

**ON LINE FORWARD AUCTION NOTICE**

1. The following material is available on “as is where is basis” from Kumaraswamy Iron Ore Mines on FOT Ex-Mines basis for sale through online forward auction process. The material will be delivered on FOT basis, loading will be done by NMDC, free of cost, at site to domestic end users. The Contract period is three months from the date of issuance of acceptance letter.

Sl. No	Lot No.	Product Description	Quantity (WMT)	Location *	Bidding Basis	Auction Date/Start Time
1	L01 to L10	KS- LGF Iron ore Fines Fe 57% ( Indicative) Size: -10 mm, Alumina+Silica 12%	Total Qty. 2,00,000 (+/- 10%) in 10 lots of 20,000 WMT each	Kumaraswamy Mines	F.O.T Ex – Stockpile Kumaraswamy Mines	20/08/2011  02.30 PM

\* The physical location of the lot is indicated by markers of suitable type and they are only indicative and not geometrical.

The bid value quoted shall be the basic price in Rupees per WMT for the material/product. Royalty, Sales Tax, Cess and other statutory duties and levies etc applicable at the time of supplies will be extra and payable by the bidder.

**The e-auction is for end users only. However Beneficiation Plants can also participate. NOT INTENDED FOR EXPORTERS OR EXPORT PURPOSES.**

2. As per Govt directive, to ensure supply to end users only, the successful bidder has to submit following documents in addition to the documents required in the contract.
- A) As per the IBM Circular No T-45014/CGBM/91-98 Dated 23.02.2011, any person or company engaged in trading or storage or end use or export of minerals mined in the country is required to be registered with the Indian Bureau of Mines in Form “M”. Hence copy of registration number issued by IBM needs to be submitted.**
- B) Affidavit on a non judicial stamp paper of Rs 100/-, ensuring that the material purchased from NMDC will be used in their own plant only (to be submitted to state Govt at the time of obtaining geological permit in the format prescribed by state authority)
- C) Copy of the monthly excise returns corresponding to the month in which supply is made to the successful bidder by NMDC, if applicable.
- D) Copy of LR confirming the receipt of the material received at factory with inward register copy.
3. Last date of submission of EMD and on line forward auction (OFA) documents up to 02.00 PM on or before 20/08/2011  
Auction Date 20/08/2011  
Auction Start Time: As indicated at Clause 1 above.
4. Customers intending to participate in the Online Forward Auction (OFA) would be required to submit the following to M/s MSTC Ltd. The last date and time of submission of EMD and OFA documents as mentioned in clause 3 above.
- i) **EMD:** Non interest bearing EMD, as per details below, in the form of Demand Draft drawn on

any Scheduled Commercial/Nationalized bank in favor of “NMDC Ltd” payable at Donimalai. The EMD against the respective lots has to be paid before bidding.

Sl No	Product Description	Earnest Money Deposit
1	KS- LGF Iron ore Fines Fe 57% ( Indicative) Size: -10 mm (Alumina+Silica 12%) ”	Rs. 14,00,000 (Rs. Fourteen Lakhs Only) per lot of 20,000 WMT

Bidders interested in participating for more than one lot need to submit EMD for the total number of lots they intend to participate in (e.g. If the bidders are interested in participating for Y no. of lots for item mentioned in Sl No.1 then the EMD will be Rs 14 lakhs x Y)

- ii) Online forward auction notice duly signed and stamped on every page.
- iii) A letter of interest duly signed and stamped. **Annexure A**
- iv) Terms and Conditions of sales through Online Forward Auction (OFA) signed and stamped on every page. **Annexure B**
- v) Affidavit on a non judicial stamp paper of Rs 100/-, in the prescribed format (**Annexure-C**), that the products would be used only by the domestic end-user.
- vi) General Rules & Regulations governing conduct of online auctions on the service provider platform signed and stamped on every page. **Annexure D**
- vii) CST / VAT at the time of dispatch of the material would be applicable.
- viii) Valid Sales Tax registration certificate.
- ix) Proof of ownership of Steel/Pig iron/Sinter/Pellet/Sponge iron Plant/Beneficiation plant issued by appropriate authority.
- x) Proof of authority to sign the tender documents and the Affidavit. MSTC

Ltd. will issue a user ID and password to each such eligible bidder.

NOTE: It is the responsibility of the willing parties who have submitted documents expressing interest to participate in the particular Online Auction, to go through the requirements and submit all documents as per conditions mentioned in this auction document. Hence the parties are advised to carefully go through the requirements of this auction document and submit all relevant information. Any deviation to the requirements of this auction document (lack of information etc) will be construed as Conditional and measures as decided by NMDC will be applicable. The decision of NMDC in this regard will be final and binding on the bidder.

- 5. Before actual participation, the bidders may obtain necessary help from MSTC Ltd so as to enable them to participate in the online forward auction process without any difficulty.
- 6. Final bids given by the bidders in the online forward auction should be kept valid for 10 (ten) working days from the date of conduct of online forward auction for acceptance by NMDC.

