

**NOTICE INVITING TENDER (NIT)
FOR
MINES DEVELOPER AND OPERATOR (MDO)
OF
2 MTPA IRON ORE MINING PROJECT
OF
M/S NEELACHAL ISPAT NIGAM LTD.**

In

**Koira Tahsil, Sub-Divn.- Bonai, Dist.Sundargarh &
Barbil Tahsil,Sub Division-Champua,Dist.Keonjhar.
Odisha.**



Tender No.: NINL/CM/SSS/MINES/NIT-184

Date: 06.07.2018

Last Date of Bid Submission: 30.07.2018 till 15.00 Hours IST.

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DISCLAIMER

1. This document is not an agreement or an offer by NINL to Bidders or any third party. The purpose of this document is to provide interested parties with information to facilitate the formulation of their Techno - commercial and Price Bid.
2. This document does not purport to contain all the information each Bidder may require. The document may not be appropriate for all persons, and it is not possible for NINL to consider the needs of each party who uses or reads this document. The concerned parties should conduct their own investigations and analysis and should verify the accuracy, reliability and completeness of the information in this document and may obtain independent advice from appropriate sources.
3. Neither NINL nor its employees or its Transaction Advisors (the agency handling the bid management) make any representation or warranty as to the accuracy, reliability or completeness of the information in this document.
4. Neither NINL nor its employees or Transaction Advisors (the agency handling the bid management) shall have any liability to any Bidder or any other person under the law of contract, tort, the principles of restitution or unjust enrichment or otherwise for any loss, expense or damage which may arise from or incurred or suffered in connection with this document, or any matter deemed to form part of this document, the award of the work, or the information and any other information supplied by or on behalf of NINL or its employees, its Transaction Advisor or otherwise arising in any way from the selection process for the project.
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6. NINL reserves the right to change, modify, add, alter this document or cancels the bidding process without assigning any reasons thereof, at any time during the bidding process. All parties to whom this Document has been issued shall be intimated of any such change. The Bidders or any third party shall not object to such changes/ modifications/ additions/ alterations explicitly or implicitly. Any such objection by the Bidder shall make the Bidder's proposal liable for rejection by NINL. Objection by any third party shall be construed as infringement on confidentiality and privileged rights of NINL with respect to this Document. NINL has the right to reject the bids submitted by bidders without assigning any reasons thereof.
7. The Bidder shall not make any public announcements with respect to this Bidding process or this Document. Any public announcements to be made with respect to this bidding process or this Document shall be made exclusively by NINL. Any breach by the Bidder of this clause shall be deemed to be non-compliance with the terms and conditions of this Document and shall render the Proposal for Qualification liable for rejection. NINL's decision in this regard shall be final and binding upon the Bidder.
8. It is clarified that the provisions of Point no. 5, 6 and 7 shall not apply to information relating to this Document already available in the public domain prior to the issue of this Document.
9. Submission of bid shall amount to undertaking for not challenging the provisions of the bid document.
10. The bidder shall bear all costs associated with the preparation and submission of the Techno Commercial and Price Bid. NINL and their Transaction Advisor shall not, under any circumstances, be responsible or liable for any such costs.
11. This Bid Document purchased by the interested bidder is not transferable.
12. The Government of India shall not be liable under any circumstances for any acts/ omissions/ commissions under the instant Tender.

CHAPTER 1

Invitation to Bid

NOTICE INVITING TENDER (NIT)

1.0 Neelachal Ispat Nigam Limited, herein after referred to as NINL, invites sealed bids from prospective eligible bidders for “ Mines Developer and Operator” of 2 Million Tonnes of Iron Ore (ROM) per Annum (Approximately 2.40 Million Tonnes per Annum of total excavation) \pm 20% from Mithirda-Basada-Kriyakudar mining blocks located near Koira in Sundargarh & Keonjhar District of Orissa for

(a) Requisite infrastructure development including upgradation of existing main transport roads upto mineral stack yard at Nayagarh Railway siding & construction of haul roads within mining lease area

(b) mining, crushing & screening for production of +10-30 mm CLO & -10 mm fines, (c) transportation to mineral stack yard at Nayagarh Railway siding and

(d) loading into wagons by mechanized means for onward despatch to NINL plant at Duburi on item rate basis for the complete scope of work as detailed in this bidding document.

2.0 BIDDING DOCUMENTS

- Entire bidding Documents along with detailed Notice Inviting Tender (NIT) are available in NINL’s website i.e www.ninl.in. The prospective bidders can download the documents for the purpose of preparation & submission of their Bids.

The Bidder shall download the “Bidding Document” available in the website in totality. It will be presumed that the bidder has gone through the entire Bidding Document available in the website, which shall be binding on the Bidder.

A prospective Bidder requiring any clarification of the Bidding Documents may notify NINL in writing or by e-mail at the NINL’s mailing address indicated herein. NINL will respond in writing to relevant requests.

Any amendment issued prior to submission of Bids would be put on the NINL’s web site. Hence the prospective bidders are requested to visit NINL’s website regularly for amendments / corrigendum, prior to submission of their bid. All prospective bidders would be presumed to have examined all

amendments on the website & have submitted their bids accordingly. A copy of such amendments shall be enclosed with the Bid.

Interested bidders may obtain further information from the office of the

Dy. General Manager (Commercial),

Neelachal Ispat Nigam Limited,

Kalinga Nagar Industrial Complex,

Duburi, Jajpur-755026, Odisha

e-mail : sahuss@nini.in

3.0 PERIOD OF SERVICE AGREEMENT

The term of Mining Services Agreement will be for a period of 20 (Twenty) years from the Effective date of Agreement, which may be further extended for a period of 05 (five) years on mutual consent basis.

4.0 ELIGIBILITY AND QUALIFICATIONS OF BIDDERS

The stipulated eligibility and qualification requirements are given in Bid documents.

5.0 EARNEST MONEY DEPOSIT

The Bidders are required to submit Earnest Money Deposit in Indian Rupees 5,00,00,000/- (INR five Crores) along with bid in the form and manner as described in the "Instructions to Bidders" of the bid document.

6.0 DUE DATE FOR SUBMISSION OF BID

You are requested to submit your bid complete in all respect in accordance with the terms of the NIT so as to reach the Office of the Dy. General Manager (Commercial), Neelachal Ispat Nigam Limited, Kalinga Nagar Industrial Complex, Duburi, Jajpur-755026, Odisha on or before 15.00 (Fifteen) Hours "Indian Standard Time (IST)" on 30.07.2018.

7.0 VALIDITY

The Bid submitted by the bidder shall remain valid for a period of 180 (One Hundred and Eighty) days from the due date of submission of bids (excluding the last date of submission of Bids).

- 8.0** NINL reserves the right to accept or reject any bid, or to annul the bidding process and reject all bids at any time prior to award of contract, without assigning any reason thereof and without thereby incurring any liability whatsoever, to the affected Bidder(s).
- 9.0** NINL also reserves the right to amend the scope of work, modify the Bid documents, to postpone the date of receipt and opening of bids without bearing any liability whatsoever consequent upon such decision.

Dy.General Manager(Commercial)
Neelachal Ispat Nigam Limited

CHAPTER 2

Bid Process Timelines

Bid Process Timelines

1.	Tender No. & Date	NINL/CM/SSS/MINES/NIT-184 Date:06.07.2018
2.	Last Date of seeking clarification on bid documents	Date : 16.07.2018
3.	Issue of Clarification, if any	Date :23.07.2018
4.	Date & Time of Closing & Receipt of Tender	30.07.2018 at 15.00 Hrs
5.	Date, Time and Place of Opening the Tender (Part 1 and Part 2)	30.07.2018 at 15.30 Hrs at the office of - Dy. General Manager (Commercial), Neelachal Ispat Nigam Limited, Kalinga Nagar Industrial Complex, Duburi, Jajpur-755026, Odisha,
6.	Opening of Price Bid (Part 3)	To be intimated only to the techno-commercially qualified bidders.

CHAPTER 3

DEFINITIONS

DEFINITIONS

- 3.1 **“Agreement”** means Mining Services Agreement (along with all Schedules, Attachments and Annexure), Bid Document and any other Amendment which may be entered into between parties to this Agreement. Details of documents comprising in this agreement as set out in Clause 2 of the Mining Services Agreement; as of date hereof, which may be amended or supplemented in accordance with the provisions hereof.
- 3.2 **“Applicable Laws”**: As defined in Clause 1.1.3 of the Mining Services Agreement.
- 3.3 **“Approved Annual Production Plan”**: As defined in Clause 1.1.5 of Mining Services Agreement.
- 3.4 **“Authority”** means the Central Government, the concerned State or Local Governments and includes any Department, Agency, Board, Bureau, Authority, Regulator etc., constituted or established under a Central, State or Local Legislation, ordinance including rules and regulations made there under or by the Central, State or Local Government and court to exercise sovereign functions in relation to the Scope of Work as per the Agreement.
- 3.5 **“Authorized Representative(s) and Signatories** —Each Bidder shall designate maximum two persons (—Authorized Representatives and Signatories) authorized to represent the Bidder in all matters pertaining to its bid. These designated persons should hold the Power of Attorney duly authorizing them to perform all tasks including but not limited to signing and submission of proposal; to participate in all stages of the bidding process; to conduct correspondence for and on behalf of the Bidder, with whom all communications by NINL in respect of this project shall be deemed to be with the bidder itself and to execute the Mining Services Agreement and any other documents required to give effect to the outcome of the Bidding process. The original Power of Attorney, duly notarized, in favour of the Authorized Representatives and Signatories shall be enclosed by the Bidder along with the covering letter.

- 3.6 **“Bidder”**: shall mean bidding company which is a single member or Bidding Consortium that has submitted the Bid in response to this Document.
- 3.7 **VOID**
- 3.8 **VOID**
- 3.9 **“Commencement of Production Date or Commencement Date”** means the date as certified by NINL as per the Mining Services Agreement.
- 3.10 **“Contract Execution Date”** means the date on which the Mining Services Agreement is signed between NINL and the Successful Bidder.
- 3.11 **“Production Period”** means Iron ore production period of 20 (twenty) years.
- 3.12 **“Delivery Point”** means the railway siding at Nayagarh where the Iron ore will be loaded into railway wagons as per requirement of NINL.
- 3.13 **“Deposit”** means the iron ore deposits available in the leasehold area which can be extracted/ exploited in Phases as per conditions stipulated in Environment Clearance.
- 3.14 **“Document”** means this bid document along with corrigenda and addenda, if any, issued at a later date.
- 3.15 **“Documentation”** means documents required or relevant for the due performance of this contract.
- 3.16 **“Earnest Money Deposit”** shall mean the amount equivalent to Rs **5,00,00,000/- (Indian Rupees five Crores only)** to be furnished by the Bidder towards bid security in the form of demand draft/ banker’s cheque along with Part 1 of the bid.
- 3.17 **“Effective Date”**: shall mean the date of issue of “Letter of Award” by NINL in favour of the successful bidder.
- 3.18 **“Environmental Management Plan (EMP)”** means Plan approved by the Government for implementation and monitoring of environmental protection measures during and after commissioning of NINL mining project.
- 3.19 **“Feasibility Study”** means a study conducted or to be conducted by a designated agency for iron ore mining.

- 3.20 **“Financial Year”**: Financial Year shall mean the period of 12 months based on the Financial Accounting Year.
- 3.21 **“GOI”** means Government of India.
- 3.22 **“Govt.”** means Government of India or Odisha State Government as the case may be.
- 3.23 **“Good Quality Ore”** means ore of size 10- 30mm & -10 mm fines fulfilling the quality parameters mentioned in the Bid document. This ore will be screened to segregate Lumps and fines.
- 3.24 **VOID**
- 3.25 **VOID**
- 3.26 **“Lease Area”** means an area of 874.29 hectare at Mithirda-Basada-Kriyakurdar village located in Koira block of Sundargarh District of Odisha.
- 3.27 **“Lessor”** means the appropriate Govt. in cases of leases granted to NINL.
- 3.28 **VOID**
- 3.29 **“Mine”**: means an area of 874.29 hectare at Mithirda-Basada-Kriyakurdar village located in Koira block of Sundargarh District of Odisha.
- 3.30 **“Mine Closure Plan”** means the Progressive Closure Plan and Final Closure Plan as approved by the Government for NINL Project.
- 3.31 **“Mine Developer and Operator (MDO)”** is the Bidder who is selected through the Bidding process, who would sign and execute the Mining Services Agreement and/any Legal Agreements as prescribed by the law applicable from time to time, with NINL. The MDO shall include its legal representatives and successors.
- 3.32 **“Mining Fee”** means the fee quoted by the bidder as per Format 6 of this Bid document for carrying out the activities mentioned in the scope of work as per Annexure -1 of the Agreement.
- 3.33 **VOID**
- 3.34 **“Operating Year”**: Operating Year shall mean the Financial Year starting from 1st April and ending on 31st March of subsequent Year.

3.35 **VOID**

3.36 **VOID**

3.37 **VOID**

3.38 **“Production Target”** means the year-wise quantity of ROM iron Ore required to be produced as per the Mine Plan and as otherwise adjusted from time to time under this Agreement.

3.39 **“Project Area”** means the areas covering Mithirda-Basada-Kriyakurdar village Mining lease area, Haul Roads, Over Burden Dump, Crushing & Screening plant, Railway Siding, Workshop, Buildings and Colony etc.

3.40 **“Qualifying Requirements”**: Qualifying Requirements shall mean the requirements set forth in Chapter-5 of this Document for the purpose of evaluation and selection of the MDO.

3.41 **“Quantity”** means amount of screened Iron Ore measured in Tonnes.

3.42 **“Royalty”** means an amount required to be paid to the Government on account of quantity of Iron Ore extracted from the mine.

3.43 **“NINL Project/ Project”**: The project means the entire work relating to the planning, designing, engineering, financing, construction, operation and maintenance of the Mine along with crushing and screening plant, conveying system & railway siding including rapid loading system and shall include all such works as detailed in this Bid Document and Mining Service Agreement and other associated infrastructure necessary for successful execution of the project.

3.44 **VOID**

3.45 **VOID**

3.46 **“Successful Bidder”** shall be the Techno Commercially qualified bidder whose bid results into lowest Mining Fee (L-1) in the Price bid.

3.47 **“Tax/ Tax Levy”** means a fee charged (levied) by the Government on any product, income or activity.

3.48 **“Turnover”**: Turnover is Gross Sales or Gross Revenues, as defined by the Indian Accounting Standards - 9 published by the Institute of Chartered Accountants of India.

3.49 “**Screened Ore**” means ore of size +10-30mm CLO (Calibrated Lump Ore) and -10 mm fines as per the quality parameters mentioned in this document.

CHAPTER 4

INTRODUCTION

4.0 SITE & GENERAL INFORMATION

4.1 NEELACHAL ISPAT NIGAM LIMITED (NINL) is a joint venture company having its steel plant at Duburi in Jajpur District, Orissa mainly promoted by Mineral Metals Trading Corporation Ltd (MMTC), Govt. of India undertaking and Industrial Promotion & Investment Corporation Ltd (IPICOL), a Govt. of Orissa enterprise. The company has setup green field integrated steel project (1.1mt capacity), coke oven plant (0.80 MTPA), sintering plant (1.70 MTPA) and captive power plant (63 MW). NINL was granted mining lease for Iron Ore, over an area of 874.290 ha in Koira block of Sundargarh district and Joda block of Keonjhar district.

4.2 LOCATION

The mine lease area is a part of the eastern limb of the famous 'horseshoe shaped iron ore belt' of Orissa and Jharkhand states. The mining lease area admeasures about 874.290 ha, of which about 871.427 ha falls in Sundargarh district and the remaining 2.863 ha falls in Keonjhar district. Total ML area comprises nine villages out of which Mithirda, Kriyakudar, Basada, Dalita, Rusibenua, Mandajoda and Kadaliala villages are coming under Koira tehsil of Sundargarh district and Pirhapokhari & Handibhanga villages coming under Barbil tehsil of Keonjhar districts.

The proposed mine lease area is situated between the latitudes 21° 50' 37" to 21° 54' 16" north and longitudes 85° 19' 34" to 85° 22' 09" east.

The mining lease area is approachable from Barbil covering a distance of 44 km by a metalled road up to Gonua and then by a 3.5 km fair weather road up to Dalita, located in center of the ML area. The mine lease area is also connected from Joda by a road leading to Mithirda and Basada deposits, via Gonua village over a distance of about 30 km. The nearest railway sidings are located at Nayagarh & Parjanpur at about 20 km & 40 km respectively from the ML area.

4.3 MINERALISATION

Mineralised zones occur as hillocks / rolling mounds in Koira block. The main ore types are classified as massive ore, laminated and friable ore (HLO / SLO), blue dust along with lateritic ore, BHJ, ferruginous / tuff shale, float ore

and yellow ochre depending on the iron concentration and degree of lateritisation. All the partially lateritised ores underlying the overburden are considered as lateritic ore.

4.4 METHOD OF MINING

The major factors like topography, estimated reserve & grade, nature of intercalated waste, incidence of iron ore, capital available and production requirement have become the basis to adopt opencast mechanized method of mining with the deployment of major earth moving machines like blast hole drill, hydraulic shovel, tippers, dozers etc on two shift basis.

4.5 DEPOSITS PROPOSED FOR MINING

The lease area is enriched with three major group of deposits known as Mithirda, Kriyakudar and Basada.

The Mithirda and Basada deposit will be worked by top slicing method. The Kriyakudar deposit will be mined through a system of horizontal benches laid out along the contours from top downward.

Mining of the deposit will be carried out by conventional cyclic operations namely removal of topsoil, drilling and blasting of ore zone, excavation, loading and haulage of run of mine ore. About 0.3 m thick top soil will be removed first, which will be stock piled for future use for plantation purposes. After the removal of top soil, drilling and blasting operation will be carried out at hard / laminated iron ore zone for loosening. These loosened iron ore then excavated and loaded to the truck will be disposed off at crude ore stack.

Overall quarry slope angle will be maintained at less than 30 Degree with the horizontal by developing 8m high and 16m wide benches. Massive hard iron ore strata will be loosened through drilling and blasting.

4.6 TARGET QUANTITY

The proposed production of ore, generation of waste and sub-grade from three mining blocks as per approved mining plan are as under-

Table 3.1: Summarised Statement of Production of Ore, Generation of Waste, Sub-Grade Ore and Top-Soil

Particulars	I yr	II yr	III yr	IV yr	V yr	Total
Production of ore (tonnes)	1711888	1854840	1906840	1912625	2014187	9400380
Generation of waste (m ³)	138270	152880	156320	156200	164500	768170
Generation of sub-grade (m ³)	65245	73200	74560	74300	78250	365555
Generation of top-soil (m ³)	23675	25245	26075	27325	28855	131175

Note : After five years of approved mining plan period, the balance period of mining production plan will be followed as per approved mining scheme by IBM and guideline of MOEF, GOI.

4.7 MODIFICATION / ALTERATION

The employer shall have the right to make any alteration, modification / additions in the original specification / scope of work during execution of the work and the MDO shall be bound to implement the same in accordance with such instructions etc. Such alterations etc. shall not invalidate the Contract. However, the rates and related terms for such alterations etc. if applicable shall be mutually negotiated and in case of non-settlement, decision of the employer on the matter will be final and binding.

4.8 QUALITY

The physical and chemical specification of Iron ore to be produced is as under. The agency has to strictly adhere to the specified specification.

Sl. No.	Product Description	Physical specification	Chemical specification
1	Calibrated Lump Ore (CLO)	+10-30 mm	Fe Content +62.0%
2	Fines Ore	-10 mm	Fe Content +61.0%

The maximum tolerance in physical and chemical specification of Iron ore to be produced is as under beyond which the products will be rejected.

Sl. No.	Product Description	Physical specification	Chemical specification
1	Calibrated Lump Ore (CLO)	Oversize (+30mm) - 5% Undersize (-10mm) - 5%	Fe Content +/- 0.5%
2	Fines Ore	Oversize - 5%	Fe Content +/- 0.5%

CHAPTER 5

QUALIFYING CRITERIA

5.0 Qualifying Requirements

5.1 Bidder shall furnish all the details (with supporting documents) as per Technical and Financial Criteria mentioned below in order to qualify for Part 3 – Price Bid Stage.

5.1.1 Technical Criteria

The bidder should adequately demonstrate possessing the following technical capabilities in order to be considered for the Price Bid Stage (Part 3) of the bidding process:

- (i) Should have successfully executed similar works of raising & operation of crushing & screening unit of Ore / minerals (excluding Minor Minerals) in any one financial year during last five years ending with 31.03.2018 for a minimum of 2.0 (two) million tonne per year in case of raising and a minimum of 1.0 million tonne per year for operation of crushing & screening unit in case of single work order.(as specified in First Schedule of the MMDR Act &fourth schedule of MMDR Amendment act 2015)
- (ii) Experience of having successfully executed industrial/ infrastructure projects as defined under Definition Head of this document during last 05 (five) years as on date of NIT whose aggregate capital cost should not be less than INR 300.00 Crore, out of which one single project should be of minimum INR 200.00 Crore.
- (iii) Should own a fleet of minimum heavy earth moving machinery as mentioned in Table 3.2 in good health at its command to execute the work within the stipulated time.

5.1.2 Financial Criteria

Bidder has to satisfy the following financial criteria of turnover and net worth in order to be considered for the Price Bid Stage (Part 3) of the bidding process:

- i. Bidder should have an average annual turnover of at least Rs. 300.00

Cröre (Rupees three hundred Cröre only) during last three consecutive financial years ending on or before 31.03.2018 based on their financial accounting year.

5.2 Eligible Bidder

5.2.1 Bid should be submitted by a sole bidder.

5.2.2 Consortium bidding is not allowed.

5.3 Supporting documentary evidence:

Bidder shall furnish following relevant documents in support of its technical and financial credentials as mentioned in Clause 5.1.1 & 5.1.2.

5.3.1 In case the bidder is a mine owner then copy of the submissions made to statutory government authorities for annual production of respective minerals as mentioned in clause 5.1.1 (i), shall be submitted as documentary evidence in support of the experience. The mining experience of the bidder should be certified by the statutory auditor of the bidder.

