

GOVERNMENT OF KARNATAKA
DEPARTMENT OF MINES AND GEOLOGY
BENGALURU 560 001

**Mine Development and
Production Agreement - 016
(2021)**

**For Iron Ore over an area of 24.47 Ha
(within the CEC finalized extent of 24.47Ha)**

With:

Kirloskar Ferrous Industries Limited,
Laxmanrao Kirloskar Road,
Khadki, Pune – 411 003 Maharashtra, India

Mine Development and Production Agreement

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For Kirloskar Ferrous Industries Limited

AK Srinivas
Authorised Signatory

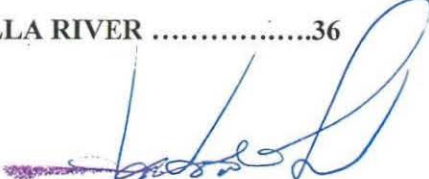
Sri D.S. Ramesh
Sri D.S. Ramesh, IAS

Director
Dept. of Mines and Geology,
Bengaluru-01

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For Kirloskar Ferrous Industries Limited


Authorised Signatory

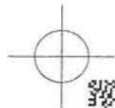
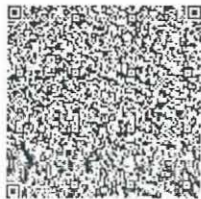


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Director
Dept of Mines and Geology,
Bengaluru-01



Government of Karnataka

Certificate No.	: IN-KA47265523653690T
Certificate Issued Date	: 12-Feb-2021 02:36 PM
Account Reference	: NONACC (FI)/ kaksfcl08/ GANDHINAGAR1/ KA-BA
Unique Doc. No	: SUBIN-KAKAKSFCL0874158934435381T
Purchased by	: KIRLOSKAR FERROUS INDUSTRIES LIMITED
Description of Document	: Article 30 Lease of Immovable Property
Description	: LEASE AGREEMENT
Consideration Price (Rs)	: 0 (Zero)
First Party	: KIRLOSKAR FERROUS INDUSTRIES LIMITED
Second Party	: THE DIRECTOR DEPARTMENT OF MINES AND GEOLOGY
Stamp Duty Paid By	: KIRLOSKAR FERROUS INDUSTRIES LIMITED
Stamp Duty Amount(Rs.)	: 200 (Two Hundred only)



This is part of the Mine Development and Production Agreement dated 12.02.2021
made by and between:

The Governor of Karnataka, acting through Department of Mines and Geology

State Government of Karnataka

And

Kirloskar Ferrous Industries Limited
For Kirloskar Ferrous Industries Limited

Authorised Signatory

Sri D.S. Ramesh IAS

Director

Dept. of Mines and Geology,

Bengaluru-01

Statutory Alert:

1. The authenticity of this Stamp certificate should be verified at 'www.shileestamp.com' or using e-Stamp Mobile App of Stock Holding Corporation of India Ltd. Any discrepancy in the details on this Certificate and as available on the website / Mobile App renders it invalid.
2. The onus of checking the legitimacy is on the users of the certificate.
3. In case of any discrepancy please inform the Competent Authority.

This Mine Development and Production Agreement is made by and between following:

PARTIES:

1. The Governor of Karnataka, **acting through Department of Mines and Geology, State Government of Karnataka** (the "State Government").
2. **Kirloskar Ferrous Industries Limited** with corporate identity number L27101PN1991PLC063223, whose registered office is at Laxmanrao Kirloskar Road, Khadki, Pune - 411 003, Maharashtra, India and principal place of business is at Nandihalli village, Sandur Taluka, Ballari District (the "**Successful Bidder**").

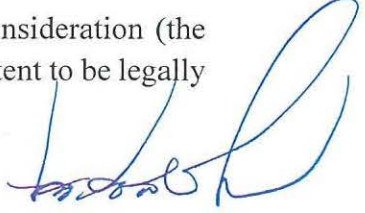
BACKGROUND:

- A. An electronic auction was conducted by the State Government pursuant to the Tender Document (**M/s Bharath Mines & Minerals, ML No: 2245**) for grant of a Mining Lease (Kirloskar Ferrous Industries Limited) over the Lease Area (Nandihalli village, Sandur Taluka, Ballari District over an extent of 24.47 Hectare Area of Forest land) for mining of the Mineral **Iron Ore**.
- B. The Successful Bidder quoted final Price of **55.50** per cent as the bid parameter in the electronic auction and was declared as the Preferred Bidder (*as defined in the Tender Document*).
- C. As a Preferred Bidder, the Successful Bidder made payment of the first installment of the Upfront Payment (*10% of upfront payment*) which is **INR 38,16,172 (Rupees Thirty Eight Lakhs Sixteen Thousand One Hundred Seventy Two)** on 14.09.2018 through Demand Draft (DD) bearing No. 025616 dated: 14.09.2018, upon which the State Government issued a letter of intent dated **06.10.2018**.
- D. The Preferred Bidder completed the conditions specified in Clause 10 ? of the Tender Document and submitted written confirmation of the same to the State Government through a letter dated 30.09.2019 and 23.11.2019, upon which the Preferred Bidder was considered to be the Successful Bidder.
- E. Thereafter, the Successful Bidder obtained all the consents, approvals, permits, no-objections and the like as required under Applicable Law and all the consents, approvals, permits, noobjections and the like were transferred to the Successful Bidder from the erstwhile lessee for commencement of mining operation, as listed in **Schedule B**.
- F. Accordingly, the State Government is now entering into this Agreement with the Successful Bidder with respect to matters pertaining to the Mining Lease and other matters incidental thereto, and this Agreement shall be read as an integral part of the mining lease.

NOW THEREFORE, in consideration of the mutual covenants, terms and conditions and understandings set forth in this Agreement, and other good and valuable consideration (the adequacy of which are hereby mutually acknowledged), the Parties with the intent to be legally bound hereby agree as follows:

For Kirloskar Ferrous Industries Limited

Authorised Signatory


Sri D.S. Ramesh, IAS
Director
Dept. of Mines and Geology,
Bengaluru-01


1. DEFINITIONS AND INTERPRETATION

The definitions and rules of interpretation in this clause apply in this Agreement

1.1. Definitions

- 1.1.1 **"Agreement"** means this Mine Development and Production Agreement and all attached annexure, schedules, exhibits and instruments supplemental to or amending, modifying or confirming this Agreement in accordance with the provisions of this Agreement.
- 1.1.2 **"Agreement Date"** shall mean the date on which execution of this Agreement by both the Successful Bidder and the State Government is completed.
- 1.1.3 **"Annual Payment"** shall have the meaning given to such expression in Clause 7.1.2.
- 1.1.4 **"Appropriation Event"** shall have the meaning given to such expression in Clause 4.2.1.
- 1.1.5 **"Claim"** shall have the meaning given to such expression in Clause 12.3.
- 1.1.6 **"Control"** shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.
- 1.1.7 **"Eligibility Conditions"** shall mean the eligibility conditions specified in the Act and the Rules including all the eligibility conditions listed in Clause 5 of the Tender Document.
- 1.1.8 **"Encumbrances"** means any mortgage, pledge, equitable interest, assignment by way of security, conditional sales contract, hypothecation, right of other Persons, claim, security interest, encumbrance, title defect, title retention agreement, voting trust agreement, interest, option, lien, charge, commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting rights, transfer, receipt of income or exercise of any other attribute of ownership, right of set-off, any arrangement (for the purpose of, or which has the effect of, granting security), or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise, to create any of the same.
- 1.1.9 **"Event of Force Majeure"** shall have to meaning given to such expression in Clause 17.1.
- 1.1.10 **"Final Price Offer"** shall mean *[55.50% of Value of Mineral Despatched]*, based on which the Successful Bidder was declared successful in the tender process for the Lease Area. The "Value of Mineral Despatched" being an amount equal to the product of (i) mineral despatched in a month; and (ii) sale price of the mineral (grade-wise and State-wise) as published by Indian Bureau of Mines for such month of despatch.
- 1.1.11 **"Good Industry Practice"** means, in relation to any undertaking and any circumstances, the exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced Person engaged in the same type of undertaking under the same or similar circumstances.