7. If for any reasons beyond the control of NMDC all the material/product offered through the online forward auction or part thereof cannot be delivered, the liability of NMDC will be limited only to refund of proportionate amount paid by the customer as applicable for the quantity not delivered.
8. The sale of material/product shall be governed by NMDC Terms and Conditions of sale through online forward auction and online forward auction notice. **Annexure B**
9. NMDC reserves the right to withdraw from the sale after advertising or after issue of sale order of any quantity of the material without assigning any reasons thereof to the customer. NMDC will not be responsible for any damages/loss what so ever to the customer on account of such withdrawal.
10. NMDC reserves the right to defer or pre pone date for conduct of auction through internet mentioned in the notice for auction through internet at its sole discretion. Conditional bids will not be considered.

The e-auction will be conducted through the site [http:// www.mstcecommerce .com/](http://www.mstcecommerce.com/). Auction document containing terms and conditions of the auction maybe obtained/downloaded from any of the following websites: <http://www.nmdc.co.in> and [http:// www. mstcindia.com/](http://www.mstcindia.com/)

For registration and submission of documents please contact any of the numbers of M/s MSTC Ltd. as given below.

**KOLKATA:**

225-C, A.J.C. Bose Road, Kolkata-700020

Contact No. : (033) 2290-0964, 2287-7557 / 0568 / 77 16/9627/7568

**MUMBAI :**

607-608 Raheja Centre, Nariman Point, Mumbai-40002 1.

Contact No. : (022) 2288 6261 / 22823767 / 22872011 / 22822789.  
(022) 2202 2296.

**NEW DELHI :**

30/3 1A Jeevan Vikas Building ,

1<sup>st</sup> Floor, Asaf Ali Road ( Opp. Hamdard) New Delhi- 110002.

Contact No. : (011) 23214201, 23213945.

**CHENNAI:**

Leelavati Building, 2<sup>nd</sup> Floor, 69 ,Armenian Street, Chennai-60000 1.

Contact No. : (044) 2521 9004, 2522 2842, and 2523 1584.

**BANGALORE:**

Ranka Chambers, 1<sup>st</sup> Floor, 31, Cunningham Road, Bangalore-560052.

Contact No. : (080) 2225 6367, 2226 0054, 22266417.

**VISAKHAPATNAM:**

6<sup>th</sup> Floor “ Jeevan Prakash” LIC Building, Jeevitha Bima Road, Visakhapatnam-530004.

Contact No. : (0891) 274 6948, 270 1066.

**VADODARA:**

21, Kamalanjali Apartment, 2<sup>nd</sup> Floor, Opp. Tube Company, Old Padra Road, Akota, Vadodara-390020.

Contact No. : (0265) 2339 672, 2310 629.

**BHOPAL:**

76-77, Maharana Pratap Nagar, Zone II , Bhopal-462001.

Contact No. : ( 0755) 2552241.

**The Online Auction will be done as per the following methodology:**

The price bidding would consist a single stage.

2.1. In this Stage of Online Auction, the bidders have to bid for the PWMT price and the number of units they want to book at that price with a maximum limit of Units for which bidders had provided Pre Bid EMD.

2.2. Methodology for the single stage online bidding is mentioned here under.

The above is illustrated below for unit wise bidding.

Assume that the total quantity available is 580 Units and customers bid for certain number of units at a certain price as illustrated in the following.

Bidder	Bid Time (Hr: Min)	Bid Quantity (no. of Units)	Bid Price (Rs/MT.)	Allocated (no. of units)
B	9.40	100	9500	100
F	9.39	200	9250	200
D	9.36	150	9250	150
A	9.32	100	9250	100
E	9.34	100	9250	30
C	9.30	300	9000	00

Explanation for the Allocation of Quantity

- 1 .Bidder B is the highest bidder @ Rs.9500/MT, hence the system allocates his bid quantity i.e, 100 units.
2. There are 4 bidders @ Rs.9250/MT.
3. Since bidder F's bid was for 200 units (Highest at Rs.9250/MT) the system allocates his bid quantity in full.
4. Bidder D's bid was for 150 units and since the quantity was still available at Rs.9250/MT, the software allocates bidder D 150 units.
5. Since bidder A placed his bid earlier than bidder E ie 9.32 Hrs hence the software gives first preference to Bidder A and allocates him the available quantity first.
6. After this allocation, since only 30 units are available the same is allocated to Bidder E.
7. Since, all the quantity is exhausted at higher bid price than Rs.9000/MT, therefore no units are allocated to Bidder C. If Bidder C wants to win any units then he/she has to place bid in terms of higher price or greater number of units.

So in summary, allocation is carried out by the e-Sale software on following basis:

1. First preference is given to highest bid price
2. If two or more parties bid the same price then preference for allocation is given to party that placed the bid for a higher quantity.
3. In case two or more parties bid the same price and quantity, then preference is given to the party that placed the bid earlier.

**LETTER OF INTEREST**

To  
Jt. General Manager (Commercial),  
NMDC Ltd  
10-3-311 /A,Khanij Bhavan,  
Castle Hills,Masab Tank  
Hyderabad-500 173.

THROUGH: M/S MSTC Ltd

REF. : Online Forward Auction vide Auction Notice No NMDC/COM/KSM/11-12/06  
Dated 05.08.20 11

Dear Sir,

(1) We \_\_\_\_\_ are interested in participating in the Online Forward Auction notified vide your notice under reference, for \_\_\_\_\_  
Ex \_\_\_\_\_ .