5.3.2 In case the bidder is a mine contractor then he should submit a copy of the contract agreement/ Work Order and certificate of production of respective minerals as mentioned in clause 5.1.1 (i) from the mine owner duly certified by the statutory auditor of the bidder as documentary evidence in support of the experience.

5.3.3 The bidder should submit following documentary evidence in support of having successfully completed the infrastructure projects as mentioned in clause 5.1.1 (ii).

- a) Copies of Award letter/ Contract Agreement/ Work Order
- b) Copies of Commissioning certificate/ Performance Certificate/ Final Acceptance Certificate/ Completion certificate
- c) In case of self-constructed projects, the capital cost will be certified by the statutory auditor of the bidder.

5.3.4 The annual reports along with the audited financial statements of the bidder for the preceding three financial years should be submitted by the bidder. In

case where the audited financial statements for the last preceding financial year are not available, certification of financial statements from statutory auditor of the bidder would be acceptable.

5.4 Instructions:

5.4.1 Submission of more than one bid by the bidder or use of technical credentials of a Parent/ Subsidiary Company for more than one bid will lead to disqualification of all such bids.

5.4.2 In preparing the Techno Commercial Bid and Price Bid, bidders are expected to ensure adequacy of the qualifying documents in detail. Material deficiencies/ discrepancies in the information requested may result in rejection of a bid.

CHAPTER 6
INSTRUCTIONS TO BIDDERS

6.0 INSTRUCTIONS TO BIDDERS

6.1 The complete Bid Documents shall be available on NINL's website www.ninl.in for the purpose of downloading and bid submitted on such downloaded bid documents shall be considered valid for participating in the bid process. NINL shall not be responsible for any delay / difficulties / inaccessibility of the downloading facility for any reason whatsoever.

6.2 In case, (at any stage of the tendering process) any tampering/ unauthorized alteration to the bidding document, is noticed in the Bid (as submitted by the bidder), the said Bid shall be summarily rejected and the company shall have no liability whatsoever in the matter.

However, deviations, if any, proposed by the bidder may be separately indicated in the format provided in the bid document for acceptance or otherwise by NINL. Such proposed deviations will not be treated as tampering for the purpose of application of the clause.

6.3 Bidders may seek clarification, if any on this Document as per timelines specified in this Document. Any request for clarification must be sent in writing by paper mail, electronic mail to NINL's address as mentioned in this bid document.

6.4 In case any queries remain un-replied, it shall be construed that in respect of those queries, the respective stipulations of the Bidding document shall continue to apply and/or no new stipulations are made with respect to those queries.

6.5 Any Corrigendum/ Addendum to this Document issued by NINL subsequent to the issue of Bid Document shall also be considered an integral part of this Document and any reference to this Document shall include such Corrigendum / Addendum also.

6.6 The Bidders must familiarize themselves with local conditions and take them into account in preparing their Bids. To obtain first-hand information on the proposed assignment and on the local conditions, the bidders may visit the NINL Iron Ore Mine and do due diligence before submission of their bid. Such visit shall be undertaken by the Bidder at its own cost and NINL shall bear no liability for the same.

6.7 Any neglect or omission or failure on the part of the Bidder in obtaining necessary and reliable information or on any other matter affecting the Bidder, shall not relieve the Bidder from any risk or liability or the entire responsibility for completion of the work in accordance with the Bidding Documents.

6.9 Validity of the Bid

The Bid must be valid for at least 180 days from the last date of submission of bid. A bid valid for a shorter period shall be rejected by NINL as being Non- Responsive. NINL may request the Bidders to extend the bid validity beyond the period of 180 days. The request and responses thereto shall be made in writing. If a Bidder accepts to extend the period of bid validity, then EMD shall also be accordingly extended by the Bidder. A Bidder may refuse the request without forfeiting its EMD. A Bidder accepting such request shall not modify its bid on its own.

6.10 The original power of attorney in favour of the Authorized Representatives & Signatories of the Bidder duly notarized shall be submitted by the Bidder along with its Techno Commercial Bid.

6.11 Bid shall contain three parts

6.11.1 Part 1 – Earnest Money Deposit in the form of DD in favour of “Neelachal Ispat Nigam Limited” payable at Bhubaneswar.

6.11.2 Part 2 – Techno Commercial Bid and Integrity Pact

The documentary evidence in support of the Qualifying requirement submitted by the bidder as mentioned in Clause 5.3 of this bid document along with Format 1, 2, 3, 4, 5 & 7 and duly signed Integrity Pact (Format 8) will form part of the Techno Commercial Bid. The bidder is also required to submit a copy of the Bid Document and Mining Services Agreement duly signed & stamped by him with the Techno-Commercial Bid as token of acceptance of tender terms & conditions. The Techno Commercial Bid will be evaluated only after the evaluation of Part 1 (EMD).

6.11.3 Part 3 – **Price Bid**

The Bidders shall quote the following consolidated Mining Fee per tonne as per Format 6:

Mining, crushing & loading of +10 - 30 mm CLO and -10 mm fines.

Where:

- (i) Mining Fee should include the elements up to loading of iron ore at Despatch Point. Payment shall be made in INR.
- (ii) The Bidder quoting the lowest Mining Fee shall be declared as Successful Bidder.
- (iii) Explosives shall be provided by NINL as per the statutory requirement. The cost towards procurement of the explosives shall be reimbursed by MDO to NINL at actual. Blasting will be done under the supervision of NINL.
- (iv) Taxes, duties, levies, cess and other statutory fees/charges applicable for providing mining services, service tax, royalty payable to the State and /or

Central government shall be excluded from the fees quoted and shall be reimbursed on actual subject to documentary evidence. Taxes payable by the Bidder which are not incidental to mining services to NINL, including income tax and such duties, on electricity and water etc. shall not be paid or reimbursed by NINL

- (v) No other payments shall be made by NINL to the MDO, apart from the Mining Fees quoted and Mining fee as calculated in clause 6.11.4.

6.11.4 Mining fees for CLO and Fines

The calculation formula for Mining Fees is as follows:

ITEM	DESCRIPTION	Mining Fee
1.	Mining Fee in Rs. per ton for of +10 to -30 mm CLO and -10 mm fines loaded into wagons	The mining fee for screened ore.

6.12 Preparation of Bid

6.12.1 The original Bids (Part 1, Part 2 and Part 3) shall be prepared in hard (Printed) copy. It shall contain no inter-lineation or overwriting, except as necessary to correct errors made by the Bidder itself. Any such corrections must be initialled by the person or persons who sign(s) the Bids.

6.12.2 The Authorized Representative of the Bidder must sign all pages of the Bid.

6.12.3 The bid, along with supporting documents (wherever applicable) shall be submitted by Bidders in the manner as described in the following paragraphs.

6.12.4 The Bids shall include Part 1 – —EMD, Part 2 —Techno commercial Bid and Integrity Pact and Part 3 – —Price Bid, each packed in a separate sealed envelope and duly superscribed with Part No. and description. Above mentioned three envelopes shall be sealed in another envelope or box with the following inscription:

“Bid for Development of 2 MTPA Iron Ore Mine of NINL” (Three Part Bid)

Tender No:

Addressed: To,
Dy. General Manager (Commercial),
Neelachal Ispat Nigam Limited,
Kalinga Nagar Industrial Complex,
Duburi, Jajpur-755026, Odisha

Bidder’s Name and Complete Address

One Original copy and two photocopies of the techno commercial bid shall be placed in two different sealed envelopes. The Original set of the techno commercial bid and Integrity Pact shall be marked and labeled as —Part 2 - Originalll. The two envelopes containing the original and the copies of the Techno commercial bid and Integrity Pact shall be placed in one single outer envelope which shall be clearly marked as —Envelope 2 (Part 2- Techno Commercial Bid and Integrity Pact). The soft copy of the techno commercial bid in the form of Compact Disc should also be part of the Techno Commercial bid (Part-2).

The bid duly completed and signed by the Bidder together with Formats hereof, should be submitted and shall comprise the following documents in separate sealed cover:

Envelope 1: Part 1 comprising of Earnest Money Deposit.

This envelope should be clearly marked as —Part 1 (Earnest Money Deposit).

Envelope 2: Part 2 -This part shall be marked as —Part 2 –Techno-Commercial Bid and Integrity Pact as per advice. (1 original + 02 copies)

Envelope 3: Part 3 This part shall be marked as —Part 3 –Price Bid and shall contain price bid only, duly completed and signed by Bidder, without any terms and conditions.

6.13 EMD & CONDITIONS FOR REFUND OF EMD:-

- a. The Bid must be accompanied with an EMD of 5,00,00,000/- (Indian Rupees Five Crores only) in the form of a demand draft/bankers cheque. The demand draft / bankers cheque should be in favour of — **“Neelachal Ispat Nigam Limited”** and payable at par at Bhubaneswar.
- b. EMD should be valid for at least 180 days from the last date of submission of bid.
- c. No interest will be paid on the EMD so deposited.
- d. Offers submitted without specified EMD will be rejected summarily.
- e. In case the bidding process is cancelled by NINL, the EMD of all the Bidders shall be refunded within 7 days of such cancellation.

- f. EMD of technically disqualified Bidder shall be refunded within 7 days, of such disqualification; EMD of other Bidders excluding successful bidder shall be refunded within 30 days of the signing of agreement with the successful bidder.
- g. The EMD of the Successful Bidder shall be returned after submission and acceptance of Security Deposit by NINL.
- h. Without prejudice to any other rights available to it under Applicable Laws, NINL reserves the right to forfeit EMD of the Bidder without any notice of proof or damages to the Bidder on the occurrence of any one or more of the following events/circumstances:
 - (i) If the Bidder withdraws or modifies its offer, partially or fully, during the validity period after submission of the Price offer; or
 - (ii) If any of the claims /statements /declarations of the Bidder is found to be incorrect or inconsistent or in case of any material misrepresentation of facts; or
 - (iii) In case the bidder submits wrong, forged, bogus /or false certificates and if this comes to the notice of NINL at any time during the tender process then the EMD of such bidder shall be forfeited.
 - (iv) If the Successful Bidder fails to sign the Mining Services Agreement and to submit the Security Deposit in accordance with Clause 7.14, within 60 (Sixty) days, then EMD of the Successful Bidder shall be forfeited;

6.14 SECURITY DEPOSIT:-

The Successful Bidder shall furnish Security Deposit equivalent to a sum of Rs 100 Crores (Indian Rupees One hundred Crores only) within 45 days of issuance of Letter of Award (LOA). The Security Deposit of MDO shall be liable for forfeiture in case the MDO fails to undertake the work during any year or in event of default by MDO as stipulated in Mining Services Agreement.

The Security Deposit shall be for the time bound, due and faithful performance of the Contract and shall remain binding notwithstanding such variations, alterations or extensions of time as may be made, given, conceded or agreed to between the MDO and NINL in terms of the Contract or otherwise. Without prejudice to NINL's other rights under the Contract, the Security Deposit will be liable for forfeiture by the Purchaser, if he deems it necessary and appropriate, at its discretion, in the event of Contractor's failure to discharge and/or be liable of any of his obligations and responsibilities stipulated under the Contract.

6.15 Submission of Bid

6.15.1 The deadline for the submission of the bid shall be **30/07/2018 up to 15:00 hours (IST)** at the following address:

Dy. General Manager (Commercial),
Neelachal Ispat Nigam Limited,
Kalinga Nagar Industrial Complex,
Duburi, Jajpur-755026, Odisha

6.15.2 No submissions shall be allowed after the above deadline specified for submission of Bids. NINL may ask for further clarifications/ documents as and when required, which may be submitted by the Bidders after the abovementioned deadline.

6.15.3 The Bidder has the option of sending its bid by registered post/courier or submitting the bid in person so as to reach the designated address by the time and date specified in this Document. NINL shall not be responsible for any delay in the receipt of the bid.

6.15.4 The Bidders must note that the bid shall not be received by NINL by fax and email. Only those bids which are received in sealed condition by NINL by post/ courier or in person till the last date and time specified for submission shall be considered by NINL.

6.16 Opening of Bids

6.16.1 The Bids would be opened on the date and time specified in this Document at the above-mentioned address in presence of intending authorized representatives of the bidders. Bidder's representatives should submit their respective letters of authorisation on Bidding Company's letterhead. The said authorisation should be duly signed by the authorised representative empowered for purposes of the transaction, for being allowed to participate in the bid opening exercise. The Bidders' representatives shall initial the minutes of the Bid opening.

6.16.2 Part-1 and Part-2 bids shall be opened on **30.07.2018 at 15:30 hours (IST)**.

6.16.3 The envelope (Part-1) containing EMD shall be opened before the —Techno Commercial Bid and Integrity Pactll (Part-2). The Techno Commercial bid will be opened only if EMD is found in order. The bids without EMD as per the provisions in the bid document will be summarily rejected.

6.16.4 At the time of opening of Part 1 and Part 2 of the bids, Part 3- Price bid shall not be opened by NINL.

6.16.5 NINL at its option can decide for opening of sealed price bids or discover L-1 Price through online Reverse auction, even after calling of sealed price bid. In case of resorting to online Reverse Auction, Eligible bidders shall be intimated for participation in price bidding through online Reverse Auction over internet to be conducted by NINL's service provider M/s M Junction and Rules of the same will be handed over to them. The General Rules and Regulations governing conduct of online Reverse Auctions are enclosed as Format-9.

6.17 Evaluation of Bids

After evaluation of the Techno Commercial Bid and Integrity pact (Part-2) only the techno commercially qualified Bidders shall be considered eligible and intimated for the opening of their Price Bid (Part-3) / participate in Reverse Auction.

6.17.1 Evaluation of Techno Commercial Bid

6.17.1.1 The Techno Commercial Bid shall be initially scrutinized to establish—Responsiveness. A Techno Commercial Bid shall be deemed to be—Non-responsive in the following cases:

1. It does not include sufficient information for it to be evaluated objectively.
2. Prima-facie there is significant inconsistencies between the information submitted and the supporting documents or the supporting documents are not submitted.
3. If Integrity Pact submitted by them is not found in order.
4. Bidders not satisfying the technical and financial qualifying criteria as mentioned in the bid requirements in Chapter 6 of the bid document.
5. It is not signed and/ or sealed in the manner and to the extent indicated in the Bid document.

6.17.1.2 The Responsive Techno Commercial Bid shall be evaluated to determine their compliance with the Qualifying Requirements, detailed in Chapter 6 of the bid document. For this purpose, NINL shall use the supporting documents submitted by the bidder and/ or information available with or obtained by NINL.

6.17.2 Price Bid Evaluation

6.17.2.1 The Bid qualifying as per the Techno Commercial Bid (Part-2) shall be considered for Price Bid Evaluation.

6.17.2.2 The Price Bid shall be rejected in the following cases:

1. It is not signed and/ or sealed in the manner and to the extent indicated in the Bid Document.
2. Conditional offer.
3. Over writing, illegibility

6.17.2.3 The information required to be provided by the Bidders submitting their Price Bid is outlined in Clause 6.11.3.

6.17.2.4 In case if there is any discrepancy between the price quoted in figure and words then the quote provided in words shall prevail.

6.17.2.5 The Bidder quoting the lowest Mining Fee shall be declared as Successful Bidder.

6.18 Deviation

The terms and conditions shall be as per this bid document. The Bidder shall submit the bid in conformity with the terms and conditions, without any deviations. However, if any bidder is unable to accept any particular term as incorporated in the bid document, or proposes any deviation there from, the bidder shall enclose along with the Techno commercial bid, a statement of Deviations as per Format 7 of the bid document clearly spelling out the deletions / deviations proposed for consideration of NINL.

6.19 Modification and Withdrawal of Bids

6.19.1 The Bidder may modify or withdraw its bid after submission, provided that written notice of the Modification or withdrawal is received by NINL prior to the deadline prescribed for bid submission.

6.19.2 The Bidder's modifications specified in Clause 6.19.1 of the bid document, shall be prepared, sealed, marked and dispatched as follows:

- a. The Bidders shall provide one original plus 2 (two) copies of any modifications to its bid, clearly identified as such, in two inner envelopes duly marked —Bid Modifications—Original and —Bid Modifications—Copies.

The inner envelopes shall be sealed in an outer envelope, which shall be duly marked —Bid Modifications.

- b. Other provisions concerning the marking and dispatch of bid modifications shall be in accordance with the Clauses 6.12.4 to 6.15 of the bid document.

- 6.19.3 A Bidder wishing to withdraw its bid shall notify NINL in writing prior to the deadline prescribed for bid submission.
- 6.19.4 No bid shall be withdrawn in the interval between the bid submission deadline and the expiration of the bid validity period specified in Clause 6.9. Withdrawal of a bid during this interval may result in the forfeiture of Bidder's EMD, pursuant to Clause 6.13 (h) (i).
- 6.19.5 Bids together with any modification specified under the clause shall be considered as 'final' bid at the time of opening of the bid.

6.20 Post Bid Clarification Meeting

- 6.20.1 NINL may conduct clarification meetings, if required with each or any Bidder to clarify any aspects of its bid that require explanation at this stage of the evaluation. During these meetings, NINL may bring to the attention of the Bidder any matters, technical or otherwise, where for whatever reason, it requires clarification / details about the bid. All such amendments or changes accepted by the bidder will be listed in the —Record Notes of Discussions.
- 6.20.2 The Record Notes of Discussion will also contain the deviations in the bid that are unacceptable to NINL and are to be withdrawn.
- 6.20.3 Taking into consideration, the Record Notes of Discussion NINL will carry out further evaluation of the techno commercial bid in the manner outlined in Clause 6.17.1 in the Bid Document.
- 6.20.4 After holding clarification meetings and at the end of Techno-commercial bid evaluation, NINL will advise the Bidder to either confirm the validity of their original price bids or, to submit updated price bid as incremental/ decremental price with respect to the original price bid or as revised price bid, in a sealed cover within the stipulated date and time.
- 6.20.5 In case a bidder does not withdraw deviations which are not acceptable to NINL, such bids will be treated as conditional bid and will not be considered for further evaluation.

6.21 Updated Price Bid

- 6.21.1 In the event, NINL invites updated bid, the updated Price bid shall be signed, sealed and submitted in the same manner specified for original bids.
- 6.21.2 The deadline for submission of updated bids and the required validity thereof shall be specified by NINL.

6.22 Disqualifications

6.22.1 Notwithstanding anything to the contrary contained herein and without prejudice to any of the rights or remedies of NINL, a Bidder shall be disqualified and its Bid shall be dropped from further consideration for any of the reasons listed below:

- EMD not submitted and non-compliance to Integrity Pact even after clarification.
- Deviations from the provisions specified in the bid document.
- The company or the consortium ceases to fulfil the prescribed financial and/or technical criteria mentioned in this Document.
- The bidder submits a conditional bid.
- Misrepresentation by any Bidder in the Techno Commercial Bid.
- A winding up/insolvency or other proceedings of a similar nature is pending against the Bidder,
- If the credentials of a company is utilised by more than one bidder.

6.22.2 If information becomes known after the Bidder has been qualified, at any stage, which would have entitled NINL to reject or disqualify the relevant Bidder, NINL reserves the right to reject or disqualify the relevant Bidder at the time, or at any time, such information becomes known to it. NINL's determination that one or more of the events specified under this section has occurred shall be final and conclusive.

6.23 Clarification from Bidder

If at any time during the evaluation process NINL requires any clarifications, they reserve the right to request such information from any Bidder and the Bidder shall be obliged to provide the same.

6.24 Rules of Construction

6.24.1 Words imparting singular shall also include plural and vice-versa and any word defined in the singular shall have the corresponding meaning when used in the plural and vice versa.

6.24.2 The titles or headings in this Document are for convenience and easy reference only and shall not be taken into account for the purpose of construction or interpretation of this Document.

6.24.3 A reference to any gender includes the other gender.

6.24.4 Unless otherwise specified, a reference to a Chapter, Clause, Annexure, Schedule, Attachment or paragraph is a reference to a Chapter, Clause, Annexure, and Schedule, Attachment or paragraph of this Document.

6.24.5 The terms —include and —including shall be deemed to be suffixed with the words —without limitations, whether or not so followed.

6.25 Governing Law

This Document shall be governed by and interpreted in accordance with laws in force in India and the Courts of Bhubaneswar shall have exclusive jurisdiction over matters relating thereto.

6.26 Integrity Pact

The Bidder shall sign an integrity pact and attach the same with his Bid. The format for the integrity pact is attached at Format 8 of this document. The Integrity Pact has to be signed by the Director or by their duly Authorized signatory. In case of failure to return the Integrity Pact along with Part 2 of the bid, duly signed by the authority as mentioned above, will disqualify the bid.

6.27(i) The present mining lease is valid for a period of 50 (fifty) years with effect from 2017.

6.27(ii) In case of premature termination of lease for any reason but no fault on the part of MDO, this agreement shall also stand terminated without any financial implication to either party.

CHAPTER 7

FORMATS

Format 1

EXECUTIVE SUMMARY

(The Executive Summary is required to be submitted by the Bidder on its letter head)

The executive summary should contain a one page write up about the Bidder, providing the Business Profile of the company and key achievements in the mining sector.

Name of the Bidder

Constitution – (Supporting Documents)

Details of Experience (Mining, Infrastructure etc.)

Contact Details:

Name of the Contact Person

Address for communication

Phone/Fax/Email:

Signature of Authorized Signatory

Seal of the Company

Format 2

COVERING LETTER FOR TECHNO COMMERCIAL BID

(The covering letter is required to be submitted by the Bidder on its letter head)

Bidder's Name:

Full Address:

Telephone No:

Email Address:

Fax No.

To,

Dy. General Manager (Commercial),
Neelachal Ispat Nigam Limited,
Kalinga Nagar Industrial Complex,
Duburi, Jajpur-755026, Odisha

Sub: - Response to Bid Document for Development of 02 MTPA Iron Ore Mine of NINL.

Dear Sir,

We ----- (Name of the Bidder) having its registered office at -----
----- having examined in detail and understood the terms and conditions stipulated in the aforesaid Documents and subsequent corrigendum, if any, and confirm that our Techno Commercial Bid is in full conformity with these Documents.

We, the undersigned Bidder having read & examined in detail the Qualifying Requirements for selection of Developer and hereby submit our response.

CONTACT PERSON

Details of the contact person are furnished as under:

Name

Designation

Company

Address

Phone No.

Fax Nos.