For Kirloskar Ferrous Industries Limited

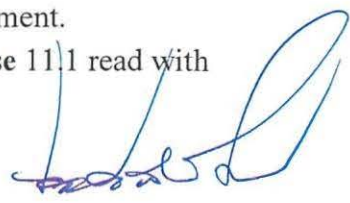

Authorised Signatory


S. S. Ramesh, IAS
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- 1.1.12 **"Governmental Approval"** means my authorization, approval, consent, license or permit required from any Governmental Authority.
- 1.1.13 **"Governmental Authority"** means any Central or State Government authority, statutory authority, government department, agency, commission, board, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof.
- 1.1.14 **"Indemnified Party"** shall have the meting given to such expression in Clause 12.1.
- 1.1.15 **"Judgment"** shall have the meting given to such expression in Clause 2.1
- 1.1.16 **"Lease Area"** shall mean the Lease Area as more particularly described in SCHEDULE C.
- 1.1.17 **"Mineral"** means iron-ore.
- 1.1.18 **"Minimum Annual Despatch Requirement"** shall have the meaning given to such expression in Clause 8.1.
- 1.1.19 **"Mining Lease"** shall have the meaning given to such expression in the Act and the rules made thereunder.
- 1.1.20 **"Mining Plan"** means a mining plan drawn in accordance with clause (b) of sub-section (2) of section 5 of the Act.
- 1.1.21 **"Monthly Payment"** shall have the meting given to such expression in Clause 7.1.1.
- 1.1.22 **"Parties"** means and refers to the State Government and the Successful Bidder collectively and "Party" refers to any one of them.
- 1.1.23 **"Production Requirement"** shall have the meting given to such expression in Clause 8.1.
- 1.1.24 **"Provisional R&R Plan"** shall mean the provisional Reclamation & Rehabilitation plan for the Lease Area prepared in accordance with the Judgment and provisionally approved by the Central Empowered Committee
- 1.1.25 **"R&R Plan"** shall mean the final Reclamation & Rehabilitation plan for the Lease Area prepared by the Successful Bidder, as a **Preferred Bidder**, in accordance with the guidelines for preparation as per the order dated 13th April 2012 of the Supreme Court in the Samaj Parivartana Samudaya and Ors. vs. State of Karnataka and Ors in W P (C) 562 of 2009 matter and approved by the Central Empowered Committee.
- 1.1.26 **"Selectee"** shall have to meaning given to such expression in Clause 13.3.3(c).
- 1.1.27 **"Specified End Use"** shall have the meting given to such expression in Clause 6.2
- 1.1.28 **"Substitution Notice"** shall have the meaning given to such expression in Clause 13.3.3(b).
- 1.1.29 **"Term"** shall have the meaning given to such expression in Clause 18.2.
- 1.1.30 **"Third Party"** means any Person that is not a signatory to this Agreement.
- 1.1.31 **"Warranties"** shall have toe meting given to such expression in Clause 11.1 read with Schedule F.

For Kirloskar Ferrous Industries Limited.


Authorised Signatory


Sri D.S. Ramo.
Director

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1.2. INTERPRETATION

1.2.1. Any reference to any statute or statutory provision shall include

- (i) all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated); and
- (ii) such provision as from time to time amended, modified, re enacted or consolidated (whether before or after the date of this Agreement) to the extent such amendment, modification, reenactment or consolidation applies or is capable of applying to any transactions entered into under this Agreement prior to the Agreement Date and (to the extent liability thereunder may exist or can arise) shall include any past statutory provision (as from time to time amended, modified, re-enacted or consolidated) which the provision referred to has directly or indirectly replaced.

1.2.2. Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular.

1.2.3. References to the masculine, the feminine and the neuter shall include each other.

1.2.4. References to a “**company**” shall include a company, corporation or other body corporate, wherever and however incorporated or established.

1.2.5. The recitals and schedules form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement, and any reference to this Agreement shall include any recitals and schedules to it Any references to clauses and schedules are to clauses and schedules to this Agreement. Any references to parts or paragraphs are, unless otherwise stated, references to parts or paragraphs of the schedule in which the reference appears.

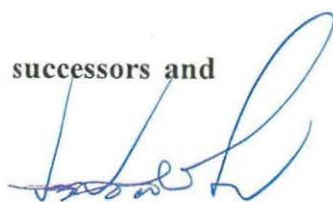
1.2.6. A reference to **this Agreement** or **any other document** shall be construed as references to this Agreement or that other document as amended, varied, novated, supplemented or replaced from time to time.

1.2.7. A reference to **this Clause** shall, unless followed by reference to a specific provision, be deemed to refer to the whole Clause (not merely the sub-Clause, paragraph or other provision) in which the expression occurs.

1.2.8. A reference to a **party** shall include **that party's representatives, successors and permitted assigns.**

For Kirloskar Ferrous Industries Limited

Authorised Signatory

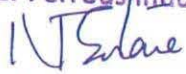

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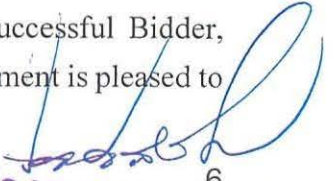
- 1.2.9. Each of the representations and warranties provided in this Agreement is independent of other representations and warranties and unless the contrary is expressly stated, no Clause in this Agreement limits the extent or application of another Clause.
- 1.2.10. Headings to Clauses, parts and paragraphs of schedules and schedules are for convenience only and do not affect the interpretation of this Agreement.
- 1.2.11. **A reference to "in writing" includes any communication made by letter or fax but not e-mail** (unless otherwise expressly provided in this Agreement.).
- 1.2.12. Unless otherwise specified, any reference to a time of day is to Indian Standard Time.
- 1.2.13. Any words following the terms **including, include, in particular, for example or any similar expression** shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.2.14. Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- 1.2.15. References to a document in **agreed form** are to that document in the form agreed by the parties and initialed by them or on their behalf for identification.
- 1.2.16. Any obligation on a party not to do something includes an obligation not to allow that thing to be done

2. COMPLIANCE

- 2.1. The Successful Bidder hereby represents and warrants to the State Government that it has complied with all the terms and conditions of the Act, the Rules, the Tender Document and other Applicable Law, **including specifically, the Supreme Court's judgments, and orders in Samaj Parivartana Samudaya and Ors. vs. State of Karnataka and Ors in W.P. (C) 562 of 2009 (collectively the "Judgment")** as were required to be complied with by the Successful Bidder, with respect to tender process for the Lease Area and the Successful Bidder is eligible in all respects to receive Mining Lease over the Lease Area. The Successful Bidder also represents and warrants to the State Government that it is in compliance with all the Eligibility Conditions and would continue to be in compliance with all the Eligibility Conditions during the Term.
- 2.2. Relying on the representations and warranties of the Successful Bidder and the information, documents and other undertaking provided by the Successful Bidder, including the Warranties provided under Clause 11, the State Government is pleased to

For Kirloskar Ferrous Industries Limited


Authorised Signatory


Sri D.S. Ramesh, IAS
Director
Dept. of Mines and Geology

enter into this Agreement with the Successful Bidder for grant of Mining Lease over the Lease Area to the Successful Bidder subject to terms and conditions specified in this Agreement.

3. **CONDITION FOR GRANT OF MINING LEASE**

- 3.1. Grant of Mining Lease over the Lease Area shall be conditional upon prior payment of the third installment of the Upfront Payment which is INR 3,05,29,374 (Rupees Three Crore Five Lakhs Twenty Nine Thousand Three Hundred Seventy Four) within a period of 30 days from the Agreement Date.
- 3.2. Upon such payment the State Government shall grant a Mining Lease to the Successful Bidder within a period of 30 days from the date of receipt of the payment.
- 3.3. The date of the commencement of the period for which a Mining Lease is granted shall be the date on which a duly executed Mining Lease is registered.

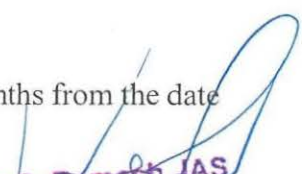
4. **PERFORMANCE SECURITY AND APPROPRIATION**

4.1. **Performance Security**

- 4.1.1 The Successful Bidder has provided to the State Government an irrevocable and unconditional bank guarantee, dated 01.10.2019 from IDBI Bank issued at Mumbai and payable at Bengaluru for an amount equal to **INR 3,81,61,718 (Rupees Three Crore Eighty One Lakhs Sixty One Thousand Seven Hundred Eighteen)** (the "Performance Security") in the format provided in Schedule III of the Auction Rules.
- 4.1.2 The amount of Performance Security shall be reassessed every five years commencing from the date of issuance of the Performance Security i.e. 01.10.2019, so that the amount of Performance Security corresponds to 0.5% of the reassessed value of resources including the value of any newly discovered mineral that may be included in the mining lease deed on its discovery.
- 4.1.3 For the purposes of such reassessment, the Successful Bidder shall submit an application in writing to the State Government at least three months prior to the expiry of the aforementioned period of five years. Such application must contain in sufficient details, documentary evidence confirming the reassessed value of resources including the value of any newly discovered mineral that may be included in the mining lease deed on its discovery on the date of such application.
- 4.1.4 The State Government shall dispose such application within three months from the date

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of receipt of duly completed application. If the State Government does not dispose such application within the aforementioned period of three months, then the application shall be deemed to be approved. In such case, [bank guarantee constituting the Performance Security shall be substituted with another bank guarantee] OR [additional amount shall be deposited towards the security deposit] of the reassessed value issued in accordance with this Clause 4, within a period of 15 days expiry of the aforementioned period of three months.

- 4.1.5 The Performance Security should remain valid until the expiry of the period for which Mining Lease (including renewed Mining Lease) has been granted or will be granted. The Performance Security shall be initially valid for a period of 5 years and shall be successively renewed for a period of 5 years thereafter, until the expiry of the period for which Mining Lease has been granted.

4 ? Events for appropriation of the Performance Security

- 4.2.1 The Performance Security may be appropriated by the State Government upon occurrence of any of the events specified in Table 4.3.1 (the “**Appropriation Event**”), to be determined by the State Government in its sole discretion. In case the Performance Security is in form of a bank guarantee, the State Government may invoke the same on an Appropriation Event. In case the Performance Security is in form of a security deposit, the State Government may deduct an amount from such security deposit on an Appropriation Event.

- 4.2.2 Provided however that in the event an Appropriation Event has occurred solely on account of an Event of Force Majeure which could not have been mitigated by the Successful Bidder through Good Industry Practice as provided in Clause 17, then the Performance Security shall not be appropriated for such specific Appropriation Event.