(2) We are hereby submitting EMD of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) vide DD/PO. No. \_\_\_\_\_ dated \_\_\_\_\_ drawn on \_\_\_\_\_ (Bank) in favour of NMDC Ltd payable at Donimalai for participating in the above mentioned Online Forward Auction as per the details below:-

Sl No	Product Description	Earnest Money Deposit	No of Lots Interested in	Total EMD(Rs.)
1	KS- LGF Iron ore Fines Fe 57% ( Indicative) Size: -10 mm ,, Alumina+Silica 12%	Rs. 14,00,000 (Rs. Fourteen Lakhs Only) per lot of 20,000 WMT		

(3) We agree to abide by all the instructions contained in the above indicated Online Forward Auction notice, your terms and conditions of sales and General Rules and Regulation Governing conduct of online Auction on the Service provider's platform/ website.

(4) I/We understand that my/our bid in an e-selling event would be construed as my/our acceptance to the "NMDC's terms and Conditions of the sale , General Rules & Regulations governing the conduct of Online Auctions on the Service Provider Platform, Auction Notice. I/We understand that if our bid is accepted by the service provider, and approved by NMDC, I/We are obliged to complete the transaction and abide by all Terms & Conditions mentioned in this auction document.

(5) I/We agree that I/we have been provided training by service provider in order to participate in Online Forward Auction. I/We agree to update ourselves regarding any changes made to the catalogue from the website of the Service Provider/NMDC and bid accordingly.

(6) I/We request service provider to allot User-id and password to me/us and activate the same to participate in the above mentioned online forward auction.

(7) I/We agree that I/we shall change the password on receipt by me/us and keep it confidential. I/We agree that Service Provider and NMDC shall not be held responsible in any way for any losses that may be suffered by me /us as a result of disclosure of the password to

any other person by me.

(8) I/We understand that my/our inability to participate in an e-selling event due to disruption of my /our internet services, or due to bandwidth problems with my/our local internet service providers are beyond the control of the Service Provider or NMDC.

(9) In the event of any failure on our part to comply with all or any of the Terms & conditions regarding the online forward auction, I/We irrevocably agree for the forfeiture of our security deposit and earnest money deposit.

(10)I/ We also agree that NMDC is not bound to accept the highest or any bid or to assign any reason for such non-acceptance.

(11) I/We are providing the following details to you:-

NAME & ADDRESS OF THE FIRM:

- a) Name of the Contact Person on our behalf
- b) Our contact Telephone Nos
- c) Our contact FAX No
- d) Our contact e-mail Particulars
- e) Bank name
- f)Branch name
- g) Branch address
- h) Branch telephone no
- i)Account type
- j)Account no.
- k) No of lots for which EMD is submitted:
- l)Other documents required by NMDC. If any

Yours faithfully

Signature of Authorised Person  
(Name of the person signing)  
For M/S \_\_\_\_\_  
(With Company's Seal)

Date:  
Place:

**Annexure-B**

**NMDC LTD.**  
**(A Govt. of India Enterprise)**  
**Registered Office 10-3-311/A , Khanij Bhavan**  
**Castle Hills , Masab Tank**  
**HYDERABAD-500 173.**

Phone No:23538713-21 / 23538723, 23538760, 23538761

Fax No: 23538769/235387 11

Invitation to online forward auction for the sale of Iron ore from Kumaraswamy Iron Ore Mine,  
District Bellary, Karnataka

OFA No: NMDC/COM/KSM/11-12/06

DATE: 05.08.2011

NMDC Limited, Hyderabad (herein after called NMDC) intends to offer for immediate sale of Iron ore Products as mentioned below of the following grade, on terms and conditions /clauses mentioned herein below:

**1. Product & Indicative Specifications:**

Sl No	Product	Indicative Specifications	Indicative Size	Quantity
1	KS- LGF Iron ore Fines	Fe 57% (Indicative) Alumina+Silica 12%	Size : -10 mm	2,00,000 WMT

Specifications are only indicative. The above material/product will be offered on **As is Where is and no complaint basis**. Therefore firms may satisfy themselves about the quality specifications of the product (Chemical and Physical) and acquaint themselves with other operational aspects relating to logistics etc. (without in any manner causing any hindrance to the operations of NMDC) before bidding. If bidder wishes they can collect reasonable quantity of representative samples from a designated place in consultation with project. NMDC will not have any binding on the results so obtained from the samples collected. However for the purpose of collecting of samples, the In-charge officer of the loading plant can be contacted and the same can be collected as per his guidance.

“In case of supplies with Fe content less than the indicative specifications mentioned above, there shall not be any claim from the successful bidder.”

Contact Persons:-

Mr. LN Mathur, GM, Donimalai Project. 08395-274624 Mr.S.K.

Verma Jt.GM (Prod), Donimalai Project 08395-274654

2. **Quantity** : The following material/product is intended to be offered for disposal within a period of three months from the date of issuance of Acceptance letter.

Product	Indicative Specifications	Indicative Size	Qty
KS- LGF Iron ore Fines	Fe 57% (Indicative) Alumina+Silica 12%	Size : -10 mm	2,00,000 WMT

NMDC reserves the right to deliver or cancel any unexecuted quantity against the booking after expiry of the contract. The Quantity tolerance is +/- 10% at seller's option.