Email address

Please find enclosed herewith one (1) original + two (2) copies of our Techno Commercial Bid in response to the documents issued by NINL vide Tender no. ----- dated ----- (Bidder to specify date of issue of Documents by NINL) and its subsequent corrigendum

No (s) ----- (Bidder to insert corrigendum no issued, if any by NINL subsequent to issue of Document)

Dated the ----- day of ----- of 2018

The period of validity of the bid shall not be less than 180 days from the last date of submission.

Thanking You,

Yours faithfully,

(Signature, Name, Designation and Seal)

Format 3

SUBMISSION OF TECHNICAL CRITERIA AS PER QUALIFYING REQUIREMENTS

(The covering letter is required to be submitted by the Bidder on its letter head)

To,

Dy. General Manager (Commercial),
Neelachal Ispat Nigam Limited,
Kalinga Nagar Industrial Complex,
Duburi, Jajpur-755026, Odisha

Sub: Submission of Technical Qualification Criteria for Bid Document for Development of 02 MTPA Iron ore Mine of NINL.

I/ We ----- (The legal name of the Bidder) confirm that we have the requisite technical experience as mentioned in the Qualifying requirements as given below:

1. Mining Experience

S. No	Period	Details of Mine with Location, address, contact details and type of mineral	Mine Owner / Contractor	Mineral mentioned in Clause 5.1.1.1 (i)	Annual Production in MTPA
	Total Production				

Thanking you, we remain,

Yours faithfully,

(Signature).....

(Name).....

Date:

Place:

(Designation)...

(Seal).....

NOTE:

1. Supporting documents has to be enclosed with this letter.

Format 4

SUBMISSION OF FINANCIAL CRITERIA AS PER QUALIFYING REQUIREMENTS

(The covering letter is required to be submitted by the Bidder on its letter head)

To,

Dy. General Manager (Commercial),
Neelachal Ispat Nigam Limited,
Kalinga Nagar Industrial Complex,
Duburi, Jajpur-755026, Odisha

Dear Sir,

Sub: Submission of Financial Criteria for Development of 02 Mtpa Iron Ore Mine of NINL.

I/ We ----- (The legal name of the Bidder) confirm that we have

The requisite Financial Qualifying Criteria as given below:

Turnover:

Particulars	FY 2015-16 (In crores)	FY 2016-17 (In crores)	FY 2017-18 (In crores)
Total			

Audited Balance sheets for the last three financial years are enclosed herewith. Thanking you, we remain,

Yours faithfully,

(Signature).....

Date:

(Name).....

Place:

(Designation)...

(Seal).....

Format 5

SUBMISSION OF ADDITIONAL INFORMATION

To,

Dy. General Manager (Commercial),
Neelachal Ispat Nigam Limited,
Kalinga Nagar Industrial Complex,
Duburi, Jajpur-755026, Odisha

Dear Sir,

Sub: Submission of Additional information for Development of 02 Mtpa Iron Ore Mine of NINL.

We ----- (Name of the Bidder) are furnishing the following additional information apart from those already mentioned in this Documents, which in our opinion strengthens our case for being well qualified to undertake the development and operation of 02 Mtpa Iron Ore Mine of NINL.

The following is the list of documents/ information provided by us:

Thanking you, we remain,

Yours faithfully,

(Signature.....)

Date:

(Name.....)

(Designation...)

Place:

(Seal)

Format 6

Price Bid

(The Price Bid is required to be submitted by the Bidder on its letter head)

To,

Dy. General Manager (Commercial),
Neelachal Ispat Nigam Limited,
Kalinga Nagar Industrial Complex,
Duburi, Jajpur-755026, Odisha

Dear Sir,

Sub: Submission of Price Bid for Development of 02 Mtpa Iron Ore Mine of NINL.

We, the undersigned, offer to develop the 02 Mtpa Iron Ore Mine of NINL in accordance with your Bid Document dated....., and our Price Bid is given below:

Format for Quoting Mining Fee

ITEM	DESCRIPTION	Rate (INR per metric tonne of Iron Ore in figures)	Rate (INR per metric tonne of Iron Ore in words)
1	Mining Fee in Rs. per tonne For +10 mm to -30 mm and -10 mm Fines Screened Ore loaded into wagons		

Note: -

GST and other statutory fees/charges applicable for providing mining services, royalty payable to the State and / or Central government shall be excluded from the fees quoted and shall be reimbursed on actual subject to documentary evidence. Taxes payable by the Bidder which are not incidental to mining services to NINL, including income tax and such duties/charges, on electricity and water etc. shall not be paid or reimbursed by NINL

We confirm that our Price bid shall be binding upon us up to expiration of the validity period of the Bid.

Thanking you, we remain,

Yours faithfully,
(Signature.....)
(Name.....)
(Designation...)
(Seal)

Date:
Place:

Format 7

Deviation Sheet

(To be submitted by the Bidder on its letter head)

To,
Dy. General Manager (Commercial),
Neelachal Ispat Nigam Limited,
Kalinga Nagar Industrial Complex,
Duburi, Jajpur-755026, Odisha

Dear Sir,

Sub: Submission of Deviations from the Bid Document and Mining Services Agreement for Development of 02 Mtpa Iron Ore Mine of NINL.

We, the undersigned, submit the following deviation to the Bid document and Mining Services Agreement in our Bid.

Sr. No.	Tender Clause	Deviation

We request your consideration of the same before opening of Price Bid.

Thanking you, we remain,

Date:

Place:

Yours faithfully,

(Signature.....)

(Name.....)

(Designation...)

(Seal)

Format 8

INTEGRITY PACT

Between

Neelachal Ispat Nigam Limited (NINL) hereinafter referred to as “**The Principal**”,
and
..... hereafter referred to as “**Bidder / Contractor**”

Preamble

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

In order to achieve these goals, the Principal will appoint officer, who will monitor the execution of the contract for compliance with the principles mentioned above.

Section I – 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 execution of 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 Bidders 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 Act, or if there be a substantive suspicion in this regard, the Principal will inform the Vigilance Officer and in addition can initiate disciplinary actions.

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. He commits himself to observe the following principles during his participation in the tender process and during the contract execution.

- a. 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 materials 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/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 cartelization in the bidding process.
- c. The Bidder(s)/Contractor(s) will not commit any offence under the relevant IPC Act; further the Bidder(s)/Contractor(s) will not use improperly, for purpose 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 his bid, disclose any and all payments he has made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.

(2) The Bidder(s)/Contractor(s) will not instigate third persons to commit offences outlined above or be an accessory to such offences.

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 violation of Section 2, above or in any other form such as to put his reliability or credibility in question, the Principal is entitled to disqualify the Bidder(s)/Contractor(s) from the tender process.

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 3 years with any other Company in any country conforming to the anti corruption approach or with any other company 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.

Section 6- Equal treatment of all Bidders/Contractors/Subcontractors

- (1) The Bidder(s)/Contractor(s) undertake(s) to demand from all subcontractors a commitment in conformity with this Integrity Pact, and to submit it to the Principal before contract signing....
- (2) The Principal will enter into agreements with identical conditions as this one with all Bidders, Contractors and Subcontractors.
- (3) The principle will disqualify from the tender process all bidders who do not sign this Pact or violate its provisions.

Section 7- Criminal charges against violating Bidder(s) / Contractor(s) / Subcontractor(s).

If the Principal obtains knowledge of conduct 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 Vigilance Officer.

Section 8- Independent monitor/Monitors

- (1) The Principal appoints competent and credible Independent Monitor for this Pact. 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 functions neutrally and independently. He reports to the ED (Works), NINL
- (3) The Bidder(s)/Contractor(s) accepts that the Monitor has the right to access without restriction to all contract documentation of the Principal including that provided by the Contractor.

The Contractor will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his contract documentation. The same is applicable to Subcontractors. The Monitor is under contractual obligation to treat the information and documents of the Bidder(s)/Contractor(s)/Subcontractor(s) with confidentiality.

- (4) The Principal will provide to the Monitor sufficient information about all meetings among the parties related to the contract 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.

(5) As soon as the Monitor notices, or believe to notice, a violation of this agreement, he 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 parities that they act in a specific manner, refrain from action or tolerate action.

(6) The Monitor will submit a written report to the ED (Works), NINIL 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.

(7) Monitor shall be entitled to compensation as per NINL rules.

(8) If the Monitor has reported to the ED (Works) NINL , a substantiated suspicion of an offence under relevant IPC Act, and the ED (Works) NINL, has not, within the reasonable time taken visible action to proceed against such offence or reported it to the Vigilance Officer, the Monitor may also transmit this information directly to the MD,NINL.

(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.

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 MD of NINL

Section10—other provisions

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

(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, and the parities will strive to come to an agreement to their original intentions.

(For & On behalf of the Principal)

(For & On behalf of Bidder/Contractor)

(Office Seal)

Place: Duburi.

Date :
Witness 1
Name :
Address

Witness 2
Name :
Address

Format - 9
GENERAL RULES AND REGULATIONS GOVERNING CONDUCT OF ONLINE
REVERSE AUCTION

1. Service Provider:

For conducting the Reverse Auction, NINL has engaged the services of **MJunction services limited (hereinafter referred to as Service Provider or SP)** for conducting the Reverse Auctions. SP is fully authorized to give clarifications / coordinate with the supplier on behalf of NINL w.r .t. conduct of Reverse Auction. Their address and contact details are as given alongside

2. Introduction to General Rules & Regulations:

The General Rules and Regulations provided herein govern the conduct of On-line Reverse Auctions operated by Mjunction Services Ltd. These rules cover the roles and responsibilities of the parties in the On-line Reverse Auctions on the MJunction platform. **Acceptance in-toto to these General Rules and Regulations is a prerequisite for securing participation in the On-line Reverse Auctions on the MJunction platform.**

3. Role of Service Provider:

MJunction is the agency (operator) primarily providing the platform for conducting the Reverse Auction. As the agency providing the auction engine, the role of MJunction would include:

- Setup the auction based on item details and bidding rules as mentioned in tender document.
- Providing access through user-id protected by password to the approved bidders to participate in the auction.
- Enhancing bidder awareness by providing them the details / steps of auction process to enable them participate in Reverse Auction and comfort with the auction mechanism and bidding rules.

4. Role of the Bidder:

The role of the bidder is outlined below:

- Give written consent to General Rules and Regulations. Access to auction mechanism shall be provided only after such consent.
- Ensure that user-id and password to access the auction is not revealed to unauthorized persons.
- Participate in the Reverse Auction with the aim of bidding to secure the auctioned item in the auction (being selected for supplying NINL's requirement in a Reverse Auction).
- Convey last quoted price in writing to NINL, immediately after close of Reverse Auction.
- Provide breakup of quoted price (if required) within stipulated time as mentioned in tender document or otherwise communicated.
- In the event of winning an allotment, fulfil all obligations under the contract

5. Bidding Rules:

The Bidding Rules refer to the information and terms defined specifically for a particular Reverse Auction. The purpose of the Bidding rules is to provide approved bidder with the information and terms specific to the auction in which they are bidding. This would include:

- Start Time and duration of the Reverse Auction
- Any extension of the duration of the auction in the event of bids being received towards the end of the pre-specified duration
- Start Bid Price (if specified)
- Minimum & Maximum Bidding Quantity (if specified)
- Price Decrements and any reduction in the price (physical bid) decrements in the auction in the event of inactivity
- Other attributes (informational/non-negotiable in nature)

Participation in the auction process presumes complete awareness and understanding of the bidding rules.

6. Conduct of the Reverse Auction:

The Reverse Auction shall be conducted on pre-specified date & time.

MJunction retains the right to cancel or reschedule the Reverse Auction on any of the followings reasons:

- Some of the confirmed bidders are unable to access the module due to infrastructure problems such as sustained power failure or telecommunication breakdown.
- Bids are received but above the Start Bid Price

The duration of the Reverse Auction may also vary from the pre-specified period of time on account of termination of the auction by MJunction :

- On the advice of the NINL, or,
 - On its own accord in case of situations where it is felt that continuance of the auction proceedings is prejudicial to the smooth conduct and / or integrity of the auction process.

7. Problems during the conduct of the Reverse Auction:

In the event of any problems being faced in the smooth conduct of the auction, MJunction shall have the right to undertake one or more of the following steps:

- Cancellation of a bid
 - Locking of bidders account (suspension of operations in the account) etc. Such intervention may even happen without seeking prior concurrence of NINL. MJ shall inform NINL, clearly stating reasons, of such cancellation / suspension.

8. Ensuring Participation & Loss of connectivity:

The bidders have to participate in the RA from their own office/ own arrangement. The bidder has to make arrangement for ensuring Internet connectivity throughout RA. For this, the bidder shall be solely and exclusively responsible for ensuring continuance of connectivity. NINL shall in no way be responsible for the consequences arising out of disruption of Internet connectivity. In case the bidder desires, efforts will be made to provide assistance during the Reverse Auction phase by deploying skilled persons from Service provider/authorized representative at the participating vendor locations. However, NINL or Service provider shall in no way be responsible ensuring Internet connectivity.

9. Liability of Service Provider:

MJunction shall not be liable to the NINL / bidders in the auction or any other person(s) for:

- Any breach of contract by any party in the fulfilment of the underlying contract.

- Any delays in initiating the online auction or postponement / cancellation of the online auction proceedings due to any problem with the hardware / software / infra structural facilities or any other shortcomings.

10. Confidentiality Clause:

M Junction undertakes to handle any sensitive information provided by the NINL or confirmed bidders for the Reverse Auctions conducted on the M Junction platform with utmost trust and confidentiality.

11. Jurisdiction:

Any disputes relating to the online Reverse Auction module shall be subject to the sole jurisdiction of the court at Bhubaneswar.

12. Right of NINL:

NINL reserves the right to fully / partly accept or reject any or all bids placed in the online Reverse Auction without assigning any reason whatsoever. NINL reserves the right to allot the tendered quantity to one or more bidders. In the event of inactivity of RA, NINL reserves the right to process the tender by opening the physical price bid (ref. clause 5).

Format 10

INTER PLANT STANDARD – STEEL INDUSTRY		
IPSS	SAFETY IN CONTRACT WORKS IN MINES	IPSS: 1-11-010-14 (First Revision)
	Corresponding IS does not exist	1-11-010-01

FOREWORD

- 0.1 This Inter Plant Standard formulated by the Standards Committee on Personnel Safety Appliances & Procedures, IPSS 1:11, with the active participation of the mining and safety engineers/ officers of the Raw Materials Departments from various steel plants, was adopted in May 2001 and first revision done in October, 2014.
- 0.2 This is one of the series of Inter Plant Standards in the area of safety in mines involved in raw material supply to the steel plants and providing guidance to all concerned in accident prevention.

1. SCOPE

- 1.1 Safety is the responsibility of the Contractor and his staff/ employees/ workmen engaged/ deployed for execution of work under the Contract, individually and collectively. For this purpose, the Contractor staff means and includes all its Associates/ Sub-contractors/ Vendors/ Sub-vendors and their staff/ employees/ Workmen deployed for execution of the work covered under the Contract. The Contractor shall ensure that his workmen participate in the safety awareness programmes, health care programmes and safety training programmes whenever such programmes are organized by the employer or the contractor.

2. PROCEDURE

2.1. General Requirement

- 2.1.1 Contractor shall ensure that a copy of the Safety Codes is handed over to Associates/ Sub-contractors/ Vendors/ Sub-vendors working under his control for the execution of the contract and this will also be available with the safety coordinator. The contractor shall also ensure that its Associates/ Sub contractors/ vendors/

sub-vendors shall abide by the safety codes, safety rules and instructions of the employer as per statutory act, rules, regulations & Circulars applicable in Mines

- 2.1.2 The Contractor and his Associates/sub-contractors/ vendors/ sub-vendors shall observe all precautions and provide adequate supervision pertaining to safe working and safety of their staff/ employees/ workmen on the work and also safety of assets and employer's equipment while executing the work. Statutory supervision shall be provided by the employer/his representative in mines.
- 2.1.3 The Contractor shall ensure that their staff/ employees/ workmen function effectively towards their own safety as well as safety of their co-workers and other persons working in the area, including the areas in the vicinity which may become unsafe due to their activities.
- 2.1.4 The contractor shall designate either himself or a person as SAFETY COORDINATOR who shall maintain regular liaison with the Employer (Engineer i.e. person appointed by the employer in the manner provided in contract and to perform the duties delegated by the Employer and Safety Engineering Department of employer) to ensure the implementation/ compliance of the Safety Codes and existing as well as latest instruction of the employer on safety.
- 2.1.5 The contractor shall, in accordance with prescribed procedure, obtain Gate Passes from the competent authority who shall make it available to the contractor and his staff/ employee/ workmen to enter the work-area. The Validity of photo pass shall be applicable till the duration of contract.
- 2.1.6 The contractor shall be fully responsible for accidents caused due to his or his agent's or workmen's negligence or carelessness in regard to the observance of safety requirements and shall be liable to pay compensation for injured person.
- 2.1.7 The contractor shall motivate and encourage his employees/ workmen to make personal contribution towards enhancing safety on the basis of their knowledge and experience.
- 2.1.8 The contractor shall have adequate number of pocket sized safety cards containing safety instructions prepared on the basis of employer's model safety book for contractor's workers in Hindi or regional languages as may be required and shall issue them to all his employees/ workmen and ensure that they read it before commencing the work. The safety instructions from the safety card shall be read and explained by the contractor or his representative to those employees/ workmen who are illiterate and cannot read and ensure that these have been understood.
- 2.1.9 The contractor shall ensure that drums or other make-shift arrangement are not used in place of ladder or work benches or supports for any job.

- 2.1.10 The contractor shall ensure that compressed air/ Oxygen/ any other pressurized line are not used for removing dust from one's clothes. Compressed air/ Oxygen/ any other pressurized line shall not be blown against anyone as it may injure or even kill him/ her.
- 2.1.11 The contractor shall ensure that if a workman, in the course of his work, encounters condition of unusual hazard with which the worker is not familiar, he shall contact the supervisor for advice before proceeding further.
- 2.1.12 The contractor shall particularly ensure that the contractor himself or his workmen do not operate any equipment, if not authorized. The contractor shall not start the work without a written permit from the engineer or his authorized representative (ENCLOSURE - A).
- 2.1.13 The Contractor shall follow all special safety precautions issued by the Executing Authority or his site Engineer from time to time.
- 2.1.14 Whenever working at height is involved, the contractor shall adhere to IPSS:1-11-005-14 'Procedure for working at height for contractor's workers and IPSS: 1-11-006-14 'Guidelines for working in a Confined Space'.

2.2. PPE & SAFETY APPLIANCES

- 2.2.1 The contractor shall provide all the PPE (Personal Protective Equipment) and Safety appliances required to carry out the job to all the workmen deployed by the contractor and also ensure that his workmen use those PPE and safety appliances while on the job.
- 2.2.2 The standard of PPE and safety appliances supplied by the contractor must conform to any one of the following (in order of preference):
- a) DGMS
 - b) BIS/ Equivalent International Standard
 - c) IPSS
 - d) As per advice and design by the Safety Deptt. of the Company.
- 2.2.3 Arrangements of supply of proper type of PPE and appliances shall be made by the contractor prior to the actual start of the job and Safety Deptt. of Company will physically check the same.
- 2.2.4 If at any stage, the contractor fails to provide proper type of PPE and safety appliances, the Company may procure and distribute the same as per requirement, with prior intimation to the contractor. In such case, the cost of items plus the other cost incurred on procurement shall be deducted from the bill of the contractor.

2.3. SITE CLEARANCE

2.3.1 Prior to commencement of work, the contractor shall obtain clearance from the Safety Officer of the Employer and concerned Deptt./ Section of the Employer where the job is to be carried out. The Employer/ Engineer shall not permit the contractor to commence the work unless contractor or its representative produces such clearance certificate. The department concerned shall grant such clearance after ensuring that :

- a) The contractor or his chief representative has undergone Safety Awareness briefing with the Employer's Safety Officers In the preceding twelve months with respect to the awarded work.
- b) The contractor's workers, identified for particular work/ department, have undergone basic/ refresher Safety Training in the preceding five years.
- c) The contractor has arranged PPE and safety appliances for himself and all his workmen, as required.
- d) The Contractor possesses work permit issued by the Employer or Employer's representative for which the "Work Clearance Form" (ENCLOSURE - C) shall be filled-in triplicate by the Contractor. The Contractor is not permitted to start the job without clearance from Employer's Safety Officer.
- e) The contractor shall possess handling equipment, tools and tackles of adequate capacity and tested quality as per statutory requirement.

2.3.2 The contractor shall obtain specific permission from the Engineer and Safety Officers before commencing the following :

- a) Working in an operating plant.
- b) Working at height
- c) Working in areas expected to have toxic/ poisonous gases
- d) Major site activity irrespective of the clearance already obtained
- e) Wherever there are hazards of electricity, moving machinery etc.
- f) Underground working
- g) Any other job as per instruction of Executing Authority.

The contractor shall obtain the copies of the above IPSS procedures from the Engineer/ the Safety Engineering Department/ from IPSS Website.

2.3.3 The executing Deptt. Shall take necessary shutdown of operating Plant before commencement of job in that area.

2.4. SKILL & COMPETENCE OF WORKMEN

2.4.1 The contractor shall be responsible to engage competent and skilled workers.

2.4.2 Before starting the day's job, the Contractor shall ensure that safety briefing has been done to his workers by himself or his supervisors who have been imparted Safety Induction earlier and also maintain records to this effect.

2.5. PHYSICAL FITNESS OF WORKMEN

2.5.1 The contractor shall ensure that his employees/ workmen subject themselves to such medical examination as required under the law or under the Company's rules and keep a record thereof.

2.5.2 The Contractor shall not permit any employee/ workman to enter the work area under the influence of alcohol.

2.6. DEALING WITH ACCIDENT

2.6.1 Any accident shall immediately be reported to Safety Officer/ Mines official. All other procedure shall be followed as per Mines Act, Rules, Regulations and Circulars.

2.6.2 The contractor shall not interfere with the site of accident, unless inspected and/ or permitted by the competent authorities.

2.6.3 The contractor shall arrange to avoid any sort of commotion at site in the event of an accident.

2.6.4 The Contractor shall maintain a safety register, keep records of all minor or major accidents, serious or averted (near miss) accidents, with or without injuries to human beings and shall submit a report about the accidents to the Engineer promptly, on the form prescribed by the Employer.

