

PERIOD : 01.07.2007 TO 30.09.2007

Code INDIVIDUAL

Sale Contract No.MKTG/9/45()/C.NO. Date:

This agreement is made on between the following:-

Sellers:

MANGANESE ORE (INDIA) LTD.NAGPUR, hereinafter referred to as the "Seller" which expression shall, unless excluded by, or repugnant to the context, include all its successors and assigns, agree to sell

and

Buyers : M/S

hereinafter referred to as the "Buyer" which expression shall, unless excluded by, or repugnant to the context, include all its successors and assigns, agree to buy.

On the following terms and conditions :-

1.Validity of the Contract: FROM THE DATE OF AGREEMENT TO 30.09.2007
(THIRTIETH SEPTEMBER TWO THOUSAND SEVEN).

2. Material :

----- Ore (Code -----)

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3. Quantity ::

1 ----- Ore (Code -----) MT

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The quantity lifted after 30.09.2007 will attract the new price, if any, effective from 01.10.2007.

4. Quality :

The average quality of despatches effected against parcel will be of the following specifications :-

4.1 Chemical Specifications :- (INDICATIVE)

I) Chemical /Physical Specifications indicative

CHEMICAL

CODE	Mn	Phos	SiO2	Fe
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PHYSICAL

CODE	+10mm	+6mm	+3mm	-3mm
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4.3 A samples drawn at the time of loading wagons /trucks shall be taken into account for the purpose of ascertaining the quality.

5.1 Price :Validity of price from 01.07.2007(1st July 2007) TO 30.09.2007(30th September 2007)

5.1. 1) THE BASIC PRICE RS. _____ /-PER MT (Rs. _____) FOR ORE CODE _____
BASIS Mn _____ %, Prorata adjustment of price as per percentage of Manganese for both increase and decrease

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The rate mentioned above is on F.O.R. Mine siding basis.

5.2 Taxes, duties, royalty, VAT, other levies, **Madhya Pradesh Gramin Avsanrachna Tatha Sadak Tax** etc shall be extra as applicable.

6. Payment/Interest :

6.1 The mode of payment will be either advance or through the Letter of Credit, with all Bank charges on openers' account, except for the Chemical Grades of ores. In case of Chemical Grades, the mode of payment will be advance for customers who take Delivery Order for less than 200 tonnes at a time and for customers who take Delivery Order at a time for 200 tonnes and above the payment will be either advance or through Letter of Credit with all Bank charges on openers' account, with payment at site. There will not be any free credit in case of Chemical Grades against L/C or discount for advance payment.

6.2 Wherever the mode of payment through L.C. is also acceptable the Buyer will open a confirmed, irrevocable letter of credit payable with 30 days credit (No credit period in respect of Chemical Grade) with any nationalised bank, or a bank acceptable to MOIL, payable at Nagpur to MOIL for 100% of the FOR value of the "parcel" as a condition precedent for issue of parcel permitting payment of 100% of the for value of a "Parcel" plus royalty, sales tax, VAT, Madhya Pradesh Gramin Avsanrachna tatha Sadak Vikas Adhiniyam 2005 Tax, excise duty, extra transport charges wherever applicable, and other levies as may be applicable. There will be cash discount of 0.5% on advance payment except in case of Chemical Grades.

6.3 The buyer shall deposit 5% of the value of contracted quantity, based on the Basic Price as Earnest Money Deposit in the form of a Bank Guarantee as per the Proforma prescribed by MOIL or through Demand Draft of a nationalized Bank or of a Bank acceptable to MOIL drawn in favour of Manganese Ore (India) Ltd., payable at Nagpur, or in lieu of the payment or Bank Guarantee, a Cheque for the amount together with the undertaking as per the proforma provided by MOIL within 20 days of signing the contract. The Seller shall have the right to forfeit the earnest money deposited in full or in part on pro-rata basis based on the quantity lifted, in case the actual quantity lifted during the contract period falls short of the contracted quantity by more than ten percent.

Example :-

a) Contractd quantity	: 1000 T
b) Basic Price	: Rs.2000/- per tonne.
c) Value of EMD	: $\text{Rs.}2000 \times 1000 \times 5\% = \text{Rs.}100000$
d) Quantity lifted during contract period:	800 Tonnes
e) Minimum quantity which should have	: 900 Tonnes
been lifted to avoid forfeiture of EMD	
f) Quantity attracting forfeiture of EMD	: 100 Tonnes
g) Value of 100 Tonnes	: Rs.200000/-
h) 5% value of above	: $\text{Rs.}200000 \times 5\% = \text{Rs.}100000/-$

For calculating the above, the Basic price will be taken as the price, applicable on the date of signing of the contract.

However, any controversy if arose regarding the lifting of quantity shall not affect the right of MOIL to encash the Cheque agreed to be delivered by the Buyer.

6.4 "The indenting of Ore along with the requisite payment by the customers should be in a phased monthly instalments vis-a-vis the annual quantity, and MOIL will also effect supply accordingly".

7. Other terms and condition - All other terms and conditions for supply of Manganese ore shall be as per General Terms and conditions enclosed herewith.

SELLERS
For and on behalf of

BUYERS
For and on behalf of