3. **Contract period**: The contract shall remain valid for a period of three (3) months from the date of issuance of Acceptance letter by NM DC. To lift the allocated quantity under this contract the successful bidder is given 3 (three) months time from the date of issuance of acceptance letter by NMDC. Time is the essence of the contract. The time period given is firm and fixed. Any extension of time may be granted in exceptional circumstances at the sole discretion of NMDC. This contract does not in any way grant the successful bidder any right to claim extension of time. **The bidder shall acquaint himself with the local conditions and shall not complaint on any issue later.**

4. **Delivery:** The product shall be delivered Free on Truck / Tipper (F.O.T.) STOCKPILE, Kumaraswamy Iron Ore Mine on **As is Where is and no complaint basis**. The product shall be loaded on Trucks/tippers of 10 tonnes (6 Wheelers) capacity as may be procured by the buyer at his cost but by the loader to be provided by NMDC and the same will be weighed at the weighbridge provided at site by NMDC. The methodology of taking tare weight of the truck, loaded weight of the truck shall be followed. The truck taking the material/product will be issued with a valid permit of Directorate of Mines & Geology (refer clause 21 (iv) under special conditions of Annexure B) for which royalty amount will be collected from the customer. The material/product will be loaded from the designated STOCKPILE, located at Kumaraswamy Iron Ore Mine on **As is Where is and no complaint basis**. The delivery of material/product in terms of Delivery Order issued shall be taken by the successful bidder and also strictly according to any other instruction / delivery programme given by NMDC from time to time. The Successful bidder has to make the necessary arrangement of trucks / tippers on their own for transportation of the product. In case the bidder desires to sublet the contract of transportation to any other party the same should be done only with the prior written permission without liability of NMDC. The party/ buyer has to ensure that all the applicable statute are followed. Notwithstanding anything contained in this document NMDC is not in any way responsible for transportation or carting away of the material/product sold from stockpile.

5. **Rate:**

Best rate is to be quoted online on internet site [http:// www.mstcecommerce.com](http://www.mstcecommerce.com) in Indian Rupees PER WMT Free on Truck/Tipper (F.O.T.) STOCKPILE, Kumaraswamy Iron Ore Mine. The rates shall be exclusive of royalty, sales tax, forest permit fee and labour welfare cess or any other statutory duties, levies and taxes etc applicable at the time of supplies or that may be introduced in future will be extra and payable by the bidder.

This rate should be valid for 10 (ten) working days from the date of online auction for the acceptance by NMDC. Once the rate is accepted by NMDC the price shall remain firm during the period of contract.

6. **PAYMENT:** Payment shall be made lot wise in advance either in the form of Demand Draft/RTGS or by way of sight LC for one lot (one lot = 20,000 WMT) before lifting the material offered within 10 days from the date of issuance of acceptance letter. In case of those bidders who have been offered quantity in excess of one lot, they have to deposit the advance either in cash/DD/RTGS or by way of sight LC for the balance quantity within 20 days from the date of issuance of acceptance letter or before lifting the material whichever is earlier.

The advance amount shall include the bid value, royalty, sales tax, forest permit fee and labour welfare cess or any other statutory duties, levies and taxes etc. For concessional sales tax, the relevant forms shall be submitted. In addition to the above, the Party has to deposit in cash @Rs. 200/- per tonne to meet the variance in royalty, or other taxes which may arise in future. This has to be deposited by parties opting for payment through sight LC also.

All payments are to be made in the form of RTGS/ Demand Draft in favor of NMDC Ltd drawn on a Scheduled Commercial / Nationalized bank payable at Donimalai. Bank charges if applicable shall be borne by the successful bidder.

Failure to deposit above/any payments within the stipulated period as per acceptance letter may result in termination of contract without any notice to the successful bidder and forfeiture of SD/ EMD as the case may be.



All such payments would be non interest bearing and advance amount would be adjusted against the material value dispatched from time to time.

In the eventuality of buyers failing to lift entire quantity within the contract period, the advance amount equal to the value of the unlifted quantity will be refunded to the buyer and the security deposit will be forfeited. (Refer clause-11 of annexure -B)

**7. Execution of Supplies:**

The successful bidder(s) should be in a position to undertake all the operations including commencement of the lifting of material/product within 15 days from the date of issuance of acceptance letter. The lifting of material/product should be continuous and consistent so as to lift the entire offered quantity within the contract period.

The failure to start the lifting within 15 days from the date of issuance of acceptance letter may result in termination of the contract without any notice to the successful bidder(s).

8. **Weighment:** NMDC shall arrange for weighment of the product at designated weighbridge at Kumaraswamy Iron Ore Mine and the weight so determined shall be final for all-purposes including for payment.

9. **Requirement of equipments** the successful bidder should have valid registration certificate for the equipments i.e. trucks/ tippers owned/ hired by him

**10. Earnest Money Deposit (EMD)**

(i) Non Interest bearing EMD, as per details below, in form of Demand Draft drawn on any Scheduled Commercial/Nationalized bank in favour of "NMDC Ltd" payable at Donimalai. The EMD against the respective lots has to be paid before bidding.

Sl No	Product Description	Earnest Money Deposit
1	KS- LGF Iron ore Fines Fe 57% ( Indicative) Size: -10 mm ,, (Alumina+Silica 12%	Rs. 14,00,000 (Rs. Fourteen Lakhs Only) per lot of 20,000 WMT

(Bidders interested in participating for more than one lot need to submit EMD for the total number of lots they intend to participate in (e.g. If the bidders are interested in participating for Y no. of lots for item mentioned in Sl No.1 then the EMD will be Rs 14 lakhs x Y).