2.7. MISCELLANEOUS

2.7.1 The contractor shall ensure prohibition of smoking or keeping of naked flame near gas lines, valves and any other equipment connected with the gas distribution system and handling of all inflammable material shall strictly prohibited and ensure its compliance.

2.7.2 The contractor shall ensure that horse-play of any kind and unauthorized movement is prohibited inside the Mine. No one shall distract the attention of others on work.

2.7.3 The contractor shall ensure that no one takes rest/ shelter below any pit/ excavation, Railway Wagons, overhang/ undercuts, parked vehicles, electrical installations etc.

2.7.4 The contractor shall ensure the availability of first aid box at the working sites.

2.7.5 Adequate no. of Safety Signage's/ caution board indicating the hazards and their preventive measures to be prominently displayed at the place of work preferably in local languages.

2.7.6 In case shifting of contract workers from one place of work to other place, necessary safety inputs pertaining to the new jobs to be imparted.

2.7.7 **Safety Records (Statutory Records)**

The Contractor shall keep record of :

- i) Test certificates of all lifting M/c tools and tackles, Pressure Vessels, etc.
- ii) Periodical inspection report of Safety appliances.
- iii) Maintaing accident analysis report, in proper format in consultation with Employer's Engineer.
- iv) Safety record as per Mines Act, Rules, Regulations and Circulars or any other statutory provision shall also be maintained. However, necessary help in this regard can be taken from the concerned Safety Organization.

2.7.8 **Electrician/ Other Electrical Personnel**

The Contractor shall engage qualified and competent electricians and other electrical personnel while working on electrical lines (which may be High Tension, Medium Tension and Low Tension electrical lines) for safe execution of contract. The electricians and other electrical personnel must possess requisite certificate issued from competent authority.

Electrical Equipment

- a) The Contractor shall ensure proper earthing of all electrical equipment/ machinery prior to start of the machine. The Contractor shall also ensure daily examination of the earthing of equipment/ machinery prior to start of the job in order to avoid electrical hazards.
- b) The Contractor shall ensure use of proper cable (may be welding cable or power cable or control cable). The joints of the cables shall be perfectly insulated. The Contractor shall also ensure the use of proper plugs, sockets and other electrical fittings while executing any contract.
- c) All portable electrical equipment including welding machine shall have provision of ELCB/ RCCB.

2.7.9 **Scaffolding/ Lifting/ Lowering/ Dismantling of Equipment or Fabricated Structures or any other materials**

- i) For safe execution of the contract, Contractor shall make a safety plan for the job, in sequence of steps involved in

execution and the required safety measures to be taken during the execution of the job.

- ii) The Contractor shall ensure the use of proper sufficiently strong scaffoldings, working platform, hand railings as per relevant BIS Standard during the execution of the job.

The Contractor shall ensure the use of scaffoldings.

If the scaffolding as per the standard is not found suitable at site, the Contractor shall make necessary modifications to strengthen the same.

For any Civil Engineering job, the Contractor will provide adequate support before casting or any superstructure and provide approach, scaffolding etc, in such a manner that it is safe, easy for movement of men, women and materials.

- iii) The Contractor shall make his own arrangement for the area lighting/ spot lighting at Fabrication Yard. The Employer will provide power source at one point only near to the Fabrication Yard.
- iv) The Employer will provide area lighting at erection site only. The Contractor shall make his own arrangement for spot lighting. The source of power supply at the nearest possible point will be shown by Engineer at site.

2.7.10. **House Keeping**

- i) The Contractor shall ensure good house keeping in his working area, fabrication yard as well as at erection site. The safe approach to the working place must be ensured. Place for keeping raw materials, finished materials, semi-finished materials should be clearly marked with proper identification. Machine component shall be kept properly under shed.
- ii) The Contractor shall keep the scrap materials at one place duly barricaded and shall remove the same regularly from the workplace.
- iii) The Contractor shall stack properly the fabricated or any other items and maintain safe stack height in stable condition in consultation with Executing Authority. The stacking shall be done in such a way that the materials do not cause congestion at site or create unsafe condition for free safe approach.
- iv) The Contractor should put up a board (4' x 3') indicating Contact/ Mobile No. the name of the Contractor, details of the job, Order No., starting date and likely completion date of the job. On completion of the job, the Contractor shall clear the site (good materials and scrap). The board so displayed shall be taken out of the site. Any material left after the job is over will be

picked up by the Employer and the Contractor will be charged back for the same.

- v) Removal of muck shall be done within 24 hours from road sides.
- vi) The Contractor shall be responsible for removing all unwanted materials/ scaffolds from work site.

- vii) The Contractor shall issue written as well as oral instructions from time to time, in addition to the precautions, measures spelt out above so as to ensure that the workers adhere to safety norms specifically needed for the particular job during the execution of the work.

2.7.11 Barricade

- i) The Contractor shall ensure barricade of the unsafe area, which can lead to accident to any person working in that area. In order to remove unsafe condition and prevent accident, The unsafe area such as trench/ pit/ foundation, any type of opening made or left in any floor of the building including staircase etc must be barricaded.
- ii) The hand railings shall be immediately provided in all the floors, stairs, etc before proceeding for further erection/ dismantling.

2.7.12 The contractor shall ensure that compressed air is not used for removing dust from one's clothes. Compressed air shall not be blown against anyone as it may injure or even kill him/ her.

2.7.13 The contractor shall provide, maintain and arrange for periodical checking of adequate numbers of fire extinguishers of appropriate type and other facilities (e.g. sand buckets, asbestos covering etc) in fire prone areas.

2.7.14 The contractor shall provide clearly demarcated access and exits at work site to take care in case of outbreak of fire or any other eventuality.

2.7.15 The contractor shall ensure that smoking or keeping of naked light near gas lines, valves and any other equipment connected with the gas distribution system and handling of all inflammable material is strictly prohibited.

2.7.16 The contractor shall ensure that all person deployed by him are confined to the designated place and duration of work.

2.8. LIABILITY

2.8.1 The Contractor shall abide by the provisions of all statutory acts and rules as applicable and maintain Register & Documents, submit periodic Reports & Returns, furnish information/report relating to accidents occurring in the area of work to competent authority in time .

- 2.8.2 The Contractor shall be liable for prosecution and penalty in accordance with and as prescribed under law of the land, terms & conditions of Contract as well as rules of the Company relating to safety, for not observing those provisions by the Contractor or its employees/ workmen.
- 2.8.3 The Contractor shall keep the Company indemnified against all losses/claims due to accidents/ injuries/ damages caused at the Contractor's works site. He shall be fully responsible for accidents caused due to the Contractor or his agents' or workmen's negligence or carelessness in regard to the observance of the safety requirements and shall be liable to pay compensation for injuries.
- 2.8.4 The Engineer or the Head of the Safety Department or their authorized nominees, upon their satisfaction that the Contractor is not conforming to the Safety requirements, may direct stoppage of work and direct the Contractor to remedy the defects or supply the facility/ equipment as the case may be. The Contractor shall not proceed with the work until he has complied with such directions to the satisfaction of the Engineer/ Safety Department.
- 2.8.5 If a driver or any staff of the Contractor is caught in theft case or in any unauthorized movement of materials or in the activity which is punishable under the law or not authorized by the Plant, the Contractor shall bear the full responsibility for the loss and other consequences which may result to the Plant due to such illegal/ unauthorized acts besides the action to terminate the contract by the Plant.
- 2.8.6 The Contractor shall be responsible to ensure that vehicles belonging to him are not driven in reckless or rash manner so as to become a potential threat to the safety of the traffic in the plant or township area. The drivers of the vehicles shall be made to adhere to the speed limits wherever applicable. Failure to comply with the above, may result in the termination of the contract.
- 2.8.7 In case of accident or injury or damages caused by the Contractor's vehicle or staff to any person or property, the financial responsibility to compensate be borne solely by the Contractor and this amount may, at the discretion of the competent authority of the Plant, be recovered from the bills or security or other deposits of the Contractor.
- 2.8.8 The Contractor shall ensure that all his employees/workmen are covered under 'ESIC Act' and shall pay compensation to his workmen as and when the eventuality for the same arises.
- 2.8.9 To ensure effective enforcement of the rules and regulations relating to safety precautions, the arrangements made by the

Contractor shall be open to inspection by the Engineer or his representatives, Safety Engineer & Labor Officer.

- 2.8.10 The Contractor shall enclose along with his first bill a true copy of the Safety Induction Form (ENCLOSURE-B) duly certified by the Executing Authority regarding use of safety appliances, following of safety instructions and observance of all safety laws, failing which the bill will not be processed for payment.
- 2.8.11 Monetary Penalty will be imposed on the contractor on account of Safety Violation including fatal accident as per extent penal provision made for the purpose.

PERMIT TO WORK ON EQUIPMENT

I, _____, do hereby authorize Shri _____ And his workers of M/s _____ to work on (name & location of equipment/machine) from _____ AM/PM on _____ (date) to _____ AM/PM on _____ (date) .

I have taken all necessary precautions for the shutdown.

Signature
(Contractor/his representative)

Signature of Engineer_ _____

Name _____

Designation _____

Date _____

Contact/ Mobile No. _____

Copy to :

1. Contractor
2. Engineer
3. Office copy – for record.

**SAFETY INDUCTION
FORM**

Name of Mine/Unit

Safety Induction to the Contractor for starting a job

1. Name, address & Contact No. of the Contractor
2. Contract/Award Letter/Work Order No.
3. Name of Department awarding Contract
4. a) Probable date of starting job
b) Duration
5. Place & Nature of work
6. Name & Designation of supervisors
Departmental (1) (2)
Contractual (1) (2)
7. Necessary safety precautions explained
8. Safety appliances advised for usage to the Workers

Safety Officers

I have gone through the Safety Rules Book for Contractors and received a copy of the same. I shall follow all safety precautions/instructions given to me and shall be responsible for safety of my staff/employees/workmen.

Signature of the Contractor

Certified that requisite Safety Appliances are available with workers and Contractor is permitted to start the work.

Signature of Engineer

Certified that the requisite Safety Appliances are being used and safety precautions/measures are being adopted.

Safety Officer of Employer

Copy to:

1. Safety Department
2. Operation/Works Department
3. Contractor with one spare copy.

Name of the Mine / Unit
WORK CLEARANCE FORM FOR CONTRACATORS

1. Name of Contractor's firm with address & Contact No. :
2. Engaged by which Department :
3. Name of the Representative / Supervisor of the Contractor supervising the job. :
4. Precise nature of work to be carried out / work order reference :
5. Precise location of work :
6. Proposed date & time of commencement of work :
7. Expected number of days required for the work :
8. Whether Contractor's workers are to be engaged in G/A/B/C shifts and No. of people engaged :

A. I accept responsibility for ensuring that all men under my control shall observe the statutory safety requirements and follow the safety instructions of the mine.

Date : Signed Contractor

B. Certified that Contractor has been engaged by us for the work described above.

[Certificate to be given by the Engineer]

Date : Signed Engineer

C. You are authorized to carry out the work described below :
[Certificate to be given by the Deptt/Section where work is to be carried out]

Date : Signed Employer

NOTE : The form shall be filled in in TRIPLICATE by the Contractor for the record of (i) Safety Officer (ii) Deptt / Section granting clearance (iii) Contractor.

MINING SERVICES AGREEMENT

Draft Mining Services Agreement

THIS AGREEMENT IS MADE ON THE day of 2018

BETWEEN

NEELACHAL ISPAT NIGAM LIMITED (NINL), a Company incorporated under the Companies Act, 1956 and having its registered office at IPICOL House, Annexee, 1st Floor, Janpath, Bhubaneswar, Orissa, India, (hereinafter referred to as the 'Employer') having an open cast Iron Ore Project at Mithirda/Kriyakudar/Basada village, which the expression, unless excluded by or repugnant to the context or the meaning thereof, shall be deemed to include the successors and permitted assigns), OF THE ONE PART.

AND

M/s _____ (Successful Bidder), a company duly incorporated in India and having its registered office at [Address] (hereinafter referred to as "**MDO**" or "**Contractor**"), which term shall, unless excluded by or repugnant to the subject or context, include its successors, of the **SECOND PART**.

Both MDO and NINL shall be individually known as "**Party**" and collectively referred to as the "**Parties**".

AND WHEREAS

- a) The Employer has decided Raising of Iron ore of Mithirda-Basada-Kriyakudar mining blocks, (hereinafter referred to as the "**Facilities/Works**"), and
- b) The MDO has declared that the MDO has valuable and specialized knowledge and expertise for providing and executing the above Facilities and
- c) The MDO has obtained clarifications on technical and commercial aspects, inspected the site and surroundings of Facilities and has examined and considered all other matters, conditions and things,

probable contingencies and generally all matters incidental thereto and ancillary thereof, affecting the execution and completion of the Facilities, and

- d) The MDO has agreed to undertake production of 2 Million Tonnes of Iron Ore (ROM) per Annum (Approximately 2.40 Million Tonnes per Annum of total excavation) \pm 20% from Mithirda-Basada-Kriyakudar mining blocks located near Koira in Sundargarh & Keonjhar District of Orissa by hiring of mining machinery and plant for (a) mining, crushing & screening for production of +10-30 mm CLO & -10 mm fines, (b) transportation to mineral stack yard at Nayagarh Railway siding and (c) loading into wagons by mechanized means for onward despatch to NINL plant at Duburi on Item rate basis for the complete scope of work.
- e) The MDO has declared that it is technically competent and financially sound to undertake the work of mine development & operation, Iron Ore production, setting up, operation & maintenance of crushing & screening plant and railway siding along with loading arrangement.
- f) The MDO has agreed to set up all the required infrastructure at NINL Mines as mentioned in the Scope of Work and to undertake development, operation and maintenance of NINL Iron Ore Mine for production of Iron Ore for Period of 20 Years as mentioned in the Scope of Work in line with approved Mining Plan and EMP of NINL Iron Ore Mine.

NOW, THEREFORE, in consideration of the agreement and covenants herein after set out, and intending to be legally bounded by the parties hereto covenant and agree with each other as follows :

1 DEFINITIONS AND INTERPRETATIONS

1.1 Definitions

When used in this Agreement, the defined terms set out in this Clause 1 shall, unless the context otherwise require, have the following meanings:

- 1.1.1 **“Affected Party”** shall mean the party whose performance obligations under this Agreement is affected due to commission and/or omission of actions, of the opposite party and/or Force Majeure.
- 1.1.2 **“Agreement”** means this Mining Services Agreement (along with all Schedules, Attachments and Annexures), Bid Document and any other Amendment which may be entered

into between parties to this Agreement. Details of documents comprising this agreement as set out in Clause-3 of this Mining Services Agreement; as of date hereof, which may be amended or supplemented in accordance with the provisions hereof.

- 1.1.3 **“Applicable Laws”** means any law, legislation, statute, ordinance, rule, directive, notification, regulation, etc. enacted, issued, or promulgated by any Authority and any interpretation thereof by a competent Court or Tribunal as may be applicable to NINL and / or the MDO, their respective obligations or this Agreement from time to time.
- 1.1.4 **“Approvals”** shall mean and include all other licenses, permits, consents and permission necessary under Applicable Law in respect of this Agreement for the operation of the NINL Iron Ore Mine including performance of any obligation or exercise of any right by a Party herein.
- 1.1.5 **“Approved Annual Production Plan”** means the plan specifying quantity of Iron Ore production as per the Mine Plan and as otherwise adjusted from time to time under this Agreement.
- 1.1.6 **“Authority”** means the Central Government, the concerned State or Local Governments and includes any Department, Agency, Board, Bureau, Authority, Regulator etc, constituted or established under a Central, State or Local Legislation, ordinance including rules and regulations made there under or by the Central, State or Local Government and court to exercise sovereign functions in relation to the Scope of Work as per the Agreement.
- 1.1.7 VOID
- 1.1.8 **“Bidder”** shall mean a bidding company which is a single member that has submitted a Bid in response to the Bid Document.

1.1.9 VOID

1.1.10 “**Business Day**” means a day other than a Sunday or a public holiday on which banks are open for business in Odisha.

1.1.11 “**Change in Law**” means:

If, after Effective Date of Contract Agreement, any law, regulation, ordinance, order or by-law having the force of law is enacted, promulgated, abrogated or amended (which shall be deemed to include any change in interpretation or application by the competent authorities). Such changes will not invalidate the Agreement but the impact of the changes will be settled on mutually agreed terms.

1.1.12 “**Claim**” means any claim, notice, demand, debt, account, action, expense, cost, lien, liability, proceeding, litigation (including reasonable legal costs), investigation or judgment of any nature, whether known or unknown.

1.1.13 “**Clearance**” means all clearances as required from time to time mandatorily to be obtained from any appropriate State or Central Government Authority or Ministry of Environment, Department of Forest or any other Authority who under the Law are designated to object or give clearances for mining activities as envisaged in this project or related to this project.

1.1.14 “**Commencement of Production Date or Commencement Date**” means the date as certified by NINL as per Clause 4.2 of the mining Services Agreement.

1.1.15 VOID

1.1.16 “**Confidential Information**” shall have the meaning set out in Clause 38 of this agreement.

1.1.17 “**Contract Quantity**” or “**CQ**” means the quantity of Iron Ore set out in Clause 8.1 of this Agreement.

1.1.18 “**Contract Representative of NINL**” means the person from time to time nominated by NINL to be its representative.

1.1.19 “**Contract Representative of MDO**” means the person from time to time nominated by MDO to be its representative.

1.1.20 “**Contract Execution Date**” means the date on which the Mining Services Agreement is signed between NINL and MDO within a maximum period of 60 (sixty) days from the date of issue of LoA.

1.1.21 “**Contract Period**” means the period of Contractual obligation between NINL and MDO for a period of 20 years commencing from the Effective Date.

1.1.22 VOID

1.1.23 “**Delivery Point**” means the railway siding at Nayagarh where the Iron Ore Produced will be loaded into railway wagons as per requirement of NINL.

1.1.24 “**Deposit**” means the iron ore deposits available in the leasehold area which can be commercially extracted/ exploited.

1.1.25 “**Document**” means this bid document along with corrigenda and addenda, if any issued at a later date.

1.1.26 “**Documentation**” means documents required or relevant for the due performance of this contract.

1.1.27 “**Effective Date**” means the date of issuance of Letter of Award (LOA)

1.1.28 “**Environmental Management Plan (EMP)**” means Plan approved by the Government for implementation and monitoring of environmental protection measures during and after commissioning of NINL mining project.

1.1.29 “**Environmental Laws**” means any legislation, ordinance, regulation, notification, instruction, directions, judgment, by-law, proclamation, etc. by any Authority or common law which has as its object, purpose or effect.

(a) The protection of the environment; or

- (b) Regulating storage, handling or transportation of any waste, dangerous goods or hazardous material; or
- (c) The prevention, control, abatement or investigation of pollution or contamination or their effect.

1.1.30 “**Event of Default**” means any event, excluding the events of Force Majeure, as defined in Clause 25 of this Agreement and leading to a default by the MDO in performance of its obligations under the Agreement.

1.1.31 “**Feasibility Study**” means a study conducted or to be conducted by a designated agency for iron ore mining.

1.1.32 “**Fines**” means -10mm ore produced after screening of Good Quality of Ore.

1.1.33 “**Force Majeure**” has the meaning given in Clause 27 of the Agreement.

1.1.34 “**GOI**” means Government of India.

1.1.35 “**Govt.**” means Government of India or Odisha State Government as the case may be.

1.1.36 “**Good Quality Ore**” means ore of size +10 to -30mm fulfilling the quality parameters mentioned at clause 8.4 of this document. This ore will be screened to segregate into Lumps and fines.

1.1.37 “**Lease Area**” means having an area of 874.29 hectare of NINL mines project located in the village of Mithirda-Kriyakurda-Basada of Sundargarh District, Odisha.

1.1.38 “**Lessor**” means the appropriate Govt. in cases of leases granted to NINL and in other cases NINL if land or other infrastructure facility provided by NINL.

1.1.39 “**Lenders**” means collectively all of the entities (including banks, non-banking financial institutions, multilaterals and export credit agencies if applicable) providing finance for development and operation of the Project.

1.1.40 “**Letter of Award, LOA**” means acceptance of tender by the successful bidder.

1.1.41 “**Lot**” means one wagon load of iron ore in case of supply of Iron Ore by railway wagons.

1.1.42 “**Lumps**” means +10 to -30mm ore produced after screening of Good Quality of Ore.

1.1.43 “**Material Breach**” shall mean substantial failure in the performance of the obligations, terms and conditions of this Agreement by one Party, significant enough to have an adverse effect on the business, condition (financial or otherwise), liabilities, assets, operations (or the result of operations) or prospects of the other Party.

1.1.44 “**MDO Fee**” means the mining fee quoted by the MDO in Annexure 4 for carrying out the activities mentioned in the Scope of Work as per the Agreement.

1.1.45 “**Mine Closure Plan**” means the Progressive Closure Plan and Final Closure Plan as approved by the Government for NINL Mines Project.

1.1.46 “**Mine Plan**” means the plan for the Mine as approved by Indian Bureau of Mines.

1.1.47 “**Mining Lease**” means the mining lease agreement in relation to Iron Ore Mine executed by NINL with the Government of Odisha in accordance with the Mines and Minerals (Development and Regulation) Act, 1957 and shall include any renewals thereof.

1.1.48 “**Mine**” shall mean NINL Iron Ore Mine located in the village of Mithirda-Kriyakurda-Basada of Sundargarh District, Odisha.

1.1.49 “**Mine Developer and Operator (MDO)**” means the Bidder who is selected through the Bidding process, who would sign and execute the Mining Services Agreement and any other Legal Agreements as prescribed by the law applicable from time to time, with NINL. The MDO shall include its legal representatives and successors.

1.1.50 “**MDO’s Employees**” means the employees to be deployed by MDO for the purpose of carrying out the Work as itemized and described in the Scope of Work of this Agreement.

All employees, representatives or sub-contractors engaged by the MDO in connection with the performance of the contract shall be under the exclusive control of the MDO and shall not be deemed to be employees of NINL, and nothing contained in the contract or in any sub-contract awarded by the MDO shall be construed to create any contractual or employer-employee relationship between any such employees, representatives or sub- contractors and NINL.