4.3. Manner of appropriation of the Performance Security

- 4.3.1 Upon occurrence of an Appropriation Event, to be determined by the State Government, the State Government shall have the unconditional right to appropriate the Performance Security by providing a written notice to the Successful Bidder in the following proportion:

Table 4.3.1

#	Appropriation Event	Amount of the Performance Security to be appropriated
1.	Failure of the Successful Bidder to make payment of the third installment	An amount equal to the third installment of the Upfront Amount together with interest

For Kirloskar Ferrous Industries Limited

N. S. S. S.
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	of the Upfront Amount within the time specified in Clause 3.1	computed in accordance with rule 14 of the Auction Rules.
2.	Failure of the Successful Bidder to comply with the Production Requirement as required under Clause 8.	Such per cent of the Performance Security for the failure to comply with the Production Requirement as specified in SCHEDULE E.
3.	Any change in Control or transfer of right, title or interest in the Lease Area which is not in conformity the Act and rules made thereunder.	Entire Performance Security.
4.	Failure of the Successful Bidder to make payment of the Monthly Payment or Annual Payment	The amount of Monthly Payment or Annual Payment due and payable, along with interest computed in accordance with rule 14 of the Auction Rules.
5.	Any breach or non-compliance with any of the provisions of the Act and rules made thereunder, the mining lease inclusive of this Agreement, and the Tender Document.	Such proportion as may be determined by the State Government in its sole discretion.
6.	Failure of the Successful Bidder to comply with the Conditions for Conservation of Narihalla River and Dam as required under Clause 10 (d)	Such proportion as may be determined by the State Government in its sole discretion.

4.3.2 In the event of a part or total appropriation of the Performance Security, the Successful Bidder shall be required to: (i) rectify the Appropriation Event; and (ii) top-up the bank guarantee constituting the Performance Security OR deposit additional amount towards security deposit within seven days of receipt of a notice under Clause 4.3.1.

4.3.3 Any one or more Appropriation Events resulting in appropriation of the entire Performance Security shall give the State Government a right to determine the mining lease without prejudice to any other proceeding to be taken against the mining lease holder.

5. INFORMATION

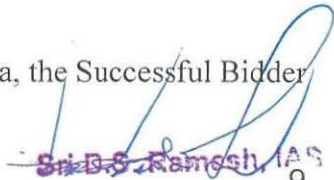
5.1. In addition to information that may be required to be provided in accordance with Applicable Law, the Successful Bidder shall provide periodic reports to the State Government (or such other Governmental Authority as may be specified by the State Government) regarding mining operations at the Lease Area, including compliance with the Production Requirement, in accordance with the following provisions:

(a) *Pre-Commencement Report*

Prior to commencement of mining operations at the Lease Area, the Successful Bidder

For Kirloskar Ferrous Industries Limited

Authorised Signatory


N. S. Ramesh, IAS
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shall **provide a written intimation ("Pre-Commencement Report")** to the State Government once every thirty calendar days regarding the following:

- (i) the actions taken by the Successful Bidder towards commencement of the mining operations at the Lease Area, including compliance with the Mining Plan and a tentative date for commencement of the mining operations;
- (ii) any deviations from the Mining Plan, the reasons for such deviations and the steps taken by the Successful Bidder to rectify such deviation; and
- (iii) whether in the opinion of the Successful Bidder, it shall be able to commence mining operations at the Lease Area within the time specified under sub-clause (a) above for commencement of the mining operations.

(b) Commencement Report

Within three days of the commencement of mining operations at the Lease Area, the Successful Bidder shall provide a written intimation to the State Government confirming commencement of mining operations at the Lease Area (the "Commencement Report").

(c) Periodic reporting

The Successful Bidder shall also submit such reports and information as required under the Act and rules made thereunder.

- 5.2. The reports under Clause 5.1 shall be provided to the State Government as attachments to an email addressed to the following e-mail address: dir-mines@karnataka.gov.in. Such attachments must be digitally signed by the Successful Bidder using a Class III digital signature certificate issued by a certifying authority in India.
- 5.3. The State Government shall have the right to seek such further information regarding the reports provided under Clause 5.1 and also seek independent verification of the same.

6. UTILIZATION OF MINERAL

- 6.1. The Successful Bidder shall utilize the Mineral strictly in compliance with Applicable Law, including the Act and the rules framed thereunder.
- 6.2. The Successful Bidder acknowledges that the Lease Area has been reserved for end-users engaged in the production of sponge iron and/or pig iron and/or steel and/or pellets as per the Judgment ("**Specified End Use**") and the Successful Bidder has qualified for the electronic auction on the basis of its representation that all minerals

For Kirloskar Ferrous Industries Limit

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Authorised Signatory

Sri D.S. Rama
Director

Dept. of Mines and Geology
Bengaluru-01

extracted under the Mining Lease shall: (i) be utilized solely for the Specified End Use; (ii) not be sold or transferred or otherwise disposed, either directly or indirectly; and (iii) not to be sold with or without beneficiation.

- 6.3. A beneficiation plant can be set up by the Successful Bidder /lessee himself only to be further used only for the Specified End Use by the Successful Bidder/lessee himself.
- 6.4. Beneficiation of low grade iron ore can be done by the Successful Bidder/lessee himself, or in accordance with the Supreme Court's Order in Samaj Parivartana Samudaya & Ors. vs. State of Karnataka & Ors. in I.A. No. 257 of 2016 in W.P. (C) 562 of 2009 dated 01st August 2016 to be further used only for the Specified End Use by the Successful Bidder/lessee himself.
- 6.5. The Mining Lease shall be for all minerals (including minor minerals) found in the area pursuant to exploration prior to the auction. If prior to the auction or subsequent to the auction, presence of minor mineral(s) is established or discovered, such minor minerals may be dealt as per the provisions of the Minor Mineral Concession Rules, by whatever name called, framed by the concerned State Government under section 15 of the Act.

7. PAYMENTS

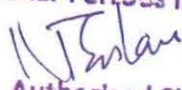
7.1. Payment of bid amount

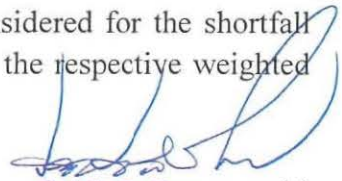
7.1.1 The Successful Bidder shall make monthly payments on the basis of the Final Price Offer (the "Monthly Payment"). The Monthly Payment shall be computed on the basis of the Value of Mineral Despatched.

7.1.2 The Successful Bidder shall make annual payments on the basis of the Final Price Offer for the **value of the shortfall quantity (the "Annual Payment")**. In the event that the actual annual despatch is lower than the Minimum Annual Despatch Requirement in a financial year (**financial year means from 1st April to 31st March**), the value of the resultant shortfall quantity shall be calculated considering the following:

- (a) *Treatment of shortfall quantity*: the shortfall quantity shall be considered in the same ratio of lumps and fines, as the ratio arrived at based on the quantities of lumps and fines actually despatched in the financial year. This ratio shall be applied to the shortfall quantity to estimate the shortfall quantity of lumps and shortfall quantity of fines;
- (b) *Grade of ore for shortfall quantity*: the grade to be considered for the shortfall quantity of lumps and shortfall quantity of fines will be the respective weighted

For Kirloskar Ferrous Industries Limited


Authorised Signatory


Sri D.S. Ramani, 11

Director

Dept. of Mineral and Geology

average grade of ore for lumps and fines, which further will be based on the quantities and corresponding grades of lumps and fines actually dispatched in the financial year; and

- (c) *Price to be applied for shortfall quantity:* the average of the monthly Average Sales Price (Karnataka State) published by IBM for the grade arrived at (b) above by lumps and fines for the financial year shall be considered for the purpose of calculation of payment related to Minimum Annual Despatch Requirement

Provided in case of no production during a financial year, lumps: fines ratio, as per despatches in the preceding year will be considered for treatment of shortfall quantity by lumps and fines, in such financial year. The weighted average grade of ore taken separately for lumps and fines in **the preceding year's despatches will be respectively considered for the shortfall quantity of lumps and shortfall quantity of fines** for the financial year with no production. However, price to be applied for the shortfall quantity shall be based on average of the monthly Average Sales Price (Karnataka State) published by IBM for the concerned grade for the financial year with no production for the purpose of calculation of payment related to Minimum Annual Despatch Requirement.

Provided further in case of no production after the grant of mining lease, average grade in the geological report shall be considered with lumps to fines ratio at 50:50. Further, the price to be applied for the shortfall quantity shall be based on average of the monthly Average Sales Price (Karnataka State) published by IBM for the concerned grade for the financial year with no production for the purpose of calculation of payment related to Minimum Annual Despatch Requirement.

- 7.1.3 The Upfront Payment paid by the Successful Bidder **(including Upfront Payment paid as the Preferred Bidder)** shall be adjusted in full against the amount payable in accordance with the per cent of Value of Mineral Despatched quoted as the Final Price Offer at the earliest.

It is expressly clarified that the Upfront Payment paid by the Preferred Bidder / Successful Bidder shall not be adjusted against the amount payable pursuant to Annual Payment.

- 7.1.4 The Monthly Payment is required to be made within 20 calendar days of expiry of each month with respect to Mineral despatched from the Lease Area in such calendar month. The Annual Payment, as may be applicable, is required to be made within 20 calendar days of expiry of each financial year.

For Kirloskar Ferrous Industries Limited:


Authorised Signatory


S.M.S. K.

Dir.
Dept. of Mines and
Bengaluru-01

7.1.5 All payments required to be made by the Successful Bidder shall be made net of all applicable Taxes. In the event, Taxes are payable, the Successful Bidder shall gross up the amount payable and make payment of the aggregate amount.