(ii) EMD will be returned to the unsuccessful bidders after the auction is completed.

11. **Security Deposit:** The successful bidder has to deposit 10% of the sale value as security deposit in the form of Demand draft drawn in favour of "NM DC Ltd" payable at Donimalai or submit a Bank guarantee (six months validity from the date of issuance of acceptance letter) from a Scheduled Commercial/Nationalized bank in the format enclosed at **Annexure-E** The amount of security deposit shall be paid or BG furnished within ten days from the date of issuance of acceptance letter.

The EMD amount deposited by successful bidder will be refunded / returned to the successful bidder after receipt of security deposit by NMDC. The amount deposited as security deposit will not carry any interest.

The Security deposit will be returned only after satisfactory performance of contract of

sale upon written request from the successful bidder. In case, NMDC is held liable to pay any claims to outside agencies due to lack of diligence, skill or care in the performance of duties of the successful bidder, such claims will be recovered from the security deposit. If the amount of such claims exceeds the SD amount, the differential amount shall also be paid by the successful bidder.

The Security deposit will be forfeited in case successful bidder fails to comply with all or any of the Terms & conditions regarding the online forward auction or to lift allocated quantity within the contract period.

12. **Validity of offer:** The bid quoted should remain valid for acceptance by NMDC within the specified number of days from the date of conduct of auction as stipulated in the notice for auction through internet.

13. **Bidding:**

Intending buyers should give their offer lot wise only. Offer for part quantity will not be accepted. The bidders have to bid for the Per WMT price and the number of lots for which EMD has been deposited.

14. **Acceptance of offer / Sale order/Acceptance Letter**

A contract shall be deemed to have been concluded between successful bidder and NMDC upon acceptance of the bid by NMDC in writing.

When a bid is accepted by NMDC, the successful bidder shall be notified by an "Acceptance letter which will be dispatched by post / courier / fax / email or handed over to the authorized representative of customer. This will indicate relevant details viz. description of goods, quantity, accepted rates and last date of making payments/ completing commercial formalities and other terms and conditions of supplies etc.

15. **Transferability of Contract:** The bidding firm cannot assign or transfer or sublet the contract or any part thereof to anyone else save as in clause 4. They do not have the right or power to appoint any person(s) or firm(s) to perform the agreement on behalf of the bidding firm.

16. **Right to Terminate:** If the successful bidder fails to perform the contract as per terms and conditions as stipulated in our acceptance of offer, NMDC reserves the right to terminate the contract with immediate effect and forfeit the Security deposit. Consequential losses and additional expenditure if any incurred by NMDC to carry on operations or for making alternative arrangement for the balance period of agreement would be to the account of the successful bidder. NMDC shall have the right to recover the losses / expenditures from the security deposit of the firm to the extent possible.

The successful bidder shall also replenish the amount paid if any, in addition to the amount recovered from the security deposit.

17. **General Conditions:**

(i) The movement of the product shall be executed from the stockpile area during the hours as decided by the Mines manager/ In-charge loading plant from time to time. The firm shall be responsible for fulfilling all the statutory / legal requirements pertaining to the work, operation and movement of the product and acceptance of the tendered work is deemed that the bidder is well versant with the applicable Rules, Regulations and Bye laws.

- (ii) The trucks / tippers deployed shall adhere to the code(s) of operation as applicable to the mines from time to time. Successful bidders shall follow the instructions of Mines Manager NMDC/ Loading plant In-Charge. The Mines Manager of NMDC /Loading plant In-Charge shall have the power to regulate and give instructions from time to time.
- (iii) Successful bidders should take appropriate measures to prevent air pollution and avoid damage to Ecology and Environment in the operational/residential areas. The successful bidder shall keep NMDC indemnified against any claims/losses from anybody on this account.
- (iv) All the persons employed in connection with fulfilling the contract shall be provided with necessary safety appliances like helmet, safety shoes, etc. by successful bidder.
- (v) Successful bidder shall be responsible for the damages to the property of NMDC as well as to any third party in the course of contract period if caused due to negligent acts attributable to the successful bidder.
- (vi) Successful bidders shall keep NMDC indemnified against all claims and liabilities arising out of and during contract period. NMDC shall not be responsible for any loss or damage incurred by the successful bidders during the course of contract period. Any claim arising out of any accident or injury to any person engaged by successful bidders under workmen compensation Act or any other act in this regard or any damages to the equipments or injuries to persons of the third party shall be the sole responsibility of the successful bidders.
- (vii) The Successful bidders shall comply with all the conditions of NMDC applicable to the subject work from time to time and shall abide by all prevailing Laws and Rules.
- (viii) Statutory Requirements: Bidding firms shall comply with and shall be responsible for fulfilling all the provisions under the Workmen Compensation Act 1923, ID Act 1947, Contract Labour (R&A) Act 1970, PF Rules / or any other similar enactment laws / labour Laws / Rules, etc. in respect of all persons engaged by the successful bidders for contract period. The successful bidders shall indemnify NMDC and keep NMDC indemnified and harmless against all claims whatsoever in respect of the said personnel under the Workmen's Compensation Act 1923 or any other statutory modifications there of or otherwise in respect of any accident or injury sustained by any workmen or other person during the course of operation of work or any other liability shall be payable by the Bidding firm and NMDC shall not in any way be responsible for the same. The Bidding firm shall also comply with the provisions of the Contract Labour (Regulations and Abolition) Act, Provident Fund, Minimum wages Act etc. and Rules made there under from time to time by State / Central Govt. authorities.