1.1.51 “**MDO’s Equipment**” means the equipment to be deployed by MDO for the purpose of carrying out the activities as itemized and described in the Scope of Work of this Agreement.

1.1.52 “**Mine Safety Management Plan**” means the mine safety management plan as approved by a Certified Mine Manager in accordance with Metalliferous Mines Regulations 1961.

1.1.52 “**Operating Year**” means the Financial Year starting from 1stApril and ending on 31st March of subsequent year.

- (i) The first Operating Year shall start from the Commencement of the Production Date and end on the immediately following 31st March (“**First Operating Year**”).
- (ii) The last Operating Year shall commence on 1st April of such year and end on the Expiry Date (“**Last Operating Year**”).

1.1.54 “**Overburden**” means waste material not being Iron Ore, including topsoil, mud covering the Iron Ore deposits and includes interburden.

1.1.55 “**Production Target**” means the year-wise quantity of ROM iron Ore required to be produced as per the Mine Plan and as otherwise adjusted from time to time under this Agreement.

1.1.56 “**Production Year**” means a period of 12 months starting from the first day of the succeeding month immediately after the date ‘Commercial production period’ commences.

1.1.57 **VOID**

1.1.58 **VOID**

1.1.59 **“Project Area”** means the areas covering NINL Mining lease area, Haul Roads, Over Burden Dump, Crushing & Screening plant, Railway Siding, Workshop, Buildings and Colony etc.

1.1.60 **“Project Completion Period”** means the date when the MDO has carried out all activities described under the Scope of Work of this Agreement.

1.1.61 **“Quantity”** means amount of Iron Ore measured in Tonnes.

1.1.62 **“Quarter”** means a period of 3 consecutive calendar months commencing on 1st April, 1st July, 1st October or 1st January of the Operating Year, during the Term provided that:

- (a) The first Quarter shall commence on the commencement Date and end on 31st March or 30th June or 30th September or 31st December in the First Operating Year, whichever is earlier; and
- (b) The last Quarter shall commence on 1st April, 1st July, 1st October or 1st January of the Last Operating Year, whichever is later and shall end on the Expiry Date.

1.1.63 **“Railway Wagon or Wagons”** A railway wagon or wagons shall be as defined by the Indian Railways comprising railway wagons carrying Iron Ore as per the location specified by NINL in interconnected series with locomotives.

1.1.64 **“Reimbursable”** shall mean royalty, environment cess and any other statutory duties, levies and taxes (both present and future) which would be reimbursed to MDO by NINL on production of documentary evidence in support thereof.

1.1.65 **“ NINL Project / Project”** The project refers to the planning, engineering, financing, construction, operation and maintenance of the Mine along with crushing and screening plant, conveying system & railway siding including rapid loading system and shall include all such works as detailed in this Bid Document and Mining Service Agreement and other associated infrastructure necessary for successful execution of the project.

1.1.66 “**Royalty**” means an amount required to be paid to the Government on account of quantity of Iron Ore extracted from the mine.

1.1.67 “**Scope of Work**” means the work specified in the Agreement and shall include all the activities towards development and operation of NINL Iron Ore Mine. Any activity which falls part of the Scope of Work or is not included in the Agreement but is necessary for mining, development and operations shall be deemed and would be considered as part of scope of work whether or not specified in this Agreement or in any other document which may or may not be part of this Agreement. Detailed Scope of work under this agreement is placed at **Annexure-1**.

1.1.68 “**Settlement of Disputes**” means resolution of disputes as per the procedures laid down in Clause 30 of this Agreement.

1.1.69 **VOID**

1.1.70 “**Strikes**” means any strike or other industrial action which materially affects the MDO’s ability to perform the Work.

1.1.71 “**Tax/ Tax Levy / GST**” means a fee charged (levied) by the Government on any product, income or activity.

1.1.72 “**Technical Information**” means all technical reports, copyright, patents, designs or other intellectual property rights, techniques, processes and know-how of NINL or MDO as the case may be.

1.1.73 “**Term**” means the period as defined in Clause 5 of this Agreement.

1.1.74 “**Transportation Schedule**” shall mean the transportation schedule as referred to in Clause 6.1.5 of this Agreement.

1.1.75 “**Screened Ore**” means ore of size +10 to -30mm (CLO) as per the quality parameters mentioned at clause 8.4 of this document.

1.2 **Interpretation**

In this agreement unless the context otherwise requires:

- (a) The headings are for convenience of reference only and shall not be used in and shall not affect the construction or interpretation of this Agreement;
- (b) (singular) words in the singular include the plural and words in the plural include the singular, according to the requirements of the context;
- (c) (gender) words importing a gender include every gender;
- (d) (include) a reference to “include”, “includes” or “including” means “includes but is not limited to”;
- (e) (corresponding meanings) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (f) (legislation) a reference to any legislation or provision of legislation or a policy includes all amendments, consolidations or replacements and all regulations or instruments issued under it;
- (g) (successors) a reference to Party to a document includes that Party’s permitted successors, administrators and substitutes;
- (h) (Business Day) where a day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day;
- (i) (writing) a reference to a notice form, consent or approval of a Party and agreement between the Parties, means a written notice, consent, approval or agreement;
- (j) a “Recital”, a “Clause”, a “Section”, a “Schedule”, an “Attachment”, an “Annexure”, a “Paragraph” shall be construed to be a reference to a recital, a clause, a section, a schedule, an attachment, an annexure and a paragraph respectively of this Agreement;
- (k) (person) a reference to any person includes any natural person, corporation, business trust, joint venture, association, company, partnership or government, or any agency, or political subdivision thereof;

2 APPOINTMENT

Subject to and in accordance with the provisions of this Agreement, the Applicable Laws and the Mining Lease, the Owner hereby appoints the MDO to provide the Mining Services during the subsistence of this Agreement and the MDO hereby consents to its appointment and agrees to provide the Mining Services in accordance with the terms and conditions set forth herein. The MDO or its authorized person (acceptable to NINL) shall be deemed agent of the Mine though for the

purpose of Mines Act 1952 and statutes made there under, as applicable, NINL shall appoint Agent and all other Statutory manpower like Mine Manager, Safety Officer, Surveyor (head) and Blasting Overman / Foreman as required by Law or directed by Director General of Mines Safety (DGMS) and shall be responsible for communication with statutory authorities. Notwithstanding anything stated, the MDO shall also appoint all required manpower required to discharge its obligations under the Agreement including manpower for discharging all statutory duties (though manpower appointed by MDO shall not be known as statutory manpower). Any appointment made by the MDO has to conform to the Applicable Laws including the qualification requirements set out under the Mines Act, 1952 and Metalliferous Mine Regulation, 1961. The Mine Operator and its representative shall for the avoidance of doubt, assume all such obligations and responsibilities, including preparation and submission of periodic reports etc., under the Mines Act 1952 and statutes made thereunder as applicable and take all such other steps as may be necessary to comply with the Applicable Laws.

3 DOCUMENTS COMPRISING THE AGREEMENT

Agreement consists of the following documents:

- (a) This Agreement.
- (b) Bid Document.
- (c) The Annexure and other Attachments.

In case of conflict between Agreement and Annexures, provisions of Agreement shall prevail. The Agreement shall supersede all previous understandings depicted from the correspondence between the parties.

4 EFFECTIVE DATE AND COMMENCEMENT OF PRODUCTION DATE

4.1 Effective Date

Effective Date shall be the date of issue of Letter of Award (LOA)

4.2 Commencement of Production Date

Production Date shall be effected within 60 days from the Effective Date of this Agreement unless extended upon by mutual consent.

MDO shall give notice on completion of all activities as listed below for certifying Production Commencement Date. NINL shall certify and declare Commencement of Production Date, in consultation with the MDO within 7 days of date of receipt of such notice and in case of satisfactory notice, the date of notice shall be date of Commencement of Production Date. The activities are:

- (a) Development of the Mine to commence production of Iron Ore as per Mine Plan, EIA, EMP etc.
- (b) Installation and Commissioning of Crushing & Screening plant, Screening system (for Good Quality Ore), stockpiling system of Lumps, Fines & Screened ore and railway siding along with loading arrangement.
- (c) Commencement of Production Date may be extended on occurrence of Force Majeure event, to the extent of the period which is lost due to Force Majeure.

4.3 Best Endeavors

The Parties shall use their best endeavors and provide reasonable assistance to the other Party wherever possible to ensure the activities mentioned in Clause 4.2 are performed expediently.

5 TERM OF AGREEMENT

This Agreement, unless terminated earlier in accordance with terms hereof or upon revocation or non-renewal or sooner determination of mining lease by competent authority, shall continue to remain in force until 20 years from the Effective Date. The term of the agreement may be extended for further five years based on mutual discussion / consent.

6 SCOPE OF AGREEMENT

6.1 NINL's Responsibilities

6.1.1 Maintain Approvals

NINL shall assist the MDO to ensure that all Approvals including but not limited to the Environmental Clearances, Forest Clearances, approval for opening of the Mine and all other licenses, permit, consents and

permissions for the lawful operation of the Mine are maintained throughout the Term of this Agreement.

However, the responsibility of maintenance of approvals shall lie with the MDO in accordance with this Agreement.

6.1.2 VOID

6.1.3 Non Obligation

NINL shall not be obligated to provide any financial funding, share in funding capital, equipment, facilities or support services except as expressly provided for in this Agreement. It is further clarified that NINL shall not be held responsible or liable to the MDO for any termination or revocation or non-renewal of the mining lease by the competent authority.

6.1.4 Additional Compensation

There shall be no additional compensation to the MDO for implementing NINL directives for the Work that falls within the scope of work under this Agreement.

6.1.5 Indenting of Railway Wagons

NINL shall be responsible to place indents for railway wagons as per the dispatch schedule.

6.2 MDO's RESPONSIBILITIES AND LIABILITIES

6.2.1 MDO's Responsibilities

6.2.1.1 Obtain Approvals

The MDO shall, at its own cost, obtain and maintain throughout the Term, all Approvals necessary to perform the Work under this Agreement. MDO shall be responsible for adherence to all the statutes and regulatory compliance pertaining to mine development, operation and maintenance including but not limited to MMDR Act, 1957 and subsequent amendments.

6.2.1.2 MDO Responsible for all Mining Operations

Except as otherwise expressly provided in this Agreement or as otherwise directed or agreed by NINL in writing, the MDO shall be responsible for all activities for development, operation and maintenance of NINL mine in accordance with the Scope of Work in the Agreement.

6.2.1.3 MDO Responsible for all support facility at NINL Mines

Except as otherwise expressly provided in this Agreement or as otherwise directed or agreed by NINL in writing, the MDO shall be responsible for all activities for setting up, commissioning, operation and maintenance of

Crushing & Screening plant and railway siding along with development of mineral stock yard for loading arrangement at Nayagarh in accordance with the Scope of Work in the Agreement.

6.2.1.4 Loading of crushed and screened Iron Ore into transportation system

MDO shall load Iron Ore into the transportation system (Railway wagon) at the Dispatch Point and as per the direction given by NINL in accordance with the Transportation Schedule. In case of loading into railways wagons, MDO shall be responsible for any demurrage, penalty or other charges claimed by Railways resulting because of delay in loading the Iron Ore into the rake, uneven loading, overloading or any other lapses as per applicable railway rules and any loss to NINL on account of idle freight due to under loading of wagons or penal charges due to overloading shall be at the cost of MDO and shall be recovered from the MDO.

6.2.1.5 **Compliance with conditions stated in the Mining Lease, Mining Plan, Environment Clearance and Forest Clearance**

MDO shall comply with the terms and conditions stipulated in the Mining Lease, Approved Mining Plan, Environment Clearance and Forest Clearance and shall be liable for the lapses/ breaches/ violations thereof.

6.2.1.6 Compliance with all the Applicable Laws

MDO shall ensure that none of the MDO's employees, or any sub-contractors or the employees of any sub-contractor is allowed to work in contravention of the provisions of the Applicable Laws, including in particular the Mines Act, 1952 and Environmental Laws, while carrying out the Works under this Agreement.

6.2.1.7 Good Housekeeping

MDO shall at all times keep the Mine and associated operational areas and environment in a neat, clean and safe condition.

6.2.1.8 Administration of Agreement

MDO must administer the Agreement and the Work and in doing so must:

- a) Attend site meetings and any other meetings with NINL, as reasonably necessary for the operation of the Mine and the administration of this Agreement or as otherwise required by NINL;
- b) Provide the necessary information and assistance to NINL;
 - (1) To carry out its obligations and responsibilities under the Mining Lease and this Agreement; and
 - (2) To comply with the conditions of any Approvals and the requirements of any Applicable Law;

6.2.1.9 Utilities

The MDO shall draw all utilities required for MDO's own Work including electricity, communications, water (Industrial water & Drinking water), and accommodation and mess facilities at its own cost and also pay for all charges for metering, connection and consumption of those utilities at the battery limit. MDO shall also arrange for utilities including power and water during construction period at its own cost.

6.2.1.10 Land for Township

MDO shall arrange land for township for its employees and outside the Mining leasehold area at his own cost.

6.2.1.11 Land for Infrastructure facilities at NINL Mines

NINL shall provide land for Infrastructure facilities including Screening & loading facilities at NINL Mines.

6.2.1.12 Monthly/Quarterly Report

MDO shall submit to NINL a monthly/quarterly report as decided, describing the major activities for the preceding month/quarter. The format of such report(s) shall be agreed upon between NINL's Contract Representative and the Contract Representative of the MDO.

6.2.1.13 MDO Responsible for Mine Closure

MDO shall adhere to the Mine Plan as approved by IBM for the purpose of Progressive Mine closure. MDO shall also ensure strict compliance with the provisions of any new law, regulation, rule, notification, policy or any order by any Authority or any amendment in any existing law, regulation, rule, policy etc. in regard to the progressive closure of the Mine.

6.2.1.14 Security & Safety

6.2.1.13.1 Security

Security for the project would be the sole responsibility of the MDO.

6.2.1.13.2 Safety

- i. MDO has to have in place a full-fledged safety organization as per statutory norms and standard practice in mining and plant operation.
- ii. It shall be absolute responsibility of MDO to keep a check and take necessary actions so that all the safety measures at the project site/mine are adhered to by its employees, sub-contractors, agents or any other individual who is directly or indirectly working/performing for the MDO.
- iii. The MDO shall provide and maintain at its own expense all lighting, fencing, and watching when and where necessary for

the proper execution and the protection of the Facilities and for the safety of the public.

- iv. The MDO shall provide all the PPE (Personal Protective Equipment) and safety appliances required to carry out the job to all the workmen deployed by the MDO and also ensure that its workmen use those PPE and safety appliances while on the job. The MDO shall not pay any cash amount in lieu of PPE to the workers.
- v. The PPE and safety appliances provided by the MDO shall be of the standard as approved by DGMS.
- vi. MDO shall set up Fire Station and all other facilities as per requirement of DGMS.
- vii. If the MDO fails to ensure provision of safety appliances required to carry out the job safely to the workmen and that its workmen do not use the PPE and safety appliances as needed for safe working, NINL upon the satisfaction that the MDO is not conforming to the safety requirement may direct the MDO for stoppage of work and require the MDO to remedy the defects. The MDO shall not proceed with the work until it has complied with each direction to the satisfaction of Engineer and Safety Official appointed by NINL.

6.2.2 MDO's Liabilities

6.2.2.1 In addition to the MDO's liability and obligations and the NINL's remedies provided elsewhere in this Agreement, the MDO shall be solely liable for any loss of or damage to the Project Facility, damage to environment, death or injury to person, and any other liabilities, damages, losses and reasonable cost and expenses (including legal costs) suffered by NINL during the Mining Services Agreement Period in the following cases:-

- a. Resulting from any act, omission or negligence of the MDO or any other Person claiming through or under it, including Sub-contractors and their respective employee, agents, sub-contractors and representatives.
- b. In connection with, arising out of, or resulting from any breach of warranty, material misrepresentation by the MDO or any other Person claiming through or under it, or non-performance of any

term, condition, covenant or obligation to be performed by the MDO under this Agreement.

6.2.2.2 The MDO shall also be liable for any loss or damage which occurs as a result of any act, event, omission, negligence or default (including quality of materials used, workmanship, structural, design or other defects, latent or patent, non-compliance with Mining bye laws, other Applicable Laws, regulatory requirements of Competent Authorities, Specifications and Standards or any other matter) for which the MDO is liable or which is attributable to the MDO and, in turn, the Persons working under the MDO.

6.2.2.3 The MDO shall be fully and solely liable for all works, contracts, dealings and activities in relation to the development, financing, construction, maintenance and implementation of the Project.

7 SECURITY DEPOSIT

The Successful Bidder shall furnish Security Deposit equivalent to a sum of Rs 100 Crores (Indian Rupees One hundred Crores only) within 45 days of issuance of Letter of Award (LOA). The Security Deposit of MDO shall be liable for forfeiture in case the MDO fails to undertake the work during any year or in event of default by MDO as stipulated in Mining Services Agreement.

The Security Deposit shall be for the time bound, due and faithful performance of the Contract and shall remain binding notwithstanding such variations, alterations or extensions of time as may be made, given, conceded or agreed to between the MDO and NINL in terms of the Contract or otherwise. Without prejudice to NINL's other rights under the Contract, the Security Deposit will be liable for forfeiture by the Purchaser, if he deems it necessary and appropriate, at its discretion, in the event of Contractor's failure to discharge and/or be liable of any of his obligations and responsibilities stipulated under the Contract.

The Security Deposit shall be released upon fulfillment of all obligations under the Mining Services Agreement by the MDO.

8.0 QUANTITY AND QUALITY OF IRON ORE

8.1 Commencement of Production

(a) Production period shall start within 60 days from the “Effective date”.

8.2 Contract Quantity

The Contract Quantity of Iron Ore for an Operating Year from Mine shall be as per **Annexure 3** of this agreement.

8.3 Terms of Measurements:

8.3.1 Measurement for Iron ore produced during ‘ production period’

8.3.1.1 Measurement of Iron Ore will be in metric tonnes.

8.3.1.2 MDO shall install in motion rail weighbridge at the Nayagarh railway siding for weighing of wagons as per specification agreed by railway.

8.3.1.3 The daily log book shall be jointly maintained by the MDO & NINL for:–

- i. Total quantity of Iron Ore produced from the mine.
- ii. Rake-wise quantity and quality of Iron Ore loaded into the wagons. The MDO shall submit daily report to the above effect to NINL.
- iii. The MDO shall also submit monthly report to NINL in respect to overburden/ inter burden removed. The MDO shall also submit reconciled annual report to the above effect.

8.3.2 Adjustment of quantity of Iron Ore produced from mine

8.3.2.1 At the start of every production year, NINL and MDO shall jointly draw out the annual operational plan outlining the:

- i. Quantity of Iron Ore Production.
- ii. Quantity of Overburden/ inter burden removal & Dumping Schedule.

This annual operational plan shall be commensurate with the approved Mining Plan.

- 8.3.3 The MDO shall take suitable measure for maintenance of all the weighing and sampling system as per the procedure laid down below :-
- a. The weighbridge shall be calibrated as per approved norms.
 - b. Calibration of weighbridge and measurements shall be taken jointly by the NINL or its authorized representative and by the MDO or its authorized representative.
 - c. Calibration / measurement taken as per approved schedule shall be signed and dated by both the parties on the site on completion of the calibration / measurement.

8.3.4 In case of non-operation of Weigh Bridge due to any reason, clear Railway Receipt (RR) would be considered as final for the basis of measurement. However, in case of non-availability of clear RR from the Railways, the weightment at place of receipt will be the basis of measurement.

8.4 **Quality of Iron Ore**

8.4.1 At the beginning of every production year NINL and MDO will prepare Annual / Quarterly/ Monthly Excavation and Quality plan which will be strictly adhered to by MDO.

8.4.2 **QUALITY**

The physical and chemical specification of Iron ore to be produced is as under. The MDO has to strictly adhere to the specified specification.

Sl. No.	Product Description	Physical specification	Chemical specification
1	Calibrated Lump Ore (CLO)	+10-30 mm	Fe Content +62%
2	Fines Ore	-10 mm	Fe Content +60.5%

The maximum tolerance in physical and chemical specification of Iron ore to be produced is as under beyond which the products will be rejected.

Sl. No.	Product Description	Physical specification	Chemical specification
1	Calibrated Lump Ore (CLO)	Oversize (+30mm) - 5% Undersize (-10mm) - 5%	Fe Content +/- 0.5%
2	Fines Ore	Oversize - 5%	Fe Content +/- 0.5%

The MDO shall also ensure that no ore containing Fe above 55% is subgrade & no ore containing Fe above 45% is dumped as waste/overburden and stocked as subgrade ore.

8.5 NINL shall have the right to supervise and check the analysis and sampling process by having their representative present during the analysis. The MDO shall install automatic sampler(s) at appropriate place(s) for drawing sample for lumps, fines & Screened ore. The detailed sampling & analysis procedure shall be worked out and mutually agreed to in writing between the Parties, at least 30 (thirty) days prior to the start of Iron Ore production.

8.6 Whenever any maintenance or repair work of the sampler is undertaken by MDO, MDO shall inform NINL in advance and NINL shall have the right to be present and witness such repair/ maintenance.

9 PAYMENT TERMS

9.1 General

The work being essentially a contract for guaranteed production of Iron ore, the MDO will be paid as per the applicable Mining Fee for the respective year.

9.2 Mode of Payment towards Iron Ore Production from Production Year and Onwards

- i. The Mining Fee quoted by the MDO at **Annexure 4** of this agreement shall be considered for 1st production year for +10mm to -30mm CLO & -10 mm Fines.

- ii. The Mining Fee for mining from 2nd production year and onwards shall be calculated based on price variation formula given at Annexure-5 and the then applicable indices mentioned therein. Similarly Mining Fee shall be calculated for subsequent years, where Mining Fee of previous operating year will be the base for calculation of Mining Fee for the subsequent operating year.
- iii. Explosives shall be provided by NINL as per the statutory requirement. The cost towards procurement of the explosives shall be reimbursed by MDO to NINL at actual.
- iv. Mining Fee for 2nd Operating year shall be calculated as illustrated in the table below:

Mining Fee for 2 nd Production Year	= Mining Fee for 1st Production Year * (1+ Escalation as per Annexure-5)
------------------------------------------------	--------------------------------------------------------------------------

Similarly escalated Mining Fee shall be calculated for subsequent years, where Mining Fee of previous operating year will be the base for calculation of Mining Fee for the subsequent operating year.