7.1.6 The Monthly Payment and Annual Payment (as may be applicable) shall be credited in the following ratio to the following entities:

75% of the Monthly Payment and Annual Payment (as may be applicable) shall be credited to the Consolidated Fund, being the State Government of Karnataka Consolidated Fund; and the balance 25% of the Monthly Payment and Annual Payment (as may be applicable) shall be disbursed to the SPV, being the special purpose vehicle setup for carrying out the Comprehensive Environment Plans for the Mining Impact Zone.

The aforesaid ratio for credit of payments to the Consolidated Fund and the SPV shall be subject to such further orders as may be passed by the Supreme Court.

7.2. Other payments

The Successful Bidder/ lessee shall pay royalty, levy for District Mineral Foundation (DMF) and levy for National Mineral Exploration Trust (NMET) as per provisions of the MMDR Act and rules framed thereunder.

The Successful Bidder shall also be required to make payments as required under Applicable Law, including the Act and the rules framed thereunder.


8. PRODUCTION AND DESPATCH REQUIREMENT

8.1. The conduct of mining operations at the Lease Area shall be subject to the milestones listed in SCHEDULE E with respect to production (the "Production Requirement") and the minimum despatch requirement for a year, which shall be 50% (fifty percent) of the Production Requirement to be achieved every year (the "Minimum Annual Despatch Requirement"). It is expressly clarified that the Production Requirement shall be the permissible annual production as prescribed under the approved R&R Plan.

8.2. The Successful Bidder would provide periodic information to the State Government regarding compliance with the Production Requirement in the manner stipulated in Clause 5 (INFORMATION).

8.3. Any non-compliance with the Minimum Annual Despatch Requirement, as per Clause

For Kirloskar Ferrous Industries Limit.


Authorised Signatory


S. D. Ramesh, IAS
Director
Dept. of Mines and Geology,

8.1 above, would result in Annual Payment. Further, any non-compliance with the Production Requirement would result in appropriation of Performance Security as per Clause 4. In case of noncompliance with the Minimum Annual Despatch Requirement, the mining lease holder may also be required to surrender the lease. In case where non-compliance with the Production Requirement exceeds for more than seven instances, such non-compliance shall give the State Government a right to determine the mining lease without prejudice to any other proceeding to be taken against the mining lease holder.

9. GENERAL RIGHTS AND OBLIGATIONS

9.1. Limited mining rights

Pursuant to this Agreement the Successful Bidder shall be entitled to conduct mining operations only in the Lease Area and shall not be entitled to conduct the mining operations in any other area outside the Lease Area. The rights granted to the Successful Bidder herein to conduct mining operations are exclusive within the Lease Area.

9.2. Authorizations

The Successful Bidder shall obtain and maintain all Governmental Approvals required for conducting the mining operations at the Lease Area and performing its obligations under this Agreement. The Government undertakes, on a no-obligation basis, to expeditiously provide all necessary approvals and assistance for conducting mining operations and as otherwise may be reasonably required by the Successful Bidder in relation to the rights granted to it under this Agreement.

9.3. Geological and archaeological finds

It is expressly agreed that other than rights to mine for the Mineral(s) (as may be granted under any Mining Lease pursuant hereto), geological or archaeological rights do not form part of the rights granted to the Successful Bidder under this Agreement and the Successful Bidder hereby acknowledges that except in relation to the Mineral(s) (as may be granted under any Mining Lease pursuant hereto), it shall not have any mining rights or interest in the underlying minerals, metals, gas, oil, fossils, antiquities, structures or other remnants or things either of particular geological or archaeological interest and that such rights, interest and property on or under the Lease Area shall vest in and belong to the Central/ State Government or the concerned Governmental Authority under Applicable Law. The Successful Bidder shall take all

For Kirlaskar Ferro Alloys Industries Limited

K. K. Kulkarni
Authorised Signatory

[Signature]
Sh D.S. Ramesh, IAS
Director
Dept. of Mines and Geology
Bengaluru-01

reasonable precautions to prevent its workmen or any other person from removing or damaging such interest or property and shall inform the Central/ State Government forthwith of the discovery thereof and comply with such instructions as the concerned Governmental Authority may reasonably give for the removal of such property.

10. MINING PLAN, R&R PLAN AND COMPLIANCE WITH APPLICABLE LAW

The Mining Plan applicable pursuant to clause (b) of sub-section (2) of section 5 of the Act shall be complied with by the Successful Bidder at all times. The Successful Bidder shall also comply with Applicable Law in relation to conduct of mining operations.


The Successful Bidder also acknowledges and agrees the following:

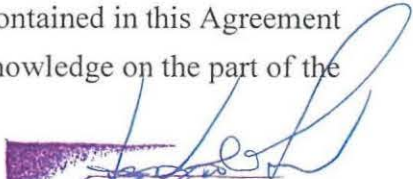
- a. Had prepared the Reclamation & Rehabilitation plan for the Lease Area in accordance with the guidelines for preparation as per the order dated 13th April 2012 of the Supreme Court in the Samaj Parivartana Samudaya and Ors. vs. State of Karnataka and Ors in W.P. (C) 562 of 2009 matter and **got** the same approved by the Central Empowered Committee.
- b. it shall conform to the terms of the R&R Plan including specifically the permissible annual production as provided therein.
- c. it shall be responsible for the costs associated with compliance with the requirements of the R&R Plan. Provided however that the costs associated with implementation of the R&R Plan shall be reimbursed by the State Government to the Successful Bidder subject to and upon receipt of an equivalent payment from the erstwhile lessee of the Lease Area; *provided however* that the amount so reimbursed shall not exceed the costs associated with reclamation and rehabilitation as envisaged in the Provisional R&R Plan.
- d. it shall not undertake excavation/mining operation which would intercept natural water streams leading to the Narihalla reservoir. It shall conform to all the conditions specified in Schedule H to this Agreement, and in respect of protection to dam and reservoir, submit a detailed action plan to the Water Resource Department, Government of Karnataka for their technical approval and undertake such approved works for protection of dam and reservoir.

11. REPRESENTATIONS AND WARRANTIES

11.1. The Successful Bidder represents and warrants to the State Government (save as otherwise disclosed to the State Government in writing), as of the Agreement Date in the manner as **detailed in Schedule F ("Warranties")**.

11.2. None of the representations, warranties and/ or statements contained in this Agreement shall be treated as qualified by any actual or constructive knowledge on the part of the

For Kirlaskar Ferroous Industries Unit

Authorised Signatory


Sri D.S. Ramesh, IAS
Director
Dept. of Mines and Geology.

State Government or the Central Government or any of its respective agents, representatives, officers, employees or advisers

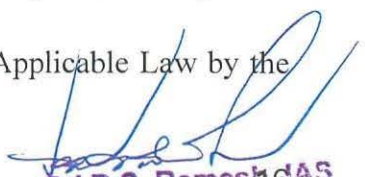
- 11.3. In the event that any of the representations or warranties made or given by the Successful Bidder ceases to be true or stands changed, the Successful Bidder shall promptly notify the State Government of the same. The Successful Bidder hereby waive all their rights to invoke and shall not invoke the State Government's knowledge (actual, constructive or imputed) of a fact or circumstance that might make a statement untrue, inaccurate, incomplete or misleading as a defense to a claim for breach of Warranties or covenant or obligation of the Successful Bidder.

12. INDEMNITIES

- 12.1. In this clause, a reference to the State Government shall include the State Government; any of the departments or ministries of the State Government; and of the officers, employees, staff, advisors, representatives **or agents of the State Government (collectively the "Indemnified Party")** and the provisions of this clause shall be for the benefit of the Indemnified Party, and shall be enforceable by each such Indemnified Party.
- 12.2. The Successful Bidder shall indemnify the Indemnified Party against all liabilities, costs, expenses, damages and losses (including but not limited to any interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by the Indemnified Party arising out of or in connection with:
- (a) any breach of the Warranties,
 - (b) Successful Bidder's breach or negligent performance or non-performance of this Agreement,
 - (c) the enforcement of this Agreement;
 - (d) any claim made against the Indemnified Party for actual or alleged infringement of a Third Party's rights arising out of or in connection with mining operations at the Lease Area or performance or non-performance of any of the obligations under this Agreement to the extent that such claim arises out of the breach, negligent performance or failure or delay in performance of this Agreement by the Successful Bidder, its employees, agents or contractors;
 - (e) any claim made against the Indemnified Party by a Third Party for death, personal injury or damage to property arising out of or in connection with mining operations at the Lease Area or performance or non-performance of any of the obligations under this Agreement; or
 - (f) any loss or damages caused on account of breach of any Applicable Law by the

For And on Behalf of Ferrous Industries Limited


Authorised Signatory


Sri D.S. Ramesh IAS
Director
Dept. of Mines and Geology,

Successful Bidder, including without limitation any costs incurred by the State Government in cleaning or rectifying of any environmental damages caused by the Successful Bidder on account of, lack of Good Industry Practice, breach, negligent performance or failure or delay in performance of this Agreement; or non-compliance with Applicable Law.

12.3 If any Third Party makes a claim, or notifies an intention to make a claim, against the Indemnified Party which may reasonably be considered likely to give rise to a liability under this **indemnity (a "Claim")**, the **Indemnified Party shall as soon as reasonably practicable, give** written notice of the Claim to the Successful Bidder, specifying the nature of the Claim in reasonable detail.