**18. Other Conditions:**

NMDC is not bound to accept the highest or any other bid or to assign any reason for such non-acceptance. NMDC's decision in this regard shall be final and binding on all the concerned.

- ii) Bidding documents are non-transferable.
- iii) Joint Bids will not be considered.
- iv) Successful bidder(s) should be in a position to undertake all the operations including commencement of lifting the material/products within 15 days from the date of issuance of acceptance letter. Any information on tie up of infrastructural facility found to be incorrect on subsequent verification shall be met with termination of contract, besides other legal remedies.
- (v) The bidders shall carefully examine the bid document, and other details relating to the work and acquaint themselves fully with all the conditions and matters which may in any way affect the work/contract.
- (vi) The bidders shall be deemed to have obtained all information as to risks, responsibilities and other circumstances which might influence or affect their bids and the progress and performance of the contract and have taken into account all such conditions and matters that may affect the work / contract.
- (vii) The bidders shall acquaint themselves with the local conditions and shall also at their option visit the site and its surroundings and carefully examine and satisfied themselves about the existing site conditions, availability of local facilities, means of transport, etc., and quote the rate, taking into consideration all such conditions and matters which may in any way affect the work/ contract.
- (viii) The bidders shall be deemed to have acquainted themselves with all prevailing applicable Laws, Regulations, Taxes, Levies and other charges relating to the work / product.  
Any negligence or omission or failure on the part of the bidding firm in obtaining necessary and reliable information upon the foregoing or any other matter affecting the bid shall not absolve them of any risk or liabilities or responsibilities for performance of contract.
- (ix)

19. **Title and Risk of loss, damages etc:** The title or ownership of the material/products sold shall continue to be with NMDC till NMDC realizes the entire value of the sold quantity. The Risk of the material/products sold shall stand passed on to the buyer on loading of the material/product in to trucks by NMDC within the contract period / delivery period i.e. three months from the date of issuance of Acceptance letter by NMDC.

- 20 **Arbitration:** In the event of any dispute or differences between NMDC and the bidders/ successful bidder, such dispute or difference shall be resolved amicably by mutual consultation. If, however, any dispute or difference remains unresolved, the same shall be settled by arbitration by referring the claims to the sole Arbitrator to be appointed by the Chairman-cum-Managing Director/Chief Executive (designated by any other name) of NMDC, who shall be the appointing authority of the sole Arbitrator.  
The venue of arbitration shall be Hyderabad and the cost of the arbitration shall be as decided in the arbitration award. No court shall have the jurisdiction to settle any dispute in view of this arbitration clause.

21. **Special Conditions:**

- (i) Forest permit if required for transportation of product from the mine shall have to be obtained by the successful bidder from the Forest Department. However necessary application for transportation of product shall be made by NMDC. All the necessary statutory charges shall be initially paid by the NMDC and recovered from the bidder subsequently. Following up of such application till grant of permit is the responsibility of the successful bidder.
- (ii) The vehicles transporting the product should be covered tightly with tarpaulin compulsorily before leaving the mine. The movement of the tippers / trucks should be without any obstruction to the traffic and should not be hazardous to public.
- (iii) The product to be loaded by NMDC shall be strictly limited to the carrying capacity of the tippers / trucks as per Registration certificate / permit of the Vehicle.
- (iv) NMDC shall make a formal application to the Director, Department of Mines & Geology, Hospet for granting geological permit, required to lift iron ore quantity allotted through OFA, to the successful bidder. It is the sole responsibility of the successful bidder to follow up with Dept. of Mines & Geology to obtain geological permit and ensure that the material is lifted within the stipulated time frame as mentioned in the acceptance letter. NMDC shall not in any way be responsible for any delay in obtaining the said permit. It is in the interest of the successful bidder to follow up and obtain the permit from DMG in time in order to avoid forfeiture of Security Deposit.
- (v) In case of supplies with Fe content less than indicative value as mentioned in this document, there shall not be any claim from the successful bidder
- (vi) The bidders shall employ spotter(s) at road junctions wherever necessary to ensure safe operation of tippers / trucks during transportation work.

I/We have read and understood the conditions of the tender as detailed out above (page 01 to 19) and as a token of my / our acceptance of the same without any alterations and modifications, I/We affix my/our signatures below:

**Authorized Signatory for tendering firm with seal and date**

**PLACE:**

**DATE:**

Witness 1. \_\_\_\_\_

Witness 2. \_\_\_\_\_

**Annexure - C**

**AFFIDAVIT**

I....., s/o..... , working as ..... with ..... (Name of the company) do solemnly affirm and state as follows:

1. That I am a bona-fide employee of the Company and am fully conversant with the activities and operations of the Company;
2. That I am authorized to sign and submit this Affidavit;
3. That .... (Company's name) is the owner of .... Plant located at ..... (Place).
4. That the KS – Iron Ore Lump / KS- LGF Iron ore Fines being procured through e - auction on ..... (OFA No. /date) from Kumaraswamy Iron Ore Mine of NMDC would be used only in the said plant and that the same will not be resold.

