

3. Physical Analysis :

For determining the size specifications, screen test will be carried out at the loading points by an independent firm of samplers (at present, M/s.Mitra S.K. Private Limited is the sampler), in presence of Buyer's representative if available. Test report of the above firm is final and a copy will be sent to Buyer.

4. Weighment :

4.1 In case supplies are moved by rail :

a) The net weight ascertained by actual weighment of the wagons by the railway weighbridge and shown in the railway receipts shall be binding on both the Buyer and the Seller.

b) In the event of the concerned railway weighbridge being out of order and/or prior knowledge that wagons would not be weighed, due to other reasons, weight will be determined on the basis of Weight Volume Ratio (W.V.R.) and shall be binding on both Buyer and Seller.

Before loading of wagons for each grade of ore, the W.V.R. will be assessed adopting following procedure.

A tipper/truck will be engaged by the seller and the effective volume of tipper/truck will be measured by taking average length, width and height of the tipper/truck. A grade of ore will be loaded in the truck after determining the tare weight of the truck on a weigh bridge. The volume of the loaded ore shall be calculated on the basis of length, width and height of the truck/ tipper and average height of the loaded ore. The W.V.R. will be determined by dividing the net weight of the ore by volume of the ore. For determining the W.V.R., the number of trucks of ore will depend upon the number of wagons to be loaded with the particular grade and will be generally as follows:-

No.of Wagons or more -----	No.of Trips to be taken into account for W.V.R. -----
5 wagons and less	1 trip load of tipper/truck
+5 wagons to -10 wagons	2 trips load of tipper/truck
+10 wagons to -20 wagons	3 trips load of tipper/truck
+20 wagons to -25 wagons	4 trips load of tipper/truck
+25 wagons	5 trips load of tipper/truck

c) The buyer will have the right to depute their representative to supervise such weighment at the seller's mines, and if a representative is so deputed, the weighment certificate will be signed jointly by the representative of the seller and the buyer. In case the buyer fails to depute a representative, then the representative of common sampler (third party) will witness the process of determination of W.V.R.

d) In the event of any wagons arriving without weighment enroute and without prior knowledge that they would not be weighed, or, in the event of the seller being unable to determine the W.V.R. for any reason whatsoever, the weight will be determined on the wagon weigh bridge of the buyer's factory, and shall be binding on both the Seller and the Buyer. The seller will have right to depute their representative to supervise such weighment at the Buyer's factory, and if a representative is so deputed, the weighment certificate will be signed jointly by the representatives of the Seller and the Buyer. In the case of the wagons missing in transit, the buyer shall have to pay the value of the ore as per the weight recorded in railway receipt.

e) In the absence of any weighment of the consignment either at loading point or at destination or in absence of W.V.R. at loading point and unloading point the charged weight shown in the railway receipt will be considered final for the purpose of invoice and should be binding on both the Seller and Buyer.

4.2 In case supplies are moved by road :

The weight determined on the lorry/truck/tipper weighbridge at the seller's mine or nearby vicinity shall be binding on both the Seller and Buyer.

The Buyer will have the right to depute their representative to supervise such weighment at the Seller's mines, and if a representative is deputed, the weighment certificate will be signed jointly by the representatives of the Seller and the Buyer. The Buyer's representative shall have the right to check and satisfy himself as to the accuracy of the lorry/truck/tipper weighbridge.

5. Payment :

5.1 The mode of payment will be either advance or through the Letter of Credit, with all Bank charges on openers' account. In case of Chemical Grades 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.

5.2 Wherever the mode of payment through L. C. is also acceptable the Buyer will open a confirmed, irrevocable letter of credit with 30 days credit (No credit period in respect of Chemical Grade) with any Nationalised Bank payable at Nagpur or a bank acceptable 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, excise duty, Madhya Pradesh Gramin Avsanrachna tatha Sadak Vikas Adhiniyam 2005 Tax ,extra transport charges wherever applicable, and other levies etc. as applicable. MOIL will provide additional credit period over 30 days i.e. upto 60 days (30 days free credit plus 30 days additional credit period with interest) MOIL will charge an interest @1.25% for the additional 30 days credit on gross value of Ore.

The following documents will be presented to the Bank for release of payment:-

- a) Seller's invoices in triplicate.
- b) A statement showing details of despatches for the quantities shown in the invoice as in (a) above.