12.4. Subject to the Successful Bidder providing security to the Indemnified Party, to the Indemnified Party's sole and absolute satisfaction against any claim, liability, costs, expenses, damages or losses which may be incurred, the Successful Bidder may take such action as it may reasonably deem fit to avoid, dispute, compromise or defend the Claim.

12.5. Payments of the amount of Claim shall become due and payable within thirty days of receipt of notice of Claim. If a payment due from the Successful Bidder under this clause is subject to Tax (whether by way of direct assessment or withholding at its source), the Indemnified Party shall be entitled to receive from the Successful Bidder such amounts as shall ensure that the net receipt, after Tax, to the Indemnified Party in respect of the payment is the same as it would have been were the payment not subject to Tax.


13. **ASSIGNMENT, SECURITY FOR FINANCING**

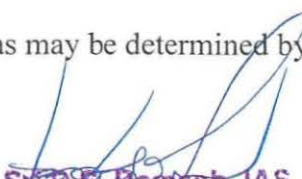
13.1 **Prohibition on assignment**

13.1.1 Except as provided in this Clause 13, the Successful Bidder shall not assign this Agreement, save and except with the prior consent in writing of the State Government, which consent the State Government shall be entitled to decline without specifying any reason.

13.1.2 Subject to compliance with provisions of Clause 13.2, this Agreement may be assigned by the Successful Bidder in the following events:

- (a) upon the transfer of the mining lease under the provisions of the Act and rules made thereunder; or
- (b) upon occurrence of an enforcement event, to a transferee as may be determined by a bank or financial institution in terms of Clause 13.3.

For Karnataka Ferrous Industries Limited

Authorised Signatory


Sri D.S. Ramesh, IAS
Director
Dept. of Mines and Geology,
Bengaluru-01

13.2. Assignment conditions

Assignment of this Agreement under Clause 13.3 shall be subject to the following conditions precedent.

- (a) the proposed assignee must meet the applicable Eligibility Conditions;
- (b) the proposed assignee must agree to unconditionally and irrevocably adhere to the provisions of the Act and rules made thereunder, and this Agreement and must enter into a deed of adherence in the manner as prescribed by the State Government;
- (c) the proposed assignee must have furnished the Performance Security, to substitute any subsisting Performance Security provided by the Successful Bidder; and
- (d) the proposed assignee must have paid any other amount due from the Successful Bidder and agree to indemnify and hold the State Government harmless in all respects against any claims from any Third Party or the Successful Bidder with respect to such assignment.

13.3. Security for financing enforcement event

13.3.1 Subject to Applicable Law, the Successful Bidder shall be entitled to create security over the Lease Area through mortgage for the purposes of availing financing from a bank or financial institutions for the purposes of financing of mining operations at the Lease Area and such security creation shall not require prior approval by the State Government or the Central Government. It is clarified that the Successful Bidder shall be permitted to enter into any agreement with bank or financial institutions with respect to assignment of this Agreement in terms of this Clause 13.

13.3.2 The Successful Bidder shall inform the State Government within ten days of occurrence of (i) any default in its obligation under any arrangement with any bank or financial institution; (ii) any security interest created over the Lease Area; and (iii) any action initiated by the bank or financial institution regarding enforcement of security.

13.3.3 In the event of a default, the banks or financial institutions, as the case may be shall be entitled to enforce their security interest, provided that the conditions listed in Clause 13.2 are met, in the manner provided below:

- (a) the security interest shall be exercised in accordance with the provisions of Applicable Law and any inter-se agreement between the secured creditors, if any;
- (b) the lead secured creditor (in case of consortium lending) or the secured creditor with the highest exposure (in case of multiple banking), shall be entitled to seek a substitution of the **Successful Bidder by providing a written notice (the**

For Kirloskar Ferrous Industries Limited

Authorised Signatory

Sri D.S. Ramani, IAS
Director
Dept. of Mines and Geology,

“Substitution Notice”) to the State Government;

- (c) the Substitution Notice shall contain complete particulars of the proposed transferee (the **“Selectee”**), **particulars of compliance of the Selectee with all the Eligibility Conditions,**

particulars of the debt due and such data and information as would be necessary and relevant for the State Government to decide as to the acceptability of the Selectee;

- (d) the State Government may require such other information as it may deem fit regarding the suitability of the Selectee to receive rights and obligations with respect to the Lease Area;
- (e) the Substitution Notice must be accompanied by an unconditional undertaking of the Selectee to the effect that it shall upon acceptance by the State Government observe, comply with, perform and fulfill the residual terms, conditions and covenants of this Agreement as if the Selectee had been the Successful Bidder under this Agreement and to assume, discharge and pay the debt due on the terms and conditions agreed to by the Selectee with the secured creditors. The Selectee shall also undertake to enter into such documents and agreements with State Government as may be necessary or required to give effect to the substitution of the Successful Bidder by the Selectee;
- (f) the State Government shall convey its acceptance or otherwise of the Selectee within sixty days of (a) the date of receipt of the Substitution Notice; or (b) the date of receipt of the additional information and clarifications requested in respect of any data, particulars or information comprised in the Substitution Notice, whichever is later; and
- (g) In the event that the State Government fails to communicate its acceptance or otherwise or the objections if any it has to the acceptance of the Substitution Notice, within the time specified in sub-clause (f) above, the State Government shall be deemed to have accepted the Substitution Notice and the Selectee.

13.3.4 Upon acceptance of the Selectee by the State Government or the State Government having been deemed to have accepted the Substitution Notice, this Agreement shall be deemed to be assigned in favor of the Selectee without any further act or deed of the Successful Bidder.

14. **INSURANCE**

At all times during the Term hereof, the Successful Bidder will maintain, and cause its contractors and sub-contractors to maintain, with financially sound and reputable insurers, insurance against such casualties and contingencies, of such types, on such

For Kirloskar Ferrous Industries Limited

Authorised Signatory

Sri D.S. Ramesh, IAS

Director

Dept. of Mines and Geology.

terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is consistent with Good Industry Practice.

15. ACCOUNTS AND AUDIT

15.1 Audited accounts

The Successful Bidder shall maintain books of accounts recording all its receipts, income, expenditure, payment, assets and liabilities in accordance with Good Industry Practice and Applicable Law.

15.2. Appointment of auditors

The State Government shall have the right, but not the obligation, to appoint at its cost, from time to time and at any time, an auditing firm or an auditor to audit and verify all those matters, expenses, costs, realizations and things with respect to the Lease Area or which the statutory auditors are required to do, undertake or certify pursuant to this Agreement.

15.3. Certification of claims by statutory auditors

Any claim or document provided by the Successful Bidder to the State Government in connection with or relating to receipts, income, payments, costs, expenses, accounts or audit, end use, requirement of mineral for end use and any matter incidental thereto shall be valid and effective only if certified by its statutory auditors.

16. GOVERNMENT INSPECTION

16.1. The Central Government or the State Government, through its authorized representatives shall have the right to free ingress and egress within any part of the Lease Area at any time to inspect works or activities being undertaken or implemented by the Successful Bidder in order to monitor and verify compliance with the terms of this Agreement and Applicable Law.

16.2. The Central Government or the State Government, through its authorized representatives, shall have access to the Successful Bidder's financial and other records and transactions (relatable to any period) at any time upon reasonable advance notice, the right to copy therefrom, for the purpose of assessing the performance and compliance of the Successful Bidder with the terms of this Agreement and Applicable Law, rules and regulations or to aid in the enforcement of the same.

For Kirloskar Ferrous Industries Limited


Authorized Signatory


Sri D.S. Ramesh, IAS

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Director
Dept. of Mines and Geology
Bangalore-01

- 16.3. The Central Government or the State Government shall have the right to conduct, either directly or indirectly through any Third Party, a performance audit to verify compliance by the Successful Bidder, of its obligations hereunder

17. EVENT OF FORCE MAJEURE

- 17.1. Event of Force Majeure means any of the following events or circumstances or combination of the following events or circumstances which are beyond the reasonable control of the Successful Bidder, which could not have been prevented by Good Industry Practice or by the exercise of reasonable skill and care and which or any consequences of which, have a material and adverse effect upon the performance by the Successful Bidder of its obligations or enjoyment of its rights:


- (i) acts of God, flood, drought, earthquake or other natural disaster;
- (ii) epidemic or pandemic;
- (iii) terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, or breaking off of diplomatic relations;
- (iv) nuclear, chemical or biological contamination or sonic boom;
- (v) collapse of buildings/mines, fire, explosion or accident; or
- (vi) any labor or trade dispute, strikes, industrial action or lockouts (other than those solely affecting Successful Bidder claiming the same as an Event of Force Majeure and attributable to such Successful Bidder's policies regarding labor, compensation or employment or labor related conditions).

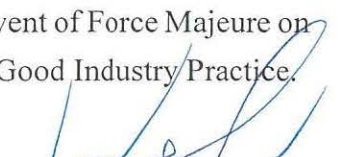
- 17.2. Provided it has complied with Clause 17.3, if the Successful Bidder is prevented, hindered or delayed in or from performing any of its obligations under this Agreement by an Event of Force Majeure, the Successful Bidder shall not be in breach of this Agreement or otherwise liable for any such failure or delay in the performance of such obligations.

- 17.3. Upon occurrence of an Event of Force Majeure, the Successful Bidder shall.