.....  
Authorized signatory

Sworn and signed before me

Notary Public

**GENERAL RULES AND REGULATIONS GOVERNING CONDUCT OF ONLINE  
AUCTIONS ON THE “SERVICE PROVIDER” PLATFORM**

**INTRODUCTION :**

This Online Forward Auction is being conducted for NMDC Ltd (hereinafter referred as the “Client”) on the Auction Platform of M/s MSTC Ltd. (hereinafter referred as “Service Provider”).

The General Rules and Regulations provided herein govern the conduct of Online Forward Auctions arranged by “Service provider” on its Auction Platform. These rules cover the **roles and responsibilities** of the parties in the online Forward Auctions on the Auction Platform. **Acceptance in-toto to these General Rules and Regulations governing conduct of online auctions and General Terms and Conditions for Sale of Material/products from The NMDC, is a pre-requisite for securing participation in the online auctions.**

**ROLE OF “SERVICE PROVIDER”**

1. “Service Provider’ is the agency (operator) primarily providing the service of the Forward auction to the “client”.
2. Finalisation of the auction items in consultation with the client.
3. Defining of bidding rules for each auction in consultation with the client.
4. Enhancing bidder awareness of and comfort with the auction mechanism and bidding rules.
5. Input of the Auction items and defining the bidding rule in the auction engine.
6. Enlarging the successful bidder base by introducing new bidders.
7. Collection of EMD, Letter of Interest etc. from the willing bidders and forwarding the same to the Client.
8. Providing access to the approved bidders to participate in the Auction.
9. Summarizing the Auction proceedings and communicate the outcome to the Client.

The responsibility of fulfillment of the contract rests between the bidders and the client and the responsibility of the “Service Provider” shall be restricted to the extent of the services provided by them.

**ROLE OF BIDDER**

The role of the bidder is outlined below:

1. The bidder would participate in the auction with the aim of bidding to secure the auctioned item in the auction
2. The bidder would be provided access to the Auction through a “User ID” protected by a “Password”. The bidder needs to ensure that the “User ID” and “Password” is not revealed to unauthorized persons. Bidders are also requested to change the password allocated to them by the “Service Provider” to keep their confidentiality. However it would be bidder’s sole responsibility to ensure the security and privacy of the same and he/they would not hold the “Client” / “Service Provider” responsible in any manner whatsoever for any misuse of these user IDs and/or Password. Access to the auction mechanism shall be provided to all the approved bidders subsequent to obtaining their written consent to the General Rules & Regulations and the Letter of Interest. Payment of EMD before the start of the Forward auction will be one of the necessary conditions for participating in the auction.
3. Bidders hereby confirm that they shall commit to lift the item (being bid for) at the price

entered by them in the auction engine AND at the terms and conditions specified herein by the Client. All Prices entered shall be legally binding on the bidders. Bidders are strongly advised to exercise due diligence while placing bids. Failure to honour the bids placed during online bidding shall render the bidders liable for penal action as deemed fit by "Client" / "Service Provider".

4. In the event of winning an allotment in the auction mechanism, the bidder shall commit to fulfill outlined obligations under the contract.
5. The bidders shall bid on the terms specified by the client & place their bids in the auction engine in the manner specified by "Service Provider". The bidders shall not stipulate any conditions on their own unless the terms of the client (the client's terms & conditions) expressly permit such conditions being stipulated by the bidder. Bids entered with conditions attached shall be considered Conditional bids & "service provider" retains the right of rejecting these bids even without intimating the client. **BIDDING RULES**

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

- x Definition of the lot bidding
- x Start Time and duration of the auction
- x Any extension of the duration of the auction in the event of bids being received towards the end of the pre-specified duration
- x Start Bid Price
- x Specified Unit for Bidding
- x Price Increments and any reduction in the price increment in the auction in the event of inactivity
- x Other attributes (informational/non-negotiable in nature)

While it shall be the endeavour of "Service Provider" to specify these rules at the earliest for each online auction, the "Service Provider" shall retain the right to delay the announcement of these bidding rules or modify rules specified earlier at the time of the online bidding. These details would be available to the bidders on the Auction Engine at the time of bidding. Participation in the auction process presumes complete awareness and understanding of the bidding rules.

**CONDUCT OF THE AUCTION:**

Only those bidders who have been approved by the "Client" and handed over stamped and manually signed "General Rules and Regulations governing conduct of online auction alongwith Letter of Interest, required EMD amount and other necessary documents to the "Client"/ "Service Provider" within the specified time will be given "Login ID" and "PASSWORD" to enable them view and participate in online auction.

The Auction shall be conducted on pre-specified date. The Key Terms pertaining to the conduct of Auction such as "START TIME", "DURATION", "END TIME" AND "AUTO EXTENSION FACILITY" Shall be specified separately for each Auction.

"Service provider" retains the right to cancel or reschedule the auction, with the approval of the Competent Authority of the Client, on any of the following reasons:

- x The number of confirmed bidders is deemed insufficient to conduct the auction.
  - x Some of the confirmed bidders are unable to access the module due to infrastructure problems such as sustained power failure or telecommunication breakdown. x
- There are no bids which are equal to or below Start Bid Price.



x Any other reason which in the opinion of “Service Provider” / “Client” requires such action to be initiated.

The duration of auction may also vary from the pre-specified period of time either on account of termination of the auction by “Service Provider” on the advice of the Client

Or

In case of situations where it is felt that continuance of the auction proceedings is prejudicial to the smooth conduct and / or the integrity of the auction process.