5.3 . In case supplies are moved by rail :

A statement showing particulars of despatches for the quantities shown in the invoice, as in 5.2 (a) above, giving the number and the date of railway receipt and the actual weight of ore despatched, or where this last information is not available till the time of preparation of bill, the chargeable weight shown on the railway receipt.

5.4 In case supplies are moved by road :-

i) A statement showing particulars of despatches for the quantities shown in the invoice, as in 5.2(a) above giving lorry number and date of despatch and actual weight.

5.5 The buyer could procure ores against advance payment also and in such a case MOIL shall extend cash discount @ 0.5% (half percent) in all cases except chemical grade.

5.6 Supplementary / Final Bill will be raised by the Seller for payment, if any. The bill will be accompanied by a statement of Analysis showing the average analysis of ore.

6. Taxes & Duties, Levies, Royalty, VAT etc.:

6.1 Taxes, Duties, Levies, Royalty, VAT , Madhya Pradesh Gramin Avsanrachana Tatha Sadak Vikas Tax will be extra as applicable on the day of supply.

6.2 The Madhya Pradesh Government, vide Madhya Pradesh Gramin Avsanrachana Tatha Sadak Vikas Adhiniyam, 2005 (No.7 of 2005) has imposed an additional Tax @ 5% of sale price. Hence, for despatches made from Madhya Pradesh, there will be an additional Tax over and above the other Taxes, Duties, Levies, Royalty etc. payable by the customer.

6.3 In case of concessional Sales Tax benefit to the buyer for inter-state transactions, buyer will submit necessary "C" Form to MOIL failing which MOIL will debit the buyer with the additional amount of Sale Tax. No delay on this account will be entertained.

6.4 Rebate for labour Welfare Cess will be applicable from time to time will be allowed to the buyer which will be deducted from the bill raised by the seller.

7. Interest:

7.1 The payment will be through L.C (letter of credit or Demand Draft). In case of default or delay in payment for whatsoever reason, interest for the delayed period shall be payable by the buyer at the rate of 15% per annum, beyond the agreed credit period.

7.2 The payment against supplementary bill shall be made by the buyer through Demand Draft within 30 days from the date of despatch of supplementary bills. In case of default or delay in payment for whatsoever reason, buyer shall pay interest @ 15% per annum for delayed payment, even if it is for a few days as per the claim made by M.O.I.L.

8 . DELIVERY:-

8.1 Supply will commence only after issue of delivery order (Parcel).

8.2 The Seller will indent for wagons after converging ore at railway siding depending upon pending indent(s). Payment of railway freight and siding charges will be made by Buyer. After handing over the wagons to the public carrier (i. e. the railway) at the despatching stations, the Seller's responsibility will cease and the Buyer shall become responsible for the consignments so despatched.''

8.3 In case where ore is moved to the Buyer's factory by road and not by rail, Seller's responsibility will cease once the ore is offered at the mine/mines to Buyer's authorised transporter.

8.4 The contracted quantity will be lifted by the buyer in phase manner and delivery orders will also be issued in a month based on contracted quantity.

8.5 During the currency of contract, if any quality / quantity of Manganese Ore specified in the contract is not available at MOIL Mines or otherwise, MOIL shall be at liberty to issue amendment(s), canceling such item(s) / quantity and incorporate alternate item(s) / quantity of ore, if available. All other terms and conditions of the contract shall remain unchanged.

8.6 It will be the responsibility of buyer to ensure that the payments / opening of L.C. are promptly done during the quarter, however payments / L. C. shall be accepted up to 25th of last month of the quarter (if 25th is closed holiday or strike then up to next working day). After this date, as the case may be, no payments/ L. C. will be accepted for issue of Delivery Orders.

9. Other Conditions:

9.1 The quantity will be released in the form of a "Parcel"of approximately equal monthly instalments, during the above period. The lifting against each parcel has to be completed within 30 days from the date of release of that parcel and within the validity of the contract period whichever is earlier.

9.2 In case the Buyer do not lift the quantity mentioned in the contract, the Seller has all the right to levy any damage or penalty on this account to the Buyer as provided.

9.3 The Seller shall take all requisite clearance from respective statutory authorities and the Buyer shall not be responsible for non-compliance of any statutory requirements within the precincts of the Seller.

9.4 Notwithstanding anything else contained in this contract, it is specifically understood that as a direct result of this contract, Manganese ore shall be moved from the mines of

the Seller's in Madhya Pradesh and/or Maharashtra to the Buyer's factory or to the destination as specified by Buyer's officials for consumption in the manufacture of Ferro Alloys.