- i. as soon as reasonably practicable after the start of the Event of Force Majeure but no later than thirty days from its start, notify the State Government in writing of the Event of Force Majeure, the date on which it started, its likely or potential duration, and the effect of the Event of Force Majeure on its ability to perform any of its obligations under this Agreement; and
- ii. use all reasonable endeavors to mitigate the effect of the Event of Force Majeure on the performance of its obligations including following of Good Industry Practice.

For Kirloskar Ferrous Industries Limited


Authorised Signatory


Sri D.S. Ramesh, IAS
Director

Dept. of Mines and Geology,

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17.4. If an obligation is suspended by reason of an Event of Force Majeure for more than one month continuously, the Parties shall enter into good faith negotiations to revise the terms of this Agreement to reflect the changed circumstances, provided that this Agreement shall remain in effect during the period during which the Parties are negotiating the terms of any such revision.

18. **EFFECTIVE DATE AND TERM**

18.1. **Effective Date**

This Agreement shall come into effect on the Agreement Date i.e. **12.02.2021**.

18.2. **Term**

This Agreement shall commence on the date mentioned in Clause 18.1 and shall continue for the period of validity of the Mining Lease granted to the Successful Bidder ("Term").

18.3. **Retention of Books and Records**

Upon termination of the mining lease, the Successful Bidder shall retain all documents, books and records related to the Lease Area for a period of three years or such longer period as may be specified under Applicable Law. It is clarified that the Successful Bidder may also retain such books and records in electronic form if permitted under Applicable Law.

19. **MISCELLANEOUS**

19.1. **Time of essence**

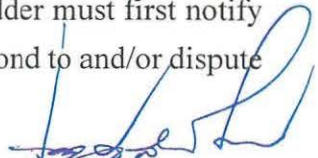
Each of the Parties hereby agrees that, with regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

19.2. **Publicity**

The Successful Bidder shall not issue any information, document or article for publication in any news or communications media or make any public statement in relation to this Agreement without the prior written consent of the State Government unless required to do so by Applicable Law, provided that prior to any disclosure of any such information required by Applicable Law, the Successful Bidder must first notify the State Government, who shall then have the opportunity to respond to and/or dispute such intended disclosure.

For Kirloskar Ferrous Industries Limited


Authorised Signatory


Sri D.S. Ramesh, IAS

Director²²

**Dept. of Mines and Geology,
Bengaluru-01**

19.3. Severability

19.3.1 If any term, provision, covenant or restriction of this Agreement or the application thereof to any Person or circumstance shall be held invalid, void or unenforceable by a court of competent jurisdiction or other Governmental Authority to any extent, the remainder of the terms, provisions, covenants and restrictions of this Agreement and the application thereof to Persons or circumstances (other than those as to which any portion of this Agreement is held invalid, void or unenforceable) shall not be affected thereby and shall remain in full force and effect to the fullest extent permitted by law, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party.

19.3.2 Upon such a determination, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

19.4. Costs and expenses

19.4.1 The Successful Bidder shall bear its own costs in connection with the negotiation, preparation and execution of this Agreement.

19.4.2 The stamp duty payable for this Agreement shall be borne by the Successful Bidder.

19.5. Further assurance

The Successful Bidder shall cooperate with the State Government and execute and deliver to the State Government such instruments and documents and take such other actions as may be requested from time to time in order to carry out, evidence and confirm their rights and the intended purpose of this Agreement.

19.6. Legal and prior rights

All rights and remedies of the State Government hereto shall be in addition to all other legal rights and remedies belonging to the State Government and the same shall be deemed to be cumulative and not alternative to such legal rights and remedies aforesaid and it is hereby expressly agreed and declared by and between the Parties hereto, that the determination of this Agreement for any cause whatsoever shall be without prejudice to any and all rights and claims of the State Government, which shall or may have accrued prior thereto.

For Kioskar Ferrous Industries Limited

N. Enlan
Authorised Signatory

Sri D.S. Ramesh
Sri D.S. Ramesh, IAS
Director 23
Dept. of Mines and Geology,
Bengaluru-01

19.7. Waiver

19.7.1 The waiver of any default or breach under this Agreement by the State Government shall not constitute a waiver of the right to determine the mining lease for any substantial default of a similar nature or under any other terms and conditions of this Agreement.

19.7.2 No failure or delay by the State Government in exercising any right or remedy provided by Applicable Law under or pursuant to this Agreement shall impair such right or remedy or operate or be construed as a waiver or variation of it or preclude its exercise at any subsequent time and no single or partial exercise of any such right or remedy shall preclude any other or further exercise of it or the exercise of any other right or remedy. The rights and remedies of the State Government under or pursuant to this Agreement are cumulative, may be exercised as often as it considers appropriate and are in addition to its rights and remedies under Applicable Law.

19.7.3 Submission of any document, information, report or notice, which contains any information or reference to any default or breach under this Agreement or any Applicable Law, to the State Government shall not be construed to be a deemed approval of such breach or default and the State Government may exercise any rights or remedies with respect to such default at any time.

19.8. Amendments

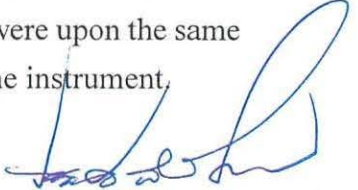
No amendment of this Agreement (or of any of the documents referred to in this Agreement) shall be valid unless it is in writing and signed by or on behalf of each of the Parties to it. The expression "amendment" shall include any amendment, variation, supplement, deletion or replacement however effected. Unless expressly agreed, no amendment shall constitute a general waiver of any provisions of this Agreement, nor shall it affect any rights, obligations or liabilities under or pursuant to this Agreement which have already accrued up to the date of amendment, and the rights and obligations of the Parties under or pursuant to this Agreement shall remain in full force and effect, except and only to the extent that they are so amended.

19.9. Counterparts

This Agreement may be executed in two counterparts, each of which will be deemed an original, with the same effect as if the signatures thereto and hereto were upon the same instrument, but all of which together will constitute one and the same instrument.

For Kiribati Industries Limited

Authorised Signatory


Sri D.S. Ramesh, IAS
24
Director
Dept. of Mines and Geology,
Bengaluru-01

19.10. No agency or partnership

The Parties agree that nothing in this Agreement shall be in any manner interpreted to constitute an agency for and on behalf of any other Party. None of the provisions of this Agreement shall be deemed to constitute a partnership between the Parties hereto and no Party shall have any authority to bind the other Party or shall be deemed to be the agent of the other Party in any way.

19.11. Notices

All notices, requests, demands or other communication ("Notice") required or permitted to be given under this Agreement and the provisions contained herein shall be written in English and shall be deemed to be duly sent by registered post with acknowledgment due, or transmitted by facsimile transmission to the other Parties at the address indicated in SCHEDULE G hereof or at such other address as the Party to whom such notices, requests, demands or other communication is to be given shall have last notified to the Party giving the same in the manner provided in this Clause, but no such change of address shall be deemed to have been given until it is actually received by the Party sought to be charged with the knowledge of its contents. Any notice, request, demand or other communication delivered to the Party to whom it is addressed as provided in this Clause 19.11 shall be deemed to have been given and received on the day of its receipt at such address.

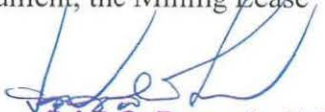
A copy of the Notice sent by registered post with acknowledgment due, or transmitted by facsimile transmission may also be sent through email to the email addresses specified in SCHEDULE G solely for the information of the recipient and shall take effect only when the registered post is actually delivered or the fax is received by the recipient, as the case may be.

19.12. Entire Agreement

The Mining Lease inclusive of this Agreement (including all such deeds and documents issued or executed pursuant hereto or referred to herein) and the Tender Document, together with all documents referred herein and thereunder constitutes and represents the entire agreement between the Parties with regard to the rights and obligations of each of the Parties and cancels and supersedes all prior arrangements, agreements or understandings, if any, whether oral or in writing, between the Parties on the subject matter hereof or in respect of matters dealt with herein. If there is a conflict between the Mining Lease inclusive of this Agreement and the Tender Document, the Mining Lease

For Kirloskar Industries Limited

Authorised Signatory


Sri D.S. Ramesh, 265
Director
Dept. of Mines and Geol.

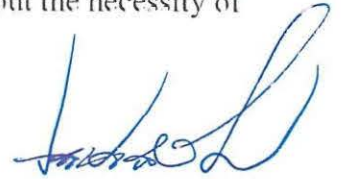
inclusive of this Agreement would have overriding effect.

19.13. Specific performance of obligations

The State Government shall be entitled to an injunction or injunctions to prevent breaches of this Agreement or to seek or enforce specific performance of this Agreement, in addition to any other legal rights and remedies, without the necessity of demonstrating the inadequacy of monetary damages.

For Kiriocker Ferroalloy Industries Limited


Authorised Signatory



Sri D.S. Ramesh, IAS
Director
Dept. of Mines and Geology,
Bengaluru-01


SCHEDULE A - LIST OF PERSONS

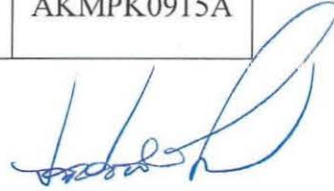
Board of Directors of Kirloskar Ferrous Industries Limited.

Regd. Office: Laxmanrao Kirloskar Road, Khadki, Pune – 411 003. Maharashtra, India.