Or

Due to Auto Extension during the Auction, duration may increase from specified period.

In the event of any problems being faced in the smooth conduct of the auction, “Service Provider” with the approval of the Competent Authority of the Client, shall have the right to undertake one or more of the following steps:

x Cancellation/ premature termination of the auction with/ without a subsequent rerun of the auction on a mutually decided date

x Cancellation of a bid

x Locking / deactivate a bidder’s account (suspension of operations in the account), etc.

In case of failure of net connection, bidder will give his best price to the “Service Provider”. “Service Provider” will bid on behalf of the bidder with the minimum increment until the bid price reaches the best price offered by the bidder, by proxy bidding mechanism.

The best price communicated by the bidder will have to be authenticated by written confirmation or fax to the “Service Provider” and will be kept confidential between the “Service Provider” and the bidder. Bidder will be bound by the price offered.

#### LIABILITY OF “SERVICE PROVIDER”

“Service Provider” shall not be liable to the bidders participating in the auction or any other person(s) for:

x Any breach of contract by any of the parties in the fulfillment of the underlying contract.

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

While, reasonable care and diligence will be taken by “Service Provider” in discharge of its responsibilities such as design of the online bid, communication of bid details and rules, guidance to client/ bidders in accessing the Auction Engine and placing bids, etc. the bidders shall specifically indemnify “Service Provider” from all liabilities for any shortcomings on these aspects.

It is clearly understood that these activities are undertaken by “Service Provider” to assist the bidders in participation but the ultimate responsibility on all these counts lies totally with the bidders.

#### **RIGHT OF THE CLIENT:**

The Client reserves the right to partially or totally accept or reject any / all bids placed in the Online Auction without assigning any reason whatsoever. The decision of the client would be final and binding on the bidder in any such case.

#### **CONFIDENTIALITY CLAUSE:**

“Service Provider” undertakes to handle any sensitive information provided by the client or confirmed bidders for the auctions conducted with utmost trust and confidentiality.

#### **JURISDICTION**

Any disputes relating to the online auction module shall be subject to the sole jurisdiction of Kolkata High Court only.

**Annexure-E**

## Proforma Bank Guarantee for Security Deposit

(To be submitted on Rs. 100/- Non-Judicial stamp paper and the non judicial stamp paper should be on name of the issuing bank)

Ref: Bank Guarantee No:  
Date:

To,

NMDC Ltd.  
Kumaraswamy Iron Ore Mines  
Donimalai, Dist. Bellary  
Karnataka.

Dear Sir,

In terms of sale order no: \_\_\_\_\_ of the NMDC Limited, (hereinafter referred to as the "Seller" which expression shall unless repugnant to the context or meaning thereof include its successor, administrator and assigns) having issued to M/s \_\_\_\_\_ (Name & Address of the successful bidder) with its registered /Head office at \_\_\_\_\_ (hereinafter referred to as the "Buyer" which expression shall unless repugnant to the context or meaning thereof include its successor, administrator, executors and assigns), a sale order no. \_\_\_\_\_ dated \_\_\_\_\_ and the same having been unequivocally accepted by the Buyer, Buyer has agreed to provide a security deposit, to indemnify the seller from any financial losses during performance of sale contract & timely completion of lifting of material, equivalent to 10 % ( Ten Percent ) of sale value..

Upon the specific request of the said buyer, We, \_\_\_\_\_ (Name & Address of The Bank) \_\_\_\_\_ having our head office \_\_\_\_\_ guarantee and undertake to pay you immediately on demand by NMDC Ltd, Donimalai Iron Ore Mines, Donimalai, an amount of \_\_\_\_\_ (in figure and words) without any reservation, protest, demur and recourse. Any such demand made by NMDC Ltd, Donimalai, shall be conclusive and binding on us irrespective of any dispute or difference between the parties.

AND IT IS FURTHER AGREED AND DECLARED by the Bank that the liability of the Bank to pay the said amount whenever called upon by NMDC in part/full as deemed fit by NMDC shall be irrevocable and absolute and that the Bank will not be entitled to dispute or inquire into whether NMDC has become entitled to encash the said B.G. under the terms of the said contract or not or entitled to claim the said amount or not, or whether our Client has committed any breach or not or whether NMDC is entitled to recover any damages from our Client for breach of terms thereof or not.

This Bank Guarantee shall be valid and remain in full force till-----or as extended by the Bank from time to time upon the request of our client and any claim or demand for encashment of the B.G. shall be served on us on or before ----- , i.e. **30 days beyond the**

**validity period.**

We \_\_\_\_\_(Bank) also agree and covenant that NMDC at its option shall be entitled to enforce/encash this Bank Guarantee against us as principal debtor in the first instance without proceeding against our client notwithstanding any security or other guarantee that NMDC may have.

**Notwithstanding anything contained herein above:**

- i) Our liability under this Bank Guarantee shall not exceed Rs. -----/-(Rupees -----  
----- Only)
- ii) This Bank Guarantee shall be valid up to  
-----an
- iii) We are liable to pay the guaranteed amount or any part thereof under this bank  
guarantee only and only if served upon a written claim or demand on or before ( 30  
days beyond the validity period).

Dated \_\_\_\_\_day of \_\_\_\_\_2011

For and on behalf of  
(Bank)