9.3 Deduction of Income Tax at Source

Deduction at source towards income tax calculated at the rates prescribed from time to time under section 194-C of the Income Tax Act 1961 and other relevant provisions of the Indian Income Tax Act shall be made from the bill of the MDO and the amount so deducted shall be deposited with the Income Tax Department and the TDS Certificate to the above effect will be sent to the MDO.

9.4 Billing & Payment:

- 9.4.1 NINL shall release the payment towards “quantity of sized Iron Ore produced and loaded into wagons by MDO” in accordance with the following:

The MDO shall submit complete and correct separate invoices and documents for services.

- i. All payments shall be made as specified in Terms of Payment, directly by NINL to the MDO unless otherwise provided in the agreement or agreed between the parties.

- ii. The MDO shall reimburse NINL all costs, charges, damages or expenses which NINL may have paid or incurred, if and to the extent to which the MDO is liable under this Contract to pay within thirty (30) days upon written request of NINL, failing which such costs, charges, damages or expenses shall be deducted by NINL from any money due or becoming due to MDO from NINL under this Contract or any other Contract failing which such amounts shall be considered as debt of NINL to MDO and shall be recoverable accordingly.
- iii. All such reimbursements shall be made by NINL within 30 days from date of submission of documents evidencing payment by MDO.

9.4.2 **Billing Period**

The bill(s) will be submitted to the Engineer In charge on monthly basis. The quantity to be considered in the bill would be equivalent to the quantity mentioned in clear RR. The Engineer In charge shall pass the bill after the recovery of Liquidated Damages or other recoverable sum(s), if any. The MDO

needs to submit the invoice in triplicate in complete manner after dispatch of Iron Ore.

9.4.3 **Mode of Payment**

9.4.3.1 Payment

The MDO will raise progressive monthly clear bill, based on the applicable Mining Fee for the ore dispatched during the previous month as per the Log Book maintained jointly. NINL shall release 75% (seventy five per cent) payment as advance within ten (10) working days pending verification of clear bill. Payment shall be made in INR.

9.4.3.2 Payment adjustment

NINL shall release the balance 25% (Twenty Five percent) payment within thirty days from the date of submission of clear bill & after:

- i Deduction towards “ Penalties/Liquidated Damages” etc., if any, and any deduction imposed by railway for under loading/over loading/demurrages etc.

- ii Any Statutory deduction such as “Income Tax” etc or / and excess payment made earlier if any.
- iii Annual adjustment Payment at the end of each Commercial production year, the MDO shall submit the comprehensive Annual statement showing :
 - a. The total Quantity of Iron Ore Mined and loaded into the transportation system at Dispatch Point in terms of quantity & quality (derived based on weighted average) during the Period.
 - b. The total “Penalties/Liquidated Damages”etc., if any, deducted /paid by the NINL during the period;

NINL reserves the right to recover / enforce recovery of any overpayments detected after payment as a result of post-payment audit or technical examination or by any other means, notwithstanding the fact that the amount or disputed claims, if any, of the MDO exceeds the amount of such overpayment and irrespective of the facts whether such disputed claims of the MDO are the subject matter of arbitration or not. The amount of such overpayments may be recovered

from the subsequent bills under the contract, failing that from MDO’s claim under any other contract with NINL or with other units of NINL or from the MDO’s Security Deposit. In the event the over payment amount cannot be recovered from his bills and security deposit and amount due to him under other contracts, the MDO shall pay the amount of overpayment on demand.

9.5 Liquidated Damages

9.5.1 Liquidated Damages for delay in completion of project

If the MDO fails to start production within 60 days from the Effective Date of the Agreement for reasons attributable to the MDO, liquidated damages shall be levied as detailed in Para 9.5.1.2.

9.5.1.1 VOID

9.5.1.2 A notional dispatch of 1.20 million tonnes per annum will be considered for LD purpose with the following composition – Screened Ore: 8,00,000 T, Fines & 4,00,000 T CLO. The delay by the MDO will be converted into equivalent tonnage of respective products, and LD will be levied @ 5% of the mining fee of each product multiplied by the equivalent tonnage of that product.

9.5.2 Liquidated Damages for shortfall in Quantity

At the beginning of every production year NINL and MDO will prepare an Annual/Quarterly /Monthly excavation, quality and dispatch plan which will be adhered to by MDO.

In case, the MDO fails to meet the Quarterly targeted dispatch during any production year as notified by NINL, the MDO will pay Liquidated Damages for the shortfall in quantity as indicated below.

Supplied quantity as % of planned quantity	Liquidated Damage (LD)
95% or more	Nil
85% to less than 95%	5% of prevailing mining fee for the difference of actual quantity supplied and 95% of planned supply
Less than 85%	5% of prevailing mining fee for 10% of planned supply + 10% of prevailing mining fee for the difference of Actual quantity supplied and 85% of planned supply

For the purpose of imposition of LD or rejection of rakes, Mining fees or prevailing mining fees is applicable for that year.

9.5.3 Liquidated Damages for Shortfall in Quality

9.5.3.1 **Liquidated Damages on shortfall in Physical Parameters**

Liquidated Damages for deviation in the oversize beyond the permissible limit as specified in clause 8.4.2 of this agreement shall be 2% of the prevailing mining fee during the relevant quarter for oversize exceeding 5% and upto 10%. If the percentage oversize exceeds 10% for a particular rake, NINL will be free to reject such rake, for the purpose of payment of mining fee and no payment for the quantity of ore shall be made by NINL.

Physical quality (% oversize) for a quarter will be the weighted average of % oversize of quantity of material in each rake, supplied during the quarter. Liquidated Damages for deviation in the undersize beyond the permissible limit as specified in clause 8.4.2 of this agreement shall be 2% of the prevailing mining fee during the relevant quarter for undersize exceeding 5% and up to 10%. If the percentage undersize exceeds 10% for a particular rake NINL will be free to reject such rake, for the purpose of payment of mining fee and no payment for the quantity of ore in such rake shall be made by NINL.

Physical quality (% undersize) for a quarter will be the weighted average of % undersize of quantity of material in each rake supplied during the quarter. In case of Fines(-10mm) penalty will be imposed on oversize material only.

9.5.3.2 Liquidated Damages on Chemical Quality

Liquidated Damages for deviation in the Fe content as specified in clause 8.4.3 of this agreement assessed on Quarterly basis shall be 2% of the mining fee for every drop of 0.5% Fe content or part thereof. If the Fe content in a particular rake falls below 60%, NINL will be free to reject such rake for the purpose of payment of mining fee and no payment for the quantity of ore in such rake shall be made by NINL.

Monthly Average Quality will be calculated as under :

$$\text{Avg Qs} = (q_1 \cdot w_1 + q_2 \cdot w_2 + q_3 \cdot w_3 \dots) / (w_1 + w_2 + w_3 \dots)$$

Where q_1 = quality of rake1, q_2 = quality of rake2 and so on.

w_1 = Quantity of rake1, w_2 = Quantity of rake2 and so on.

Deviation in quality over Agreed monthly plan = (Agreed monthly plan – Avg. quality of material supplied for the month.)

$Dq = Qa - Qs$; (where Qa : Agreed quality for the month, Qs : Avg quality of supply for the month, Dq : Avg. quality Deviation) -----
For Screened ore.

$Dq = Qa - Qs$; (where Qa : Agreed quality for the month, Qs : Avg quality of supply for the month, Dq : Avg. quality Deviation) -----
--- For Lump ore.

$Dq = Qa - Qs$; (where Qa : Agreed quality for the month, Qs : Avg quality of supply for the month, Dq : Avg. quality Deviation) -----
--- For Fines ore.

Quarterly average quality deviation will be calculated as under:

$$DQ = (Dq1 * M1 + Dq2 * M2 + Dq3 * M3) / (M1 + M2 + M3)$$

(where DQ : Quarterly Avg. Quality Deviation, $M1$, $M2$ & $M3$ are Quantity of supply for the Month1 & Month2 & Month3 of the corresponding Quarter)

$$LD = (DQ / 0.5) * 2\% \text{ of (Quantity supplied for quarter x Rate of mining fee for Screened ore, CLO \& Fines, as the case may be)}$$

9.5.3.3 Monthly average of Fe content in products will be as given in Clause 8.4.3.

9.5.3.4 No payment of mining fee for the quantity of ore, which has been rejected in line with clause 9.5.3.1 or 9.5.3.2 of MSA, shall be made by NINL. The material of such a rake shall be the property of NINL and MDO shall have no claim whatsoever on such material even though the materials rejected may be consumed by NINL.

9.5.3.5 However, in order to ensure that no double penalty is imposed on account of rejection of rake for deviation in chemical / physical quality in cases where material of rejected rake(s) has been consumed in steel plants, the rejected quantity of materials shall not be deducted from the total quantity supplied during the quarter.

9.5.3.6 Example of LD on Chemical Quality-

Month 1 – In a particular month in a quarter the agreed monthly plan envisages average Fe is 62% as per clause 8.4.3 for Screened ore and the average Fe in material dispatched has been 60.5%. Then the quality deviation for Liquidated Damages (LD) for quality as per clause 9.5.3.2 will be

$$62 - 60.5 = 1.5\% = Dq1$$

Month-2 - If the agreed monthly plan envisages average Fe is 61.0% for the Screened ore as per clause 8.4.3 and the average Fe in material dispatched has been 60.5%, then the quality deviation for Liquidated Damages (LD) for quality as per clause 9.5.3.2 will be

$$61.0 - 60.5 = 0.5\% = Dq2$$

Month 3 – If the agreed monthly plan envisages average Fe is 62.5% for Screened ore as per clause 8.4.3 and the average Fe in material dispatched has been 61.5%. Then the quality deviation for Liquidated Damages for quality as per clause 9.5.3.2 will be

$$62.5 - 61.5 = 1\% = Dq3$$

Liquidated Damages (LD) for Chemical Quality for the quarter

The Liquidated Damages (LD) for chemical quality as per Clause 9.5.3.2 (Deduction in mining fee @2% for every 0.5% drop in Fe content) would be 2% of mining fees for the quantity supplied for each 0.5% of Weighted Quality Deviation (QD);

$$\text{Here QD} = (M1*1.5+M2*0.5+M3*1.0)/(M1+M2+M3)$$

Liquidated Damages (LD) = (QD/0.5)*0.02*(R * (M1+M2+M3)) **Where** R = Rate of Mining Fee per tonne for the corresponding year.

M1, M2, M3 are the month wise quantity of Screened ore supplied.

Similar calculation is applicable for Lump & Fines.

9.5.3.7 Example of LD on Total Quantity-

Case-I - If actual dispatch is 95% of the Quarterly Targeted dispatch, then Liquidated Damages imposed will be Nil as the supply is more than or equal to 95%.

Case-II - If actual dispatch is 89% of the Quarterly Targeted dispatch, then **LD for quantity for the Quarter** = (95% of the targeted quarterly dispatch –

Actual Supply) x (0.05 x Mining fee per tonne for relevant year)

Case III – If actual dispatch is 83% of the quarterly targeted dispatch, then

LD for quantity for the Quarter = {10% of the Targeted Quarterly dispatch x (0.05 x Mining fee per tonne for relevant year)} + {(85% of the Targeted Quarterly dispatch – Actual supply) x (0.10 x Mining Fee per tonne for the corresponding year)}.

Note: Total *quantity dispatched* referred above means sum of quantities of Screened ore, Lump & fines.

10 **REPRESENTATIONS AND WARRANTIES**
10.1 **MDO's Representations and warranties**

Express Warranties

The MDO warrants to NINL that:

- (a) It shall complete the Work in accordance with the terms of this Agreement using best industry practices and providing all appropriately qualified supervision at all time during the Term;
- (b) It has the required skill and expertise to carry out the Work and that the MDO's Employees, agents, consultants and sub-contractors shall have all the relevant qualification and experience necessary to perform the Work;
- (c) It shall perform the Work strictly in accordance with:
 - (i) Approvals and Applicable Laws in so far as they relate to the MDO's Scope of Work as per the Agreement;
 - (ii) The Mine Plan as approved by IBM; and
 - (iii) Terms and Conditions of the Mining Lease
 - (iv) Environment Laws
 - (v) Mine Safety regulations as per Metalliferous Mines Regulations 1961.

10.1 Representations and Warranties:

- a. It is a company duly incorporated, validly existing and in good standing under the laws of India, with full corporate power and authority to own, lease and operate its business and properties and to carry on its business in the places and in the manner currently conducted or proposed to be conducted.
- b. The execution, delivery and performance of this Agreement (1) has been duly authorized by all requisite corporate actions; (2) to the best of its knowledge will not conflict with any provisions of Applicable Law; and (3) will not conflict with, result in the breach of, constitute a default under or accelerate performance required by any covenant, agreement, understanding, decree or order to which it is a party or by which it or any of its properties or assets is bound or affected.
- c. It holds all permits, certificates, licenses, clearances, approvals and other authorizations as are necessary for the conduct of its business and it is in compliance with the terms thereof and has not received any notice or claim pertaining to the failure to obtain, or the breach or violation of the terms of, any such authorization.

11 MANAGEMENT AND INDUSTRIAL RELATIONS

11.1 The MDO Responsible for Mining Operations

Except as expressly provided in this Agreement, MDO shall be responsible for all industrial and workplace relations matters relating to any of MDO's employees, agents or consultants or any employees, agents or consultants of any of its sub-contractors.

11.2 MDO to keep NINL fully informed

The MDO must promptly notify NINL of any management matter, including matters relating to industrial relations and industrial issues, which may affect NINL or the MDO or the performance of the Work and any measures which the MDO proposes to take in relation to these matters.

11.3 No Employer - Employee Relationship

The Parties agree nothing in this Agreement creates or is intended to create the relationship of employee and employer between NINL and

any employee, agent, consultant, sub-contractor or any other person employed or engaged by the MDO to carry out the Work. Without limiting the extent of this Clause, on termination of this Agreement, NINL is not required or obliged to employ any employee, agent, consultant, sub-contractor or any other person who is at that time, or was at any time previously employed or engaged by the MDO to carry out the Work.

11.4 MDO an Independent Contractor

It is expressly understood that the MDO is an independent contractor and that the MDO's Employees are not servants, agents, or employees of NINL. The actual performance of the Work shall be carried out by the MDO in strict compliance with its obligations under this Agreement.

12 STATUTORY REQUIREMENTS

12.1 Compliance by the MDO

Notwithstanding anything contained in Clause 11, the MDO shall at all times during the Term:

- (a) Keep all the records in strict compliance with the Approvals and Applicable Laws;
- (b) On reasonable notice, allow NINL to inspect and take unlimited copies of all records pertaining to the Mine;
- (c) Allow NINL to audit MDO's compliance with the Approvals and Applicable Laws and provide NINL with all information and assistance reasonably required by NINL in connection with any such audits.

12.2 MDO's Organization

12.2.1 The MDO shall supply to the NINL a chart showing the proposed organization to be established by the MDO for carrying out work. The chart shall include the identities of the key personnel together with the curriculum vitae of such key personnel to be deployed within twenty-one (21) days of the Effective Date of the Contract. The MDO shall promptly inform the NINL in writing of any revision or alteration of such an organization chart.

12.2.2 The MDO shall submit the detailed Assignment Schedule for Overseas Experts / Specialists, if required, for rendering technical services, within

six (6) months from the Effective Date of the Contract which shall be mutually agreed upon between the NINL and the MDO.

- 12.3 The MDO shall intimate the NINL, in writing well in advance, about the requirement of shut down of any of the Units for inter-connection / incorporation of additional units. The shutdown period shall be mutually discussed and finalized.

13.0 VOID

14.0 NOTIFICATION OF BREACH OF APPROVALS

The MDO must notify NINL as soon as it becomes aware of breach of any Approvals including any Laws, Rules, Regulations including Environmental Law or the terms on which Forest Clearance has been granted to the Project.

14.1 Statutory Responsibilities

The MDO shall be entirely responsible for the development and operation of the Mine in terms of the Applicable Law, including but not limited to the Mining Lease, Environmental Laws, the Mines and Minerals (Development and Regulation) Act, 1957, MMDR (Amendment) Act 2015 and the Mines Act, 1952.

- 14.2 Besides the other applicable laws/ Acts, the following Acts with latest amendment thereof shall be complied with by the MDO apart from the terms mentioned in Clause 14.1 of this agreement.

- a. Employee Provident Fund & Misc. Provision Act, 1952.
- b. Contract Labour Act (Regulation and Abolition Act, 1970
- c. Minimum Wages Act, 1948
- d. Payment of Wages Act, 1936
- e. Workmen Compensation Act, 1923.
- f. Apprenticeship Act, 1961

- g. Family Pension Act, 1952
- h. ESI Act
- i. Shops & Establishments Act
- j. Cess Act,1996
- k. Central Electricity Authority Rules & Regulations
- l. Electricity Act,2003
- m. Other statutory Acts relevant to in this regard

15 **INDEMNIFICATION**

- 15.1 Without prejudice to and in addition to the indemnification provisions elsewhere in this Agreement, the MDO agrees to indemnify and hold harmless NINL and its shareholders, managers, officers, directors, employees, advisors and consultants (each a “NINL Indemnified Party”) promptly upon demand at any time and from time to time, from and against any and all losses, claims, damages, liabilities, costs, penalties, litigation, proceedings, (including reasonable attorneys' fees and disbursements) and expenses of any nature whatsoever (collectively, “Losses”) to which the NINL Indemnified Party may become subject, insofar as such Losses directly arise out of, in any way relate to, or result from (i) any mis-statement or any breach of any representation or warranty made by MDO or (ii) the failure by MDO to fulfill any agreement, covenant or condition contained in this Agreement, including without limitation the breach of any terms and conditions of this Agreement by any employee or agent of the MDO or Person claiming through or under the MDO or (iii) any claim or proceeding by any Third Party against the NINL arising out of any act, deed or omission by the MDO. For the avoidance of doubt, indemnification of Losses pursuant to this Clause 15 shall be made in an amount or amounts sufficient to restore each NINL Indemnified Party to the financial position it would have been in had the Losses not occurred.

15.2 Without limiting the generality of sub-clause 15.1 of this Clause

- a) The MDO shall fully indemnify and keep NINL Indemnified from and against any and all Losses arising out of or with respect to (1) failure of the MDO and the Persons claiming through or under the MDO to comply with Applicable Laws and Clearances, (2) payments of Taxes relating to the MDO and the Persons claiming through or under the MDO, including, Subcontractors, suppliers and representatives, including the income or other taxes required to be paid by the MDO/such Persons without reimbursement hereunder, or (3) non-payment of amounts due as a result of materials or services furnished to the MDO or any other Person claiming through or under the MDO, which are payable by the MDO or such Person.
- b) The MDO shall fully indemnify, and keep NINL Indemnified and harmless from and against any and all Losses which the NINL may hereafter suffer or pay by reason of any demands, claims, suits or proceedings arising out of claims of infringement of any domestic or foreign patent rights, copyrights or other intellectual property, proprietary or confidentiality rights with respect to any materials, information, design or process used by the MDO or by the Persons claiming through or under the MDO in performing the MDO's obligations or in any way incorporated in or related to the Project. If in any such suit, claim or proceedings, a temporary restraint order or preliminary injunction is granted, the MDO shall make every reasonable effort, by giving a satisfactory bond or otherwise, to secure the suspension of the injunction or restraint order. If, in any such suit claim or proceedings, the Project, or any part, thereof or comprised therein is held to constitute an infringement and its use is permanently enjoined, the MDO shall promptly make every reasonable effort to secure for NINL, a license, at no cost to NINL, authorizing continued use of the infringing work. If the MDO is unable to secure such license within a reasonable time, the MDO shall, at its own expense and without impairing the Specifications and Standards either replace the affected work, or part, or process thereof with non-infringing work or parts or process, or modify the same so that it becomes non-infringing.
- c) the MDO shall further indemnify, defend and hold harmless NINL from any and all Third Party claims for loss or physical damage to property for death or injury and against all Losses for personal injury and for damage to or loss of any property arising out of or in any way

connected with the MDO's performance of this Agreement or arising out of any act or omission of the MDO, and in turn of the Persons claiming through or under the MDO.

15.3 Any payment made under this Agreement pursuant to an indemnity or claim for breach of any provision of this Agreement shall be net of applicable Taxes.

15.4 NINL shall hold lien against the properties of MDO for its claim.

15.5 Indirect or Consequential Losses

Neither Party under this Agreement shall be responsible / liable to the other party in contract, tort, warranty, strict liability or any other legal theory for indirect, incidental, punitive, or consequential loss or damage or loss of profit resulting from the performance of obligations or the exercise of rights under or pursuant to this Agreement.

15.6 Business Risks

Except as expressly provided in this Agreement, the MDO shall carry out and perform its rights and obligations under this Agreement and the other Transaction Documents at its own cost and risk. The MDO shall be fully responsible for and shall bear the financial, commercial and business risks in relation to the Project and all its rights and obligations under or pursuant to this Agreement and the other Transaction Documents.

15.7 Survival

The provisions of Clause 15 shall survive till the expiry or in case of prior termination of this Agreement till actual period of Agreement.

16 OCCUPATIONAL SAFETY AND HEALTH

16.1 **The MDO responsible for Safety**

The MDO must at all times at its cost ensure that it takes all necessary precautions for the safety of all its personnel entrusted with the Scope of Work under the Agreement, including the MDO's employees, agents, consultants and sub-contractors and their employees, agents and consultants.

16.2 Compliance with Laws and Policies

The MDO shall comply with:

- (a) The Mine Safety Management Plan including reasonable amendments thereto;
- (b) All Applicable Laws including Laws relating to occupational health and safety;

16.3 Labour

16.3.1 The MDO shall provide and employ on the Site such skilled, semi-skilled and unskilled labour as is necessary for the proper and timely execution of the Contract.

16.3.2 The MDO shall at all time during the progress of the Contract use its best endeavors to prevent any unlawful, riotous or disorderly conduct or behavior by or amongst its employees & labour and labour of its Sub-Contractors.