Sl No	Name of the Directors & the Designation	Director Identification Number (DIN)	Income Tax PAN
1	Mr. Atul Kirloskar Chairman	00007387	ABIPK5776G
2	Mr. Rahul Kirloskar Vice Chairman	00007319	ABIPK5774E
3	Mr. R.V. Gumaste Managing Director	00082829	ADUPG8685L
4	Mr. A. N. Alawani Non- Independent Director	00036153	AAXPA8052D
5	Mr. R Sampath Kumar Independent Director	06894180	AGAPR3547D
6	Mrs. Nalini Venkatesh Independent Director	06891397	ABPPV0432K
7	Mr. Y. S. Bhav Independent Director	00057170	AAHPB4223B
8	Mr. Mahesh Chhabria Non-Independent Director	00166049	ADCPM8911H
9	Mr. V. M. Varma Independent Director	00011352	AAKPV3891L
10	Mr. M. V. Kotwal Independent Director	00001744	AKMPK0915A

For Kirloskar Ferrous Industries Limited


Authorised Signatory


Sri D.S. Ramesh, IAS
Director
Dept. of Mines and Geology,
Bengaluru-01

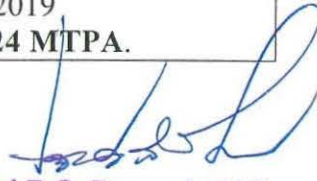
SCHEDULE B - LIST OF CONSENTS AND APPROVALS

Particulars of Clearances, Consents, Concessions and Consents related to Mining Operation

Sl. No	Particulars	Details/Status																		
1	Forest clearance for leased area	Forest Clearance (FC) from erstwhile lessee has been transferred in the name of M/s Kirloskar Ferrous Industries Limited vide Order No. FEE20FTM2019(c) dated.13.05.2020 and Corrigendum dated:27.01.2021.																		
2	Wild life clearance (sanctuary, reserve or special zone clearances)	Not Applicable																		
3	Environmental clearance (EC)	Environment Clearance (EC) from erstwhile lessee has been transferred in the name of M/s Kirloskar Ferrous Industries Limited vide Order No. SEIAA12 MIN 2007 dated: 31.01.2019. Validity of EC is as mentioned in the letter No. SEIAA12MIN2007 09.10.2009 is considered. As per EC is MPAP is 1.5 MTPA																		
4	Approval of Mine Plan from IBM	Mining Plan approved by IBM Vide Letter No. 279/1099/2019/BNG/661 Dated: 27.05.2019 for an extent of 24.47 Ha. with an MPAP of <table><tr><th>Year</th><th>Production in MMT</th><th>Siliceous iron ore</th></tr><tr><td>I</td><td>92340</td><td>31550</td></tr><tr><td>II</td><td>94041</td><td>29862</td></tr><tr><td>III</td><td>123957</td><td>NIL</td></tr><tr><td>IV</td><td>123876</td><td>NIL</td></tr><tr><td>V</td><td>123876</td><td>NIL</td></tr></table>	Year	Production in MMT	Siliceous iron ore	I	92340	31550	II	94041	29862	III	123957	NIL	IV	123876	NIL	V	123876	NIL
Year	Production in MMT	Siliceous iron ore																		
I	92340	31550																		
II	94041	29862																		
III	123957	NIL																		
IV	123876	NIL																		
V	123876	NIL																		
5	Consent for establish (CFE)	Central Pollution Control Board vide its letter No. B 29012/ESS/CPA/2016 17/2570 dated: 02.02.2017 has decided that all projects requiring EC either from SLEIAA or MoEFCC may be exempted from obtaining the consent to establish such projects may be directly granted CTO subject to EC and installation of pollution control device. CFO shall be collected before execution of lease.																		
6	Consent for Operate (CFO)																			
7	Reclamation & Rehabilitation Plan	1. CEC concurrence letter No.2-61/CEC/SC/2017-Pt.III,Dt:05.03.2019. Production limit per annum approved by CEC – 0.124MTPA . 2. Monitoring Committee Letter No. MC/R&R/CCA/2018-19/124/2513 Dt:27.03.2019 3. Director, DMG Letter No. DMG/MLS/R&R/ML-2245/2019-20/241-249 Dated: 02.05.2019 Permissible Annual Production limit – 0.124 MTPA .																		

For Kirloskar Ferrous Industries Limit.


Authorised Signatory


Sri D.S. Ramesh, IAS
Director 28
Dept. of Mines and Geology,
Bengaluru-01

SCHEDULE C- PARTICULARS OF THE LEASE AREA

Sl. No.	Particulars	Details/Status		
1	Location			
	Name of the Mine	Kirloskar Bharath Mines		
	Name of the Successful bidder	Kirloskar Ferrous Industries Limited		
	Name of the erstwhile lessee and Mine Lease(M.L.) Number	M/s Bharath Mines & Minerals, ML No: 2245		
	Latitude-Longitude	Between Longitudes 76°35'21.4" and 76°35'45.4" and Latitudes 15°01'44.0" and 15°02'11.3".		
	Latitude, Longitude of Corner Points as per Total Station	LBC-A =(4609.483),(2872.209) LBC-B =(4521.065),(3203.872) LBC-C =(4627.100),(3225.433) LBC-D =(4667.323),(3110.050) LBC-E =(4837.096),(3158.174) LBC-F =(4880.264),(3288.729) LBC-G =(4583.455),(3489.924) LBC-II =(4677.973),(3523.276) LBC-I =(4837.928),(3438.980) LBC-J =(5039.877),(3498.297) LBC-K =(4808.799),(3570.741) LBC-L =(5086.762),(3667.895) LBC-M =(5234.214),(3086.296) LBC-N =(5196.024),(3074.790) LBC-O =(5105.228),(3136.253) LBC-P =(4790.570),(3020.502) LBC-Q =(4736.274),(2914.062)		
	Latitude, Longitude of Corner Points as per DGPS	PILLAR ID	LATITUDE dd - mm - ss	LONGITUDE dd - mm - ss
		BLR-09	N15°01'46.93700"	E76°34'38.49700"
		LBS-A	N15°01'43.84657"	E76°35'25.62412"
		LBS-B	N15°01'54.22593"	E76°35'21.37669"
		LBS-C	N15°01'55.32583"	E76°35'24.80892"
		LBS-D	N15°01'51.75250"	E76°35'26.60598"
		LBS-E	N15°01'53.95940"	E76°35'32.05997"
		LBS-F	N15°01'58.34472"	E76°35'32.97602"
		LBS-G	N15°02'03.69878"	E76°35'22.30861"
		LBS-H	N15°02'05.14264"	E76°35'25.34458"
		LBS-I	N15°02'03.03593"	E76°35'30.97060"
		LBS-J	N15°02'05.72812"	E76°35'37.45262"
		LBS-K	N15°02'07.18386"	E76°35'29.51739"

For Kirloskar Ferrous Industries Limited.

N. S. Enare

Authorised Signatory

S. S. Ramesh, IAS 29

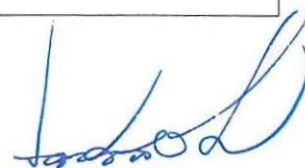
Director

Dept. of Mines and Geology.

		LBS-L	N15°02'11.39010"	E76°35'38.33528"
		LBS-M	N15°01'53.16930"	E76°35'45.54410"
		LBS-N	N15°01'52.64912"	E76°35'44.32019"
		LBS-O	N15°01'54.28842"	E76°35'41.05733"
		LBS-P	N15°01'49.33657"	E76°35'31.05125"
		LBS-Q	N15°01'45.68789"	E76°35'29.67496"
	Village	Nandihalli		
	Tahsil/taluka	Sandur		
	District	Ballari		
	State	Karnataka		
2	Area (Hectares/Square Kilometres)			
	Total area in Ha.	24.47 Ha within CEC finalized extent 24.47 Ha		
3	Estimated resources in MMT as per MECL report	7.577 MMT		

For Kirloskar Ferrous Industries Limited


Authorised Signatory



Sri D.S. Ramesh, IAS
Director
Dept. of Mines and Geology,
Bengaluru-01

SCHEDULE D - PARTICULARS OF THE END USE PLANT

The Successful Bidder shall seek prior approval of the State Government of Karnataka by providing relevant details in case use of iron ore is changed from the plant mentioned above to any other plant directly owned by the Successful Bidder for Specified End Uses only.

Name of the End Use Plant	Name of the Company/Firm/ Individual owning the End Use Plant	Address of the End Use Plant	Type of End Use Plant (Sponge Iron/Steel/Pellets/Pig Iron)	Date/Month of commissioning of the End Use Plant
Pig Iron Plant	Kirloskar Ferrous Industries Limited	P.O Hitnal 583231 Village: Bevinahalli, Taluka & District: Koppal, State: Karnataka	Pig Iron	April 1994

For Kirloskar Ferrous Industries Limited


Authorised Signatory



Sri D.S. Ramesh, IAS
Director
Dept. of Mines and Geology,
Bengaluru-01

SCHEDULE E- PRODUCTION AND DISPATCH REQUIREMENT

(1) Period	(2) Production Requirement (Annual) (permissible annual production as prescribed under the R&R Plan)	(3) Minimum Annual Dispatch Requirement (Annual) (this will be 50% of the production Requirement as set forth in the second column)
I	1,24,000 MT	62,000 MT
II	1,24,000 MT	62,000 MT
III	1,24,000 MT	62,000 MT
IV	1,24,000 MT	62,000 MT
V	1,24,000 MT	62,000 MT

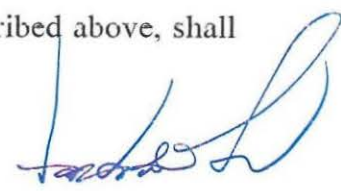
The Performance Security will not be invoked if the actual production in a **financial** year is at least **50%** of the Production Requirement, as mentioned in the table above.