9.5 The Seller reserves the right to suspend the deliveries and/or cancel the balance contract in its entirety or in the part, in the event of the Buyer's not complying with the terms of this contract in any manner, apart from other remedies that may be available to the Sellers. The period of suspension shall not have the effect of extending the period of this contract. The Buyer reserves the right not to accept deliveries and/or to cancel the balance contract in its entirety or in part, in the event of the Seller not complying with the terms of this agreement in any manner.

9.6 The Buyer and Seller shall be held harmless in the event of any infringement by the other parties of any mining leases, or laws or rules and regulations or orders of the Central or State Govt. or local bodies or any other authorities, or any agreement with a third party.

9.7 MOIL will endeavour to supply the contractual quantity. However, if the contractual quantity is not supplied during the contract period, MOIL will not be responsible for any loss or damage due to non-supply/short supply of the contractual quantity.

9.8 All dealings between the Seller and Buyer will be confidential, and neither shall disclose any information about the other, or about the said dealings, to a third party without mutual reference or agreement.

10. Force Majeure:

Should the performance of this agreement be hindered, prevented or delayed owing to :-

- a) War, political disturbances, riot, or civil commotion, strikes, lockouts, or stoppages of labour by miners or workmen, or combination of miners and workmen, occurring at the mines or at consumer's works, or in the course of transit or in connection therewith.
- b) Total or partial breakdown at the Seller's mines, or at the Buyer's plants, or of the railways or other means of transport, storms, earthquakes, tempests, epidemics or quarantine, fire or floods, or
- c) Any other act of God or event beyond the control of either party. Delivery may be suspended by either the Seller or the Buyer during the continuance of such events or happenings or any of them.

11. Dispute & Arbitration:

- a) For any dispute the buyer has to lodge the claim in writing on seller within 3 months of despatch. Thereafter it will be time barred and no claim whatsoever will be entertained by the seller.
- b) All disputes and differences arising out of or in any way touching or concerning this Agreement whatsoever (except as to any matter, the decision of which is expressly provided for in the agreement) shall be referred to the Sole Arbitrator of any person appointed by

the Chairman-cum-Managing Director, MOIL, Nagpur. The arbitrator shall enter the reference and conduct his proceedings according to the provisions of the Arbitration and Conciliation Act 1996. There will be no objection to any such appointment that the person appointed is or was an employee of MOIL and that he had to deal with the matters to which the agreement relates and that in the course of his duties as such employee of MOIL he had expressed views on all or any of the matter in dispute or difference. The Award of such an Arbitrator shall be final and binding on the parties to this Agreement. It is a term of this agreement that in the event of such an Arbitrator, to whom the matter is originally referred by the C.M.D., MOIL, being transferred or vacating his office or being unable to act for any reason, the C.M.D. MOIL, at the time of such transfer, vacation of office or inability of the Arbitrator to act, shall appoint another person to act as an Arbitrator. Such person shall be entitled to proceed with the reference from the stage at which it was left by his predecessor. It is also a term of this Agreement that no person other than a person so appointed, as aforesaid, shall act as an Arbitrator and if for any reason that is not possible, the matter is not to be referred to the arbitration at all.

Provided further that any demand for arbitration in respect of any claims of the buyers under the Agreement shall be in writing and made within three months of the date of termination or completion/expiry of the agreement and where such demand is not made within the abovesaid period, the claims of the buyers shall be deemed to have been waived and absolutely barred and MOIL shall be discharged and released of all liabilities under the Agreement in respect of those claims.

Provided further that the Arbitrator may, from time to time, with the consent of the parties enlarge the time for making and publishing the Award.

The costs of and in connection with the arbitration shall be in the discretion of the Arbitrator, who may make a suitable provision for the same in his Award.

c) All disputes relating to this sales agreement, Purchase Order shall be limited to the jurisdiction of the Court at Nagpur Bench of Bombay High Court.

12. **Railway Penalty :**

12.1 MOIL will be loading as per the carrying capacity of wagons based on weighment carried out on Railway Weigh Bridge or Weight Volume Ratio as the case may be and will not be responsible for payment of any penalties for excess loading, if it is found by the Railway, based on any other Weighbridge than located at MOIL's siding/MOIL's on line weighbridge. In case of any penalties or punitive charges levied by Railway for overloading / underloading during re-weighment enroute or at destination of the wagons the same will be payable by buyer. No dispute, whatsoever on this account shall be entertained.

SELLERS

For and on behalf of

BUYERS

For and on behalf of