16.3.3 Labour Laws

In respect of all labor directly or indirectly employed on the works by the MDO, the MDO shall comply with and implement all the Provisions of the Contract Labor (Regulation and Abolition) Act 1970, or any amendment thereof, and all legislations and Rules of the State and / or Central Government or other local authority formed from time to time governing the protection of health, sanitary arrangements, wages, welfare and safety of labor employed on the works and the MDO shall be deemed to be Principal Employer for this purpose. The rules and other statutory obligations with regard to fair wages, welfare and safety measures, maintenance of register, etc., will be deemed to be part of the Contract. The MDO will get itself registered with the concerned statutory authorities as provided in the Act and shall be directly responsible to the authorities thereunder for compliance with the provisions thereof.

16.3.4 Reporting of Accidents

The MDO shall be responsible for the safety of its own and its Sub-Contractor's workmen and employees. All accidents at site are to be

immediately reported to the required authorities. The MDO shall be responsible for all such accidents.

16.3.5 Preservation of Peace

The MDO shall take requisite precautions and use its best endeavor to prevent riotous or unlawful behaviour by, or amongst his workmen and / or others employed on the works, by the MDO its Sub-Contractors and for the preservation of peace and protection of the inhabitants and security of the property in the neighborhood of the works / site.

16.3.6 Use of Intoxicants

The use or sale of ardent spirits or other intoxicating beverages, upon the works or in any of the building, boarding houses, encampments or other tenements owned, occupied by or within the control of the MDO or any of its employees or its Sub-Contractor is strictly forbidden and the MDO shall secure strict compliance.

16.3.7 The MDO shall also maintain all records/register/return/cards such as:

- a. Register of workmen employed by MDO
- b. Employment Card
- c. Muster Roll
- d. Register of wages-cum-muster roll
- e. Submission of Return

16.4 Submission of Accident and Incident Reports

The MDO shall submit to NINL within forty eight (48) hours, detailed reports of any accidents and/or incidents. Accidents and incidents include all matters involving damage to any structure, equipment or vehicle, bodily injury or death, health problem, any matter involving the general public, any matter involving the MDO's agents, consultants and sub-contractors, any matter involving any Authority, any matter involving the environment and any other matter that may reasonably be deemed serious.

16.5 Costs associated with mine safety and non-compliance to Environmental Laws

The MDO shall bear the costs of any safety measures implemented in the Mine. In the event of an accident in the Mine on account of non-compliance with safety measures or otherwise, the MDO shall bear the full costs associated with safety fines, medical treatment and/ or compensation.

The MDO shall bear the costs of any environmental mitigation measures implemented in the Mine and shall at all time be obliged to maintain such mitigation measures in fully functional condition. In the event of non-compliance with the environmental mitigation measures, the MDO shall bear the full costs associated with fines, remediation, and/or compensation.

17 INSURANCE

17.1 MDO Insurance

The MDO should carry and keep current during the Term of this Agreement adequate insurance coverage for the MDO's employees, the mining, handling & transportation facilities, crushers, the contracted facilities and equipment, transit insurance, Third Party Liability policies and Motor vehicle insurance covering own damage, Third Party Property damage and Third Party Personal Injury insurance to the satisfaction of NINL and any other insurance coverage as per prudent commercial practices. The MDO shall upon request of NINL, furnish NINL with particulars of the insurance policies procured by the MDO for the purpose of the Works. The MDO shall also be obliged to indemnify NINL against any financial losses, penal sanctions, claims or any other losses that may result due to lack of required insurance cover.

18 VOID

19 SUSPENSION OF WORK

19.1 In case production from the mine is suspended because of any act, default or omission of MDO or its employees, agents, consultants, subcontractors, in that case;

- a) In case suspension continues up to ninety (90) days, then MDO shall be liable for Liquidated Damages as per Clause 9.5 of this Agreement for the shortfall quantity till resumption of production.
- b) In case suspension continues beyond ninety (90) days, then an event of default shall be deemed to have occurred as per Clause 25.4 due to which this Agreement shall be liable for termination and for the shortage of production during the period of suspension, Liquidated Damages shall be imposed as per Clause 9.5 of this Agreement.

19.2 Recommencement of Work after Suspension

In case of suspension of Iron Ore production up to ninety (90) days, if MDO becomes aware that the reason for the suspension of Work no longer exists, it must notify NINL in writing and Iron Ore production shall recommence as soon as reasonably practical with mutual agreement.

20 VARIATIONS

20.1 Variations to be approved by NINL

The MDO must not vary the Work except as directed in writing by NINL.

21 PROVISION OF MATERIALS, LABOUR AND EQUIPMENT

21.1 Provision of Material and Labor

Except as otherwise provided in this Agreement the MDO shall engage all materials and labor necessary to complete the Work in accordance with this Agreement.

21.2 Provision of Plant and Equipment

The MDO shall provide all plant and equipment necessary to complete the Work in accordance with this Agreement.

22 MDO'S EQUIPMENT AND FACILITIES

22.1 Provision of Equipment by the MDO

The MDO agrees that it shall arrange, at its own cost, equipment for use in performing the Work as required by the provisions of this Agreement and in accordance with the Applicable Law. The MDO warrants it has

good title to its owned equipment and valid contractual right to use the hired equipment.

22.2 Equipment Availability

MDO agrees to ensure that the equipment is available for such use by the MDO in good safe and efficient working condition and to maintain the equipment and to carry out all repairs there to so that it shall remain in good, safe and efficient working order throughout the Term.

22.3 Transportation

The MDO shall be responsible, at its risk and cost, for all transportation of the MDO's Equipment by any means, both to and from the Mine.

22.4 Loss or Damage to MDO's Equipment

NINL shall not be liable for any loss of, or damage to, the MDO's Equipment, either whilst at the Mine, or in transit thereto, or there from, unless such damage results from the action or inaction of NINL.

22.5 Security of the MDO's Equipment

The MDO shall be responsible for the security of its equipment, installations, materials, tools and supplies in the Mine and NINL shall not be liable for any damage, destruction, depreciation in value or theft of such equipment, installations, materials, tools and supplies.

22.6 Support Facilities

The MDO agrees to furnish, mobilize and install all temporary facilities, which are required to support the Work, personnel and equipment in the Mine. At all times during the Term of this Agreement the MDO shall operate and maintain such facilities in safe and clean operating condition. Upon Completion of the contract, the MDO shall remove and demobilize (at its own cost and risk) all of its facilities within a period of 6 months.

23 CONTRACT REVIEW

23.1 NINL may request Review

At the request of NINL, the MDO shall meet to review the performance of the Agreement by the MDO to determine what action, if any, is necessary to improve such performance.

23.2 MDO to Provide Information

The MDO must provide NINL with any information and documents requested by NINL which, in the reasonable opinion of NINL, is necessary to review the performance of the MDO under this Agreement.

24 REPRESENTATIVES

24.1 Contract Representative of NINL

The Contract Representative of the NINL shall be responsible for the overall administration of this Agreement on behalf of NINL. The MDO shall comply with directions given by Contract Representative of the NINL to the MDO on matters relating to compliance with the terms of this Agreement and to the obligations imposed on the MDO under this Agreement. It is understood that any direction which varies the terms of this Agreement or the obligations imposed on the MDO may be considered a variation in accordance with Clause 20. All directions must be given in writing or given verbally and confirmed in writing within seven days.

24.2 Contract Representative of MDO

24.2.1 Prior to the commencement of any Work, the MDO must appoint, a competent and experienced Contract Representative and inform in writing to the Contract Representative of the NINL.

24.2.2 The Contract Representative of MDO shall be responsible for all communication between MDO and NINL.

24.2.3 The MDO must ensure that, as far as reasonably practicable, the Contract Representative MDO is contactable at all times during the performance of the Work.

25 **EVENT OF DEFAULT BY MDO**

The following shall constitute events of default by MDO :

- 25.1** Delay in Commencement of Production Date by more than sixty days or such extended period as mutually agreed by Parties as per Clause 4.2
- 25.2** The ROM produced by the MDO falls short by more than 75% of the Contracted Quantity for an Operating Year for four consecutive Quarters.
- 25.3** In case of a shortage in supply of Iron Ore in terms of Quantity and Quality as compared to Quarterly Contracted Quantity for Two (2) consecutive quarters in an Operating Year.
- 25.4** If the Iron ore production from the mine is suspended for a period beyond ninety (90) days under Clause 19.
- 25.5** A material breach of this Agreement by the MDO.
- 25.6** MDO becomes insolvent, or goes into liquidation.
- 25.7** Mining Lease is not renewed or is terminated or revoked due to reasons attributable to the MDO.
- 25.8** **Recourse to Event of Default**
 - 25.8.1** In case of occurrence of an MDO's event of defaults mentioned in Clause 25, NINL shall give 30 days notice to the MDO to cure the default and in case such default is not cured within 30 days of notice by NINL, NINL shall have an option to encash Security Deposit submitted by MDO and to seek termination of the Agreement. The termination conditions shall be governed by Clause 26 of this Agreement.

26.0 TERMINATION

26.1 No Fault Termination

In the event that the mining lease is not renewed or is terminated or revoked by the competent authority for reasons that are not attributable to the MDO, then such an event shall be construed to be a ground for No Fault Termination. In the event of happening of No Fault Termination, NINL shall not be liable to the MDO for damages, compensation or any additional emoluments. In case mining lease is not renewed or is terminated or revoked by the competent authority for reasons attributable to the MDO, then such an event will be construed as an event of default on the part of the MDO and NINL retains its right to pursue all remedies available to it under the contract and in law.

26.2 Termination for Default

26.2.1 NINL may terminate this Agreement by delivering 30 days prior written notice in case of the occurrence of the event of defaults as mentioned in Clause 25. All obligations hereunder incurred prior to and which by their nature would continue beyond the cancellation, termination, or expiration of this Agreement shall survive such termination.

26.2.2 In the event of the termination of this Agreement under this Clause 26, the MDO shall remove from the Mine all the MDO's Employees, sub-contractors, all its plant & machinery, goods and materials from the Mine within 1(One) month from the date of termination of this Agreement.

26.3 Termination due to Force Majeure

If a delay or failure by a Party to perform its obligations is due to Force Majeure as provided under Clause 27 below exceeds a continuous period of 6 months, the other Party may immediately terminate this Agreement by notice in writing to the Affected Party. In case of termination of Agreement due to Force Majeure, the performance bank guarantee shall be returned to the MDO immediately.

26.4 Liabilities of the MDO upon Termination

Upon termination of this Agreement for any reason, the MDO, subject to settlement of all its claims under this Agreement, shall:

- a. Cease performing the Work within the time specified in the written notice except any work that may be required to leave the Mine in a clean, safe and operable condition;
- b. Ensure that the Mine is left in a safe and clean condition and is properly secured;
- c. Hand over to NINL all Approvals, records and documentation relating to the Work at the Mine;
- d. Assist NINL or its nominee in taking possession and control of the Mine; and
- e. Comply with NINL's directions in respect of the demobilization of persons from the Mine.

27.0 FORCE MAJEURE

27.1 "Force Majeure" shall mean the following:

- a) War, hostilities or warlike operations (whether a state of war be declared or not), invasion, act of foreign enemy and civil war.
- b) Rebellion, revolution, insurrection, mutiny, usurpation of civil or military Government, conspiracy, riot, civil commotion and terrorist acts.
- c) Sabotage, unlawful lockout, epidemics, quarantine and plague.
- d) Earthquake, fire, flood or cyclone, or other natural or physical disaster.

27.2 Force Majeure Exclusions

Force Majeure shall not include the following conditions/events, except to the extent that they are consequences of an event of Force Majeure:

- a. Unavailability, late dispatch, or changes in cost of the plant, machinery, equipment, materials, spare parts, fuel or consumables for the Project;
- b. Delay in the performance of any MDO & sub-contractors.
- c. Non-performance resulting from normal wear and tear typically experienced in power generation materials and equipment;
- d. Strikes or labour disturbance at the facilities of the Affected Party;
- e. Insufficiency of finances or funds or the Agreement becoming onerous to perform; and
- f. Non-performance caused by, or connected with, the Affected Party's:

- i) Negligent or intentional acts, errors or omissions;
- ii) Failure to comply with an Indian law or directive issued by any Authority or
- iii) Breach of, or default under this Agreement.

27.3 Suspends Relevant Obligations of Both Parties

27.3.1 If a Party (the “Affected Party”) by Force Majeure becomes unable to carry out an obligation under this Agreement strictly in accordance with this Agreement:

- a. The Affected Party shall give notice to the other Party of such event of Force Majeure as soon as reasonably practicable, but not later than five(5) days after the date on which such Party knew or should reasonably have known of the commencement of the event of Force Majeure.
- b. The Affected Party shall give notice to the other Party of the cessation of the effects of such event of Force Majeure on the performance of its rights or obligations under this Agreement, as soon as practicable after becoming aware of each of these cessations.
- c. The Affected Party must use all possible diligence to overcome or remove the Force Majeure as quickly as possible.
- d. Parties Must Meet

In the event of either Party giving a Force Majeure notice, the Parties must meet promptly and use reasonable endeavors to reach a mutually acceptable solution to alleviate any hardship or unfairness caused by either Party as a result of the circumstances constituting the Force Majeure.

28.0 MDO’S ASSET PURCHASE

- a. Upon termination or expiry of this Agreement, the NINL shall have first right of refusal to purchase the fixed assets of the MDO at a value determined by an independent valuer to be appointed jointly by NINL

and MDO. The MDO shall provide assistance to NINL in this regard and shall provide all the necessary details including original specifications, date of purchase, usage and maintenance history and expected residual life etc.

- b. The MDO may offer first charge on all its fixed and current assets to its Lenders if any. However, it will be obligatory for the MDO and/or its Lenders to seek offer for the fixed assets of the MDO's from NINL as the foremost preferred buyer.
- c. In the event NINL does not purchase the fixed assets within a period of 90 days from the date of termination or expiry of this Agreement, the MDO may sell the fixed assets to any third party(s).

29.0 INTELLECTUAL PROPERTY RIGHTS

29.1 NINL's Warranties as to NINL's Technical Information

NINL warrants that NINL's Technical Information provided to the MDO for the purposes of this Agreement, to the best of its knowledge, does not infringe any patent, registered design, trade mark, copyright or other protected right of any third party and NINL shall indemnify and keep indemnified the MDO for any Claim the MDO may suffer as a result of a breach by NINL of this warranty.

29.2 MDO Warranties as to MDO's Technical Information

The MDO warrants that MDO's Technical Information provided by MDO to NINL for the purposes of this Agreement, to the best of its knowledge, does not infringe any patent, registered design, trade mark, copyright or any other protected right of any third party and that MDO shall indemnify and keep indemnified NINL for any Claim NINL may suffer as a result of a breach by MDO of this warranty.

30 ISSUE AND DISPUTE RESOLUTION

30.1 Resolution Protocol

Any dispute, difference or disagreement between the Parties hereto arising out of or in connection with this Agreement or the performance of any of the obligations of the Parties hereunder or referred to herein, including an issue or dispute as to breach or termination of this

Agreement or as to any claim in tort, in equity or pursuant to any statute (“Dispute”) which cannot be resolved amicably by the Parties themselves within 14 calendar days of written notice by one Party to the other Party of the existence of such dispute, difference or disagreement, shall be resolved as follows:

- (i) Such Dispute shall be referred first to the Engineer In Charge of both Parties who shall attempt to reach a consensus on the matter;
- (ii) If the Engineer In Charge(s) fail to resolve the Dispute within (60) sixty calendar days of referral to them then the fact of such failure shall be recorded by the Engineer In Charge(s) with the date thereof and communicated to the Parties. In such event the Dispute shall be adjudicated by arbitration in accordance with Clause 30.2 of this agreement.

30.2 ARBITRATION

30.2.1 REFERENCE OF DISPUTES TO CONCILIATION / ARBITRATION

Disputes which can not be satisfactorily resolved by mutual negotiation under clause 30.1 shall be settled by Conciliation or Arbitration in accordance with the Arbitration and Conciliation Act, 1996 and the provisions made hereinafter in this Article. Such dispute shall first be referred to Conciliation by a Conciliator selected mutually by the parties, who shall also decide the fees / remuneration and the rules of Procedure, which shall be flexible.

30.2.2 APPOINTMENT OF ARBITRATOR

In the event of failure of conciliation, that dispute will be referred to an arbitral tribunal comprising a sole arbitrator to be appointed by the Managing Director as follows:

When a party sends a Notice for Arbitration to the Managing Director, within a period of thirty days, a panel of three names suggested by the Managing Director will be forwarded to the party demanding Arbitration. The party shall choose one of those persons, who will be appointed as the Sole Arbitrator.

The Arbitrator shall hear the cases independently and impartially and shall not represent the interest of any party. The Arbitrator shall, from the time of his appointment and throughout the arbitral proceedings and without delay, disclose to the parties in writing any circumstances likely to give rise to justifiable doubts as to his independence or impartiality. However, merely

because he is or has been an employed by one of the parties, it shall not be a disqualification for a person to be an Arbitrator.

The arbitral tribunal shall be free to determine its own rules of procedure, in consultation with the parties, which it shall state at the beginning of the arbitral proceedings and shall follow such procedure thereafter. The arbitrator may hold preparatory meetings for this purpose. In the preparatory meetings aforesaid, the arbitrator may, in consultation with the parties, also determine the manner of taking evidence, the summoning of expert evidence and all such matters for the expeditious disposal of the arbitration proceedings. The arbitrator shall be entitled to actually incurred expenses only, in respect of preparatory meetings(s).

The venue of the Arbitration shall be at Bhubaneswar.

30.3 Language

The arbitration shall be held in the English language in as expedient and cost effective manner as the arbitrator deems feasible, while allowing both parties a reasonable opportunity to present their cases, and the award shall be final and binding.

30.4 Governing Law and Jurisdiction of Court to deal with disputes

This Agreement shall be governed by the law of India. The courts at Bhubaneswar, alone shall have the jurisdiction to adjudicate disputes arising from or under this Agreement.

30.5 Continuation of Works

During the course of the arbitration both Parties shall be obliged to continue the performance of their respective obligations under and in connection with this Agreement. However, if one party refuses or completely fails to continue in performance of its obligations hereunder, the other Party shall have the right, upon written notice to the other and to the arbitrator, to suspend its own performance until such time as the other Party resumes its performance and/or the arbitrator renders an award to the contrary and/or a final award on the merits.

31 SUB-CONTRACTING

31.1 Sub-Contracting

The MDO may appoint subcontractor(s) for the execution of any part of the Project. However, such sub-contracting shall not discharge the MDO from any liability under this Agreement and MDO shall remain bound to perform all of its obligations under this Agreement. The sub-contractors should be appointed only after the approval of NINL.

32.0 VOID

33.0 NOTICES

33.1 Form of Notice

A notice, request, demand, consent or approval given by one Party to another under this Agreement must be in writing addressed to the recipient at the address shown below (or to the address designated by a Party by written notice:

a. **For NINL:**

Attention: Engineer In Charge,
NINL Mines Division,
Park Line, Keonjhar - 758001

b. **For MDO:**

Attention:
Address:
Fax:

33.2 When Notice Duly Given

A notice is treated as being duly given if it is signed by the Contract Representative of NINL or the Contract Representative of MDO or by an officer of the sender and:

- a. left at other Party's address
- b. sent by pre-paid mail to other Party's address; or
- c. transmitted by facsimile to other Party's address

33.3 When Notice Duly Received

A notice is treated as have been duly received:

- a. when delivered (if left at that Party's address);
- b. on the third Business Day after posting (if sent by pre-paid mail);
- c. in the case of a facsimile transmission, when the transmission has been completed, except if:
 - (i) the sender's facsimile machine indicates a malfunction in transmission or the recipient notifies the sender of an incomplete transmission within two hours of "receipt" in which case the facsimile transmission is regarded as not having been given or made; or
 - (ii) the time of dispatch is after 17.00 in the place which the notice is received, in which case the notice is regarded as received at the commencement of business on the next Business Day in that place.

34.0 WAIVER

34.1 Waiver

A failure, delay, relaxation or indulgence on the part of a Party in exercising any power conferred upon that Party by this Agreement does not operate as a waiver of that power.

34.2 Future Exercise of Power

A single or partial exercise of any power does not preclude any other or future exercise of it as per the exercise of any other power under this Agreement.

35.0 AMENDMENT

No amendments to this Agreement or any provision hereof shall be effective for any purpose unless in writing and signed by an authorized officer or nominated representative of each Party.

36.0 LIABILITY OF GOVERNMENT OF INDIA

It is expressly understood and agreed between the MDO and NINL, that NINL 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 hereunder. It is expressly understood and agreed that NINL 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 Contractor expressly agrees, acknowledges and understands that NINL is not an agent, representative or delegate of the Government of India. It is further understood and agreed that the Government of India is not and shall not be liable for any acts, omissions, commissions, breaches or other wrongs arising out of the Contract. Accordingly, the Contractor hereby, expressly waives, releases and foregoes any and all actions or claims, including cross claims, impleader claims or counter claims against the Government of India arising out of this contract and covenants not to sue the Government of India as to any manner, claim, cause of action or thing whatsoever arising of or under this agreement.

37.0 GENERAL

37.1 Entire Agreement

This Agreement constitutes the sole and entire agreement between the Parties with regard to its subject matter and a warranty, representation, guarantee or other term or condition of any nature not contained or recorded in this Agreement is of no force or effect.

37.2 No Partnership, Agency or Employment

Nothing in this Agreement constitutes or shall be deemed to constitute a partnership between the Parties or the appointment of one Party as the agent of the other, or the employment of one Party by the other, for any purpose whatsoever. Other than as expressly provided by this Agreement, no Party has the authority or power to bind the other to contract in the name of, and create a liability against, the other in any way or for any purpose.

37.3 Severability and Savings

If any provision of this Agreement is held to be invalid or unenforceable by any court or tribunal of competent jurisdiction, including the arbitrator(s), the remainder of this Agreement shall not be affected thereby, and such provision shall be carried out as nearly as possible according to its original terms and intent to eliminate such invalidity or unenforceability.

37.4 Further Assurance

Each Party must do all things and execute all documents necessary to give full effect to this Agreement.

37.5 Counterparts

This Agreement is executed in two counterparts. All counterparts so executed shall be effective for the purpose of binding the Parties hereto, and both of which shall together constitute the same instrument.

