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.

15.0 LOADING TERMS

- 15.1. 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
Sailing Draft	: 12.50 meters with tide (12 meters from Aug to Nov)
Air Draft	: 13.75 meters maximum.

- 15.2. 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

- a) 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.

- b) Notice of readiness to load shall be tendered with clean holds hatch open 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.
- c) 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. Any stoppage of loading during this 12 running hours including stoppage due to breakdown of loading equipment and for reasons attributable to vessel, shall not count as lay time.
- d) In case loading has to be interrupted due to reasons of responsibility of the vessel, such time lost shall not count as laytime.
- e) Stoppage of loading due to breakdown of the pellet loading plant shall be counted as laytime.
- f) Time lost due to stoppage of loading due to rain / bad weather shall not be counted as laytime
- g) 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.
- h) 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 15 of the contract. Copy of such charter party agreement/Fixture Note shall be furnished to KIOCL by the buyer before the arrival of the vessel.
- i) Despatch will be half of the demurrage rate.
- j) Any time necessarily required by a vessel to wait for tide for completion of loading shall be counted as lay time. Lay time shall cease to count from the time of completion of loading.
- k) Shifting time shall not count as lay time unless; the vessel is already on demurrage.
- l) Time used for draft surveys shall not count as laytime unless the stoppage is on specific request by the seller
- m) Statement of facts duly signed by Master of vessel, Buyer or his agent or his authorized representative and Seller (KIOCL) shall form the basis for laytime calculations.

16.0 ADVICE OF SHIPMENT

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

17.0 INSURANCE, DELIVERY, TITLE AND RISK

- 17.1. Insurance to be covered by Buyer.
- 17.2. Delivery of any Iron Ore Pellets sold under this Agreement shall be deemed to have been made at the time of loading of the Iron Ore Pellets onto the vessel at load port.

17.3. 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 shipping documents as set forth in Clause 12 after completion of loading on board the vessel, with retrospective effect from the time of delivery of Iron Ore Pellets. All risks of loss, damage or destruction to Iron Ore Pellets sold under this Agreement shall pass to Buyer at the time of discharge of iron ore pellets from the loading device into the vessel.

18.0 FORCE MAJEURE

18.1. 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 restrictions, 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.

18.2. 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.

18.3. The party which is unable to fulfill 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.

19.0 JURISDICTION OF COURT :

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

20.0 INCO TERMS:

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

21.0 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/are as below.

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

22.0 INDEMNITY TO THE GOVERNMENT OF INDIA

22.1. 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.

22.2. Accordingly, the Buyer hereby expressly waives, releases and foregoes any and all actions or claims, including cross claims, impeder 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.

23.0 FRAUD PREVENTION POLICY:

Every one 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 WHERE OF, both parties have caused their duly authorized representatives to execute this Contract.

SELLER:	BUYER:
KIOCL Limited	
<p>.....</p>	<p>.....</p>
Authorised Signatory
	Authorised Signatory