If the actual production in a **financial** year is lower than 50%, 25% of the Performance Security shall be invoked in addition to the Annual Payments that the Successful Bidder is Liable to pay for the Minimum Annual Dispatch Requirement.

It is expressly clarified that invoking of Performance Security, as described above, shall come into effect only after MDPA has been executed.

For Kirloskar Feeds Industries Limited


Authorised Signatory


Sri D.S. Ramesh, IAS
Director
Dept. of Mines and Geology,
Bengaluru-01

SCHEDULE F - WARRANTIES

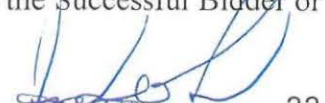
1. INFORMATION

- 1.1. The information, provided to the State Government during the tender process and any time thereafter, including but not limited to the information contained in this Agreement, by the Successful Bidder is true, accurate and not misleading in any manner whatsoever.
- 1.2. Neither this Agreement nor any of the information and documents provided during the tender process exercise contains any untrue statement of fact, or omits to state a material fact necessary to make the statements herein or therein not misleading. The documents provided to the State Government and/or its advisors during the conduct of the tender process, are true and complete copies of such documents and none of the information provided to the State Government and/or its advisors during the tender process was incorrect, inaccurate or misleading in any manner whatsoever.

2. AUTHORITY

- 2.1. The Successful Bidder has full legal capacity to enter into this Agreement and to perform its obligations under it and has taken all action necessary to authorize such execution and delivery and the performance of such obligations.
- 2.2. This Agreement has been duly executed and delivered by the Successful Bidder, and (assuming due authorization, execution and delivery and performance by the Parties), constitutes a legal, valid and binding obligation of the Successful Bidder, enforceable against the Successful Bidder in accordance with the terms of the Agreement.
- 2.3. The Successful Bidder has obtained requisite corporate authorization, including passing of all necessary resolutions at the meeting of its board of directors held on 29.03.2016 to execute this Agreement and carry out all transactions and actions contemplated under this Agreement and do all necessary acts incidental to this Agreement.
- 2.4. The execution and delivery of this Agreement by the Successful Bidder and the performance of the obligations under it do not and shall not:
 - (a) conflict with or violate any provision of the memorandum of association or articles of association of the Successful Bidder;
 - (b) require on the part of the Successful Bidder, any filing with, or permission, authorization, consent or approval of, any Governmental Authority;
 - (c) conflict with, result in breach of, constitute (with or without due notice or lapse of time or both) a default under, result in the acceleration of obligations under, create in favor of any party any right to terminate, modify or cancel, or require any notice, consent or waiver under, any contract or instrument to which the Successful Bidder is party or by which it is bound or to which its assets are subject; and
 - (d) violate, conflict with or constitute a default under any Applicable Law, lien, lease, judgment, award, Act, order, writ, injunction, decree, statute, rule or regulation or any other restriction of any kind or character applicable to the Successful Bidder or


Authorised Signatory


Sri D.S. Ramesh, IAS
Director


its properties or assets.

2.5 No person is entitled to any brokerage, finder's, or other similar fee or commission in connection with the transactions contemplated by this Agreement.

3. GENERAL

The Successful Bidder

- (a) is duly organized, validly existing and in good standing under the laws of India;
- (b) meets all the Eligibility Conditions prescribed under the Act read with the Rules and the Tender Documents;
- (c) has the financial standing and capacity to undertake mining operations at the Lease Area in accordance with the Production Requirement;
- (d) is subject to civil and commercial laws of India with respect to this Agreement and it hereby expressly and irrevocably waives any immunity in any jurisdiction in respect thereof;
- (e) there are no actions, suits, proceedings or investigations pending or to the Successful Bidder's knowledge threatened against it at law or in equity before any court or before any other judicial, quasi judicial or other authority, the outcome of which may constitute an event of default hereunder;
- (f) has neither violated or defaulted nor has knowledge of any violation or default with respect to any order, writ, injunction or any decree of any court or any legally binding order of any Governmental Authority;
- (g) has complied with Applicable Law and has not been subject to any fines, penalties, injunctive relief or any other civil or criminal liabilities;
- (h) except as set forth in any Mining Lease, all rights and interests of the Successful Bidder in and to the Lease Area shall pass to and vest in the relevant Governmental Authority on the date of termination or expiry hereof, free and clear of all Encumbrances without any further act or deed on the part of the Successful Bidder or the Central Government;
- (i) no bribe or illegal gratification or any other illegal amount has been paid or will be paid in cash or kind by or on behalf of the Successful Bidder to any Person to procure the rights granted hereunder; and
- (j) Without prejudice to any express provision contained in this Agreement, the Successful Bidder acknowledges that prior to the execution of this Agreement, the Successful Bidder has after a complete and careful examination made an independent evaluation of the Lease Area and the information provided by the State Government, and has determined to its satisfaction the nature and extent of risks and hazards as are likely to arise or may be faced by the Successful Bidder in the course of performance of its obligations hereunder. The Successful Bidder also acknowledges and hereby accepts the risk of inadequacy, mistake or error in or relating to any of the matters set forth above and hereby confirms that the State Government and any Governmental Authority shall not be liable for the same in any manner whatsoever to the Successful Bidder.

For Kirloskar Ferrous Industries Limited

Authorized Signatory


Sri D.S. Ramesh, IAS
Director
Mines and Geology.

SCHEDULE- G - ADDRESS FOR PROVIDING NOTICES

A. State Government

Address : Director, Dept. of Mines & Geology, 5 th Floor, Khanija Bhavan, Race Course Road, Bangalore 560 001.
Telephone :+91 80-223841 34/35
Fax :+91 80 223841 36
E-mail (only for information); dir-mines@karnataka.gov.in ,

With cc to the Central Government

Address: Regional Controller of Mines, Indian Bureau of Mines, Ministry of Mines, 29, Industrial Suburb 2 nd Stage, Tumkur Road, Gorguntepalya, Yeshwantpur, Bengaluru 560 022.
Telephone : +91 80 23371027/23375366/67
Fax :+91 80 23371027/23373287
E-mail (only for information) : ro.bangalore@ibm.gov.in

B. Successful Bidder

Address: Kirloskar Ferrous Industries Limited, Laxmanrao Kirloskar Road, Khadki, Pune – 411 003. Maharashtra.
Telephone :+91 20 25810341
Fax :+91 20 25813208
E-mail (only for information): rps@kfil.com , kfil.rps@kirloskar.com

For Kirloskar Ferrous Industries Limited

Authorised Signatory

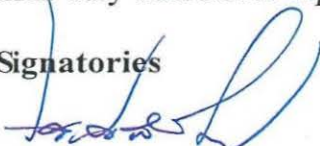

Sri D.S. Ramesh, IAS
Director
Dept.of Mines and Geology,
Bengaluru-01

SCHEDULE - H
CONDITIONS FOR CONSERVATION OF NARIHALLA RIVER AND DAM

1. The Successful Bidder shall not undertake excavations, which would intercept or divert natural streams leading to the Narihalla reservoir, as this would reduce the inflow into the reservoir.
2. Debris and excavated material shall not enter in to the river course and the reservoir.
3. Chemicals used in explosives during mining shall not pollute the water in the river and reservoir as this water is also being used for drinking.
4. Mining activity shall not divert the course of Narihalla and its streams.
5. Mining activity shall not lead to siltation of the river in general and reservoir in Particular.
6. Silt arresting structures like check dams, pickups etc. shall be constructed by the Successful Bidder across the natural streams passing through the mining areas before they enter in to the river course.
7. Blasting activity during mining shall not transfer shocks and vibrations to the body of the dam and other structures like canals, cross drainage works etc. The guidelines issued by the Government shall be followed while undertaking blasting activity to avoid any damage to the structures in the proximity of mining areas.
8. In the event of any damage to the dam and its allied structures like canals, cross Drainage works etc. the Successful Bidder shall be made responsible and action shall be initiated accordingly. The Successful Bidder shall rectify/restore/make good such a damage, immediately at its own cost.
9. Concerned officers/Engineers of Water Resources Department ("WRD")/Karnataka Neeravari Nigam Limited ("KNNL") shall be allowed to inspect mining areas periodically to monitor and assess whether the mining activity is being carried out as per the conditions stipulated in the Agreement. The officers/Engineers of WRD/KNNL shall submit the report to the higher authorities every fortnightly regarding the condition of dam and allied structures. Any reduction in the inflow and any siltation of river and reservoir due to the mining activity.
10. In the event of occurrence of damage to the dam structure and allied structures of the Narihalla project or reduction of inflow in to the reservoir and siltation of river due to Mining activity, Successful Bidder shall immediately stop all mining activities till the damage is restored and rectification works are carried out.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized representatives on the date and year written below, at Bengaluru.

Signatories



The State Government
Director,
Dept. of Mines & Geology
Date: 12.02.2021

Sri D.S. Ramesh, IAS
Director
Dept. of Mines and Geology,
Bengaluru-01

For Kirloskar Ferrous Industries Limited



Kirloskar Ferrous Industries Limited
Mr. Nishikant Balakrishna Ektare
Chief Operating Officer
Date: 12.02.2021