37.6 Costs

Each Party must pay its own costs in connection with the preparation, completion and carrying into effect of this Agreement.

37.7 To the Extent Not Excluded by Law

The rights, duties and remedies granted or imposed under the provisions of this Agreement operate to the extent not excluded by any Applicable Law.

38.0 CONFIDENTIALITY

38.1 The terms and provisions of this Agreement and all information, data, reports, materials, processes, specifications, plans, designs, details, drawings, discoveries and any other technical information obtained in connection with and during the performance of this Agreement not otherwise generally available to the public ("Confidential Information") shall be the exclusive property of the Parties and shall be maintained on a confidential basis by the parties.

- 38.2 Neither Party shall disclose, in any manner whatsoever, such Confidential Information to the public, or give or provide, any publicity, press release or written material containing any Confidential Information without the prior written consent of the other Party.
- 38.3 The provisions of this clause shall continue to apply to the Parties after the termination or expiry of this Agreement.
- 38.4 However, the requirement for consent shall not apply to disclosure of Confidential Information by either Party:
- i. to an Affiliate, officer, employee, attorney, accountant or consultant of it who has a bonafide need to be informed for performance of any obligations under the Agreement provide that such person shall be bound to comply with the confidentiality obligation hereunder as if it were a party to this Agreement;
 - ii. when such disclosure is required by applicable law, rules or regulations upon giving prior notice to the other Party; or
 - iii. of information which now or at the time of disclosure is in the public domain through no fault of such Party (or any of its Affiliates, officers, employees, attorneys, accountants or consultants).

IN WITNESS WHEREOF the Parties have caused their duly authorized representatives to execute this Contract in duplicate copies, each of which shall be deemed an original, on the date first above written.

For **Neelachal Ispat Nigam Limited**

For **[Name of MOD]**

[NAME OF THE PERSON]

[NAME OF PERSON]

AUTHORISED SIGNATORY

AUTHORISED SIGNATORY

Witness by :

Witness by :

ANNEXURE-1

SCOPE OF WORK

1. The MDO will carry out composite work of development, drilling, blasting, raising, crushing & screening, stacking, transportation to mineral stack yards at Nayagarh Railway siding and loading into railway wagons of iron ore by mechanised means, removal of associated topsoil, overburden, rejects & subgrade by using state of the art technology for a period as envisaged under the terms of this document and the mining service agreement at Mithirda-Basada-Kriyakudar mining lease (874.290 ha Lease area) to produce as per production schedules given in table 3.1, involving the following activities-
 - The MDO will carry out development work for production of approx. 2 Million Tonnes of Iron Ore (ROM) per Annum (Approximately 2.40 Million Tonnes per Annum of total excavation) \pm 20% from Mithirda-Basada-Kriyakudar mining lease.
 - The MDO is expected to plan, design, engineer, construct, develop, operate and maintain the NINL mines.
 - The MDO will carry out drilling & blasting required for the development of mines under the supervision of Engineer-in-charge or his authorised representative.
 - The MDO will carry out removal and transportation of associated overburden & rejects to specified dumping yard by dumper within a radius of approx. 3 kms.
 - The MDO will carry out removal & transportation of subgrade (45% - 58% Fe) to specified site by dumper within a radius of approx. 2 kms.
 - The MDO will carry out removal and transportation of associated topsoil to specified site by dumper within a radius of approx. 2 kms.
 - The MDO will install Crushing & Screening units (Fixed / Mobile) for production of +10 -30 mm Calibrated Lump Ore (CLO) of 62 % Fe & -10 mm fines of 61 % (\pm 0.5) Fe grade.
 - The MDO will undertake operation, repairing & maintenance of Crushing & Screening units installed by them.
 - The MDO will transport finished products to mineral stack yards proposed to be developed at Nayagarh Railway siding (at a distance of approx. 25 km from mines).
 - The MDO will carry out stacking & maintain mineral stack yards at Nayagarh Railway siding.

- The MDO will do loading of finished products into wagon by mechanized means at Nayagarh Railway siding for onward despatch to NINL plant at Duburi.
- The MDO shall be required to abide by all statutory rules, regulations and laws as applicable time to time.

The following activities have been envisaged to be undertaken by MDO

2. Pre Development Activities

- Obtaining required approvals (if any) from various Government Departments, including but not limited to, Ministry of Mines, Ministry of Environment & Forest, Directorate General of Mines Safety, Regional Director of Explosives, state Pollution Control Board, District Administration and such other agencies whose approvals are mandated for mine development and operation.
- Facilitating Tree felling.
- Construction of approach roads to the deposit as per approved mine plan including main transport route to Nayagarh Railway siding from mine lease area.
- Compliance of all regulatory and statutory requirements on behalf of NINL, and filing of all necessary documents periodically with the Indian Bureau of Mines, Directorate General of Mines Safety and/or any other agencies that the current or future statutes so require.

3. Development Activities

- Development of benches and faces for producing 2 Mtpa ROM Iron Ore as per approved mining plan.
- Establishment of water supply & Power supply arrangements for the project.
- Setting up of Crushing & Screening plant, stockpiles & its associated material handling equipments and railway siding along with rapid loading arrangement.
- Construction and establishment of related infrastructural facilities as per approved plan and schemes at NINL Mine site.
- Construction of garland drains.
- Construction of mine water discharge treatment.
- Stream diversion.
- Construction of Workshops, stores etc.
- Construction of internal power supply arrangements at NINL Mines.
- Construction of residential buildings, community building, roads, sewage and its treatment, water supply etc. for employees of MDO and NINL employees.

- After completion of the Contract period, the MDO shall hand over all infrastructure developed during the Contract period to NINL free of cost, without any financial implication.

4. Mine Operations

- Obtaining all required approvals from various government departments and such other agencies whose approvals are mandated for mine development and operation.
- Drilling and excavation of ROM ore. (Blasting will be done under supervision of NINL).
- Excavation of OB and dumping of OB as per the approved mine plan, mining schedule and EIA/EMP stipulations.
- Guaranteed ROM Iron Ore production of 2 Mtpa through open pit mining in terms of quality and quantity by deploying HEMM / Mining equipment as per approved "Mining plan" and "EMP" of the block.
- Operation and Maintenance of Crushing and Screening Plant and Railway siding along with loading arrangement at NINL Mines.
- Transportation of crushed and screened iron ore from crushing & screening plant to Nayagarh railway siding.
- Loading of crushed & screened iron ore of guaranteed quality and quantity in railway wagons at Nayagarh railway siding.
- Compliance of all statutory requirements on behalf of the NINL and filling of all necessary documents periodically with the DGMS, IBM, State Mining authorities and/or any other agencies that the current or future statutes so require.
- Maintenance of safety zone
- To establish and operate zero waste mining in view of conservation of mineral as per MoEF & IBM guide lines.
- Maintenance of garland drains.
- Maintenance of mine water discharge treatment.
- Ensuring safety standards as required by Laws and best industry practices.

5. Security : Security for the project would be the sole responsibility of the MDO.

6. Responsibilities of NINL

- Provision of Explosives Magazine
- Supply of Explosive and supervision in conducting Blasting.
- Overall supervision and monitoring.

7. PERIOD OF WORK

The contract shall be for a period of 20 (Twenty) years from the effective date of contract. Effective date of contract shall be date of issue of LOA, which may be extended upto another 5 (five) years on mutual discussion / consent.

8. TARGET QUANTITY

The proposed production of ore, generation of waste and sub-grade from three mining blocks as per approved mining plan are as under-

Table 3.1: Summarised Statement of Production of Ore, Generation of Waste, Sub-Grade Ore and Top-Soil

Particulars	I yr	II yr	III yr	IV yr	V yr	Total
Production of ore (tonnes)	1711888	1854840	1906840	1912625	2014187	9400380
Generation of waste (m ³)	138270	152880	156320	156200	164500	768170
Generation of sub-grade (m ³)	65245	73200	74560	74300	78250	365555
Generation of top-soil (m ³)	23675	25245	26075	27325	28855	131175

9. MODIFICATION / ALTERATION

The employer shall have the right to make any alteration, modification / additions in the original specification / scope of work during execution of the work and the MDO shall be bound to implement the same in accordance with such instructions etc. Such alterations etc. shall not invalidate the Contract. However, the rates and related terms for such alterations etc. if applicable shall be mutually negotiated and in case of non-settlement, decision of the employer on the matter will be final and binding.

10. QUALITY

The physical and chemical specification of Iron ore to be produced is as under. The MDO has to strictly adhere to the specified specification.

Sl. No.	Product Description	Physical specification	Chemical specification
1	Calibrated Lump Ore (CLO)	+10-30 mm	Fe Content +62.0%
2	Fines Ore	-10 mm	Fe Content +61.0%

The maximum tolerance in physical and chemical specification of Iron ore to be produced is as under beyond which the products will be rejected.

Sl. No.	Product Description	Physical specification	Chemical specification
1	Calibrated Lump Ore (CLO)	Oversize (+30mm) - 5% Undersize (-10mm) - 5%	Fe Content +/- 0.5%
2	Fines Ore	Oversize - 5%	Fe Content +/- 0.5%

1.0 DEPLOYMENT OF MAJOR MINING EQUIPMENTS

10.1 The indicative list of machineries / equipments required for executing the entire job as per the quantities mentioned in scope of work are as under-

Table 3.2: List of Machineries / Equipments

Sr. No.	Machineries / Equipments	Size / Capacity	Tentative No of equipment to be deployed
1	Blast hole drill (DTH)	100/150 mm/dia	3
2	Compressor	7.5 cu.m/min	3
3	Short hole drill (Jack hammer)	32mm dia	6
4	Compressor	6 cu.m/mn	3
5	Shovel	2.8/1.5 cu.m bucket capacity	2
6	Dumpers	50t capacity	8
		35t/25t capacity	3
7	Bull dozer	275 HP	1
8	Water sprinkler	10 kl	2
9	Rock breaker (Hydraulic)	30t pressure	2
10	Explosive Van	2t capacity	2

11	Ambulance	---	1
12	Motor grader	3.0 – 4.0 cu.m	1
13	Wheel loader	Bucket capacity 4.0 cu.m	1

The MDO has to provide such nos. of equipments to meet the monthly/ quarterly targets as specified by the Engineer-in-charge. The equipment, deployed for the project shall be of good health and not outlaid their life as per their manufacturers' norms / norms prevailing in the iron ore mining industries of India.

- 10.2** All tippers / dumpers, vehicles, deployed for the work must be fully insured against third party risk and must have fitness certificate, road permit, tax token, etc issued by the state road transport authorities.
- 10.3** The company shall have no responsibility for any loss or damage caused to the tippers / dumpers / excavators / pay loaders / drill / compressor / vehicles by destruction or otherwise for any reason whatsoever. The MDO shall take full responsibility in all such cases.
- 10.4** The tippers/dumpers shall be equipped with spare set of wheels, set of tools, first aid boxes and other necessary paraphernalia required for their smooth running & compliance of DGMS.

2.0 CRUSHING AND SCREENING PLANT

The MDO has to provide indicative flow sheet with tentative material balance of Crushing & Screening units (Fixed / Mobile), proposed to be deployed for production of +10-30 mm Calibrated Lump Ore (CLO) & - 10 mm fines. The Crushing & Screening units should have in built pollution control devices.

3.0 WAGON LOADING

- 12.1** Loading of Railway wagons with approved grade of Iron Ore within the time permitted and/or specified by the rules of the Railways shall be sole responsibility of the MDO.
- 12.2** Loading shall be done as per the permissible rules of Railways all days round the clock inclusive of rest days and holidays as and when the wagons are placed. The MDO should in this connection arrange his machinery and manpower in accordance with the relevant laws and rules in force.
- 12.3** Supply of wagon is the responsibility of railways. Employer shall not be responsible for any short supply or for non supply or for any delay in the supply of wagons on any particular date. No claim for any loss or damage on this account shall be entertained.

- 12.4** The indent for wagons shall be raised by the Engineer-in-charge or his authorized representative with intimation to the MDO. In case any demurrage becomes due, it will not be a defence on the part of the MDO that the indent has been raised without his knowledge and he is not liable to pay demurrage. The MDO is bound to keep sufficient quantity of approved grade iron ore at the railway siding during the currency of contract to ensure timely loading of wagons allotted to him. It will be responsibility of the MDO to pay the demurrage charges in case it is raised by the railways due to detention of wagons for any reason whatsoever. If any demurrage becomes chargeable on the Employer, the same shall be recovered from the MDO from any amount that may become due to the MDO under the contract or from the security deposit.
- 12.5** When wagons are placed for loading, the MDO shall take the wagons in his custody and shall be fully responsible for safe loading of wagons from any damage due to theft, rolling of wagons or by any reason, whatsoever till the wagons are drawn out from loading site.
- 12.6** The loading of Iron Ore into railway wagons is to be done by mechanical means with the equipment to be provided by the MDO, in such a manner that no extraneous materials like soil, waste rocks etc. which are likely to affect the quality of Iron Ore are mixed with the Iron Ore.
- 12.7** The MDO shall level the materials loaded into the wagons to facilitate proper measurement and also to the satisfaction of the Railways.
- 12.8** The MDO has to load the rake as advised by the Engineer-in-charge or his authorised representative within the time permissible under the rules of Railways. Detention charge if any levied by the Railways on this account shall be on the account of MDO and would be recovered from RA bills.
- 12.9** The MDO has to make his own arrangement for manpower & machinery required for loading Iron Ore into Railway wagons. The MDO shall also arrange lighting of the loading point if so required.
- 12.10** The MDO shall clean the empty wagons for any extraneous materials like boulders, angle pieces etc. before commencement of loading. If any boulder etc. is encountered in the plant during unloading of wagon, the MDO shall be liable for any resultant damage to the steel plant.
- 12.11** The wagons should be loaded in order to ensure loading of wagons at par with the chargeable weight of materials loaded into wagons charged by the railways towards rail freight upto destination. Uniformity in loading is to be maintained in respect of each rake. Cleaning of railway wagons before loading to avoid mixing of extraneous materials

and consequent deterioration in quality will be the responsibility of the MDO. The MDO will also be responsible for cleaning the rail track of spillage material, resulting due to cleaning of wagons & loading of material into railway wagons and also due to roll over of stacked materials on rail track.

- 12.12** The MDO shall be entirely responsible for underloading / overloading of any of the wagons and all losses, damages and penalties arising thereby to the Employer shall be recoverable from the MDO including idle/dead freight on account of underloading. The decision of the Engineer-in-charge or his authorised representative in regard to the quantum of effect of such loss or damage to the employer will be final and binding on the MDO.
- 12.13** In case of overloading and imposition of penal charges thereon by the railways, the normal assigned class freight for the overloaded quantity will not be recovered from the MDO provided the material is received at NINL plant. If railways insist for en-route unloading of the excess materials, the MDO will be held responsible for all the expenses involved and consequences thereof.
- 12.14** In case of underloading, recovery of idle freight will be done based on a reconciliation to be carried out on quarterly basis. However, wherever normal assigned class freight as mentioned above has been paid in a particular rake/block of wagons for overloading, such wagon shall not be included for the purpose of reconciliation for under loading. A final reconciliation at the end of each year of the contract period will be carried out.

ANNEXURE 2

Time Schedule

Time schedule for completion of the work shall be as mentioned in the Agreement

ANNEXURE 3

PRODUCTION PLAN

The year wise production plan of the mine is shown in table below

Year of Production	Tentative Production (ROM ore in Million Tonnes)
1 st Year	2
2 nd Year	2
3 rd Year	2
4 th Year	2
5 th Year	2

ANNEXURE-4

MINING SERVICES FEE FOR 1ST YEAR OF PRODUCTION

(Format as per tender document)

(As per LoA dated _____ issued by NINL to MDO)

ITEM	DESCRIPTION	Rate (INR per metric tonne of Iron Ore in figures)	Rate (INR per metric tonne of Iron Ore in words)
1	Mining Fee in Rs. per tonne for +10mm to -30 mm (CLO) screened ore and -10 mm fines loaded into wagons		

Note:

- (i) Taxes, duties, levies, cess/ GST and other statutory fees/charges applicable for providing mining services, service tax, GST, royalty payable to the State and /or Central government shall be excluded from the fees quoted and shall be reimbursed on actual subject to documentary evidence. Taxes payable by the Bidder which are not incidental to mining services to NINL Plant, including income tax and such duties, on electricity and water etc. shall not be paid or reimbursed by NINL Plant

ANNEXURE-5

APPLICABLE PRICE VARIATION FOR MINING FEE

A comprehensive Escalation formula for calculating variation in the Rate quoted by MDO is given below:

$$QP1 = QP0 * 0.6787 + QP0 [(0.0310 * L1/L0) + (0.0394 * D1/D0) + (0.0039 * Lub1/Lub0) + (0.0168 * E1/E0) + (0.2010 * S1/S0) + (0.0292 * R1/R0)]$$

Where QP1 = Estimated price for new commercial production year
 QP0 = Agreed price for previous commercial production year

L1, R1, D1, Lub1, E1 and S1 are the values of relevant indices as narrated in the table below at the beginning of the new period, and L0, R0, D0, Lub0, E0 and S0 are the corresponding values at the beginning of the previous period.

The escalation percentage will be worked out at the beginning of each commercial production year and shall remain valid for all dispatches made during that year. The weightages for various elements of cost are as follows:

	Sub Component	Weightage (% of quoted price)
(L)	Salary & Wages	3.10%
(D)	POL (HSD)	3.94%
(Lub)	Lubes	0.39%
(E)	Explosives	1.68%
(S)	Spares	20.10%
(R)	Power	2.92%
	Total	32.13%

The escalation formulae for the individual element are summarized in the following table:

Sl. No.	Element	Formulae	Relevant	Indices
1	Salaries & Wages	$W_1 = W_0 (L_1 / L_0)$	All India CPI index (as per the Table published by Ministry of labour).	L ₁ = Index number at the beginning of new period. L ₀ = Index number at the beginning of previous period
2	PoL	$PoL_1 = PoL_0$	Price index for High Speed Diesel as published by OOEA	D ₁ = Index number at the beginning of new period D ₀ = Index Number at the beginning of previous period.
3	Lubes	$B_1 - B_0 \times (Lub_1 / Lub_0)$	Price index for lubricants as published by OOEA	Lub ₁ = Index number at the beginning of new period Lub ₀ = Index number at the beginning of new period.

4	Explosives	$Exp_1 - Exp_0 \times (E_1/E_0)$	Price index for Explosives as published by OOEA	$E_1 =$ Index number at the beginning of new period $E_0 =$ Index number at the beginning of new period.
5	Spares	$ST_1 = ST_0 \times (S_1/S_0)$	Price index for Mining / Quarrying / Metallurgical Machinery/ Parts as published by OOEA	$S_1 =$ Index number at the beginning of new period. $S_0 =$ Index number at the beginning of new period.
6	Power	$Pow_1 = Pow_0 \times (R_1/R_0)$	As per relevant utility tariff rate.	$R_1 =$ Average rate/unit as per utility bill of the first month of new period. $R_0 =$ Average rate/unit as per utility bill of the first month of previous period

Explanation :

The MDO is expected to complete all pre-development activities within Sixty (60) days of signing of the Mine Service Agreement, after which the production from the mine will start, which will be the First year of production.

As per the conditions specified in the Bid Document and the Mine Service Agreement for NINL Mines, the MDO has to quote his Bid Price for the First year of Production in Rs. Per Tonne of Screened Ore (-30 mm) despatched from the project. As such, no escalation shall be payable to him against his quoted / agreed price in the First year of Production.

Escalation computed as per the above stated formula shall be applicable from the Second Year of commercial Production on his quoted / agreed price.

A sample calculation of escalation in mining fees is given below:

Assumptions:

Mining Fee (unprocessed Ore)- Rs/T	1000
Month of start of operation (Year 1)	Aug-19
Start of Year 2	Aug-20
Start of Year 3	Aug-21

Assumed Indices	Aug-19	Aug-20	Aug-21	Weightage	Factor	
					Year 2	Year 3
CPI for Industrial Workers –	453.00	484.71	533.18	3.100%	3.317%	3.410%
High Speed Diesel (OOEA)	300.16	315.17	330.93	3.940%	4.137%	4.137%
Lubricants (OOEA)	388.50	400.16	412.16	0.390%	0.402%	0.402%
Mining/ Quarrying/ Metallurgical Machinery/ Parts (OOEA)	214.48	229.49	247.85	20.100%	21.507%	21.708%
Explosives	317.94	337.02	360.61	1.680%	1.781%	1.798%
Power Tariff (Rs/KwH)	4.05	4.25	4.42	2.920%	3.066%	3.037%
Fixed				67.87%	67.87%	67.87%
Total				100.000%	102.080%	102.361%
Escalation-					2.08%	2.36%

$$\text{Mining Fee in Year 2} = 1000 \times 0.6787 + 1000 [0.0310 \times 484.71/453 + 0.0394 \times 315.17/300.16 + 0.0039 \times 400.16/388.50 + 0.0168 \times 337.02/317.94 + 0.2010 \times 229.49/214.48 + 0.0292 \times 4.25/4.05]$$

Price of Products	Year 1	Year 2	Year 3
Processed Ore (Lumps & Fines)	1000.00	1020.80	1044.90

Current Index		Current Index	
302	Dec-15	153.2	Jun-16
214.4	Jun-16	227.1	Jun-16
277.5	Jun-16		

Abbreviations

BCM	Bank Cubic Meters
BIS	Bureau of Indian Standards
EIA	Environment Impact Assessment
EMD	Earnest Money Deposit
EMP	Environment Management Plan
ETP	Effluent Treatment Plant
FY	Financial Year
Gol	Government of India
HEMM	Heavy Earth Moving Machinery
IBM	Indian Bureau of Mines
INR	Indian Rupees
LoA	Letter of Acceptance
MDO	Mine Developer and Operator
Mcum	Million Cubic Meters
MoEF	Ministry of Environment and Forest
Mt	Million Tonnes
Mtpa	Million Tonnes Per Annum
OB	Over Burden
OEM	Original Equipment Manufacturer
RBI	Reserve Bank of India
ROM	Run of Mine
R&R	Rehabilitation and Resettlement
NINL	NEELACHAL ISPAT NIGAM LIMITED