

CESC LIMITED

e-AUCTION SCHEME (T&C) FOR SALE OF JHAMA COAL FROM SARISATOLLI MINES

CESC Limited ("CESC") is operating its Sarisatolli captive coal mine situated near Churulia-Asansol in Paschim Bardhaman district of West Bengal, India. During production of coal, some deposits of Jhama Coal associated with the coal seams are also being produced which has been found not suitable for captive usage. CESC intends to sell the Jhama coal on "as is where is" and "no complaint" basis from ex-Sarisatolli Coal Mine through a transparent online e-Auction process.

1. Eligibility:

1.1 Any Indian Buyer (viz. individual, partnership firm, companies etc.) can participate in e-Auction for procurement of Jhama Coal.

2. Registration:

2.1 Before participation in the e-Auction, a prospective Bidder shall be required to get registered with Mjunction Services Limited, (appointed by CESC , as e-Auction service provider) by submitting an application in the prescribed format available on the website (www.coaljunction.in) of Mjunction Services Limited. The application shall be made along with the required documents such as a copy of PAN, GSTIN Certificate, Passport size photograph, etc. as prescribed by Mjunction Services Limited.

2.2 After the registration, all prospective Bidders will have an auto generated "Unique User ID" & a "password" based on which they can log in. Details of the registration process with Mjunction Services Limited will be available in their website.

2.3 Mjunction Services Limited shall issue "Photo Identity Card" to such registered Bidders duly authenticating the identity & signature, indicating an "Unique Registration Number" allotted to each one of them.

2.4 Only one registration will be done against one PAN number. However, based on more than one valid GST registration certificate, more than one registration against a PAN Number can be considered. In such cases, the details of GST number will be indicated in each 'Photo

Identity Card'.

2.5 All Bidders having been registered with Mjunction Services Limited shall also have to furnish non-interest bearing Earnest Money Deposit (EMD) with Mjunction Services Limited at the rate of **Rs.250/-** per tonne of proposed bid quantity of Jhama Coal prior to participating in the bidding process. Such payment shall be made in the manner as specified by Mjunction Services Limited.

3. **Notification & Earnest Money Deposit (EMD):**

- 3.1 CESC has communicated the Online Forward Auction Notice for sale of Jhama Coal to Mjunction Services Limited for hoisting the same on their websites accordingly.
- 3.2 The minimum quantity of Jhama coal for bidding would be 500 tonnes for dispatches by Road.
- 3.3 EMD can be submitted by bidders through RTGS, NEFT or Net banking mode only. EMD submitted through any other mode will not be considered.

RTGS/NEFT - For making EMD payment through RTGS/NEFT mode Bidder needs to login to mjunction portal (www.coaljunction.in) and has to generate EMD "Pay-In Slip". The "Pay- In Slip" will have the required banking account details for remitting the EMD through RTGS/NEFT which will be submitted by the Bidder to their banker.

The EMD 'Pay-In Slip' can be generated through the following process.

Login to www.coaljunction.in > Click "EMD Management" > Select "CMS / RTGS" > Click on "Submit" after reading all Terms & Conditions > Fill in desired EMD amount & click on "Submit"> Take Print out of the Pay-In Slip.

NET BANKING - Bidders can also submit their EMD to mjunction through Net-banking and the following process needs to be followed: –

Login to www.coaljunction.in > Click on EMD Management > Select "Online" > Fill in desired EMD amount> Select the preferred bank from the list > and click on "Submit" after reading all the guidelines > The page will be redirected to the Net Banking portal where bidder needs to enter their User ID and Password to log in and there after completing the transaction.

On successful transfer a Transaction ID is generated which must be noted by the bidder for future reference.

After the transaction bidders can log into mjunction portal and can check the e-ledger balance. If the transaction is complete, then the transferred amount would be reflected in the e-ledger.

Important Note for Net-banking transactions:

a) Any banking charges as applicable for the transaction shall be payable by the Bidder for using this facility, and this would be directly deducted by the bank directly from the Bidder's bank account.

b) Mjunction Services Limited shall not be held liable/responsible for any wrong transfer of funds, misuse of user id or password, any link failure / fault at the end or part of online payment aggregator.

4. Bidding Process

4.1 The registered Bidders shall be required to record their acceptance after login, of the Terms & Conditions of the e-Auction before participation in the actual Bidding Process.

4.2 Jhama Coal will be sold on "as is where is" and "no complaint" basis from Sarisatolli Coal Mine stock yard (Source). Before participating in e-Auction, bidders are required to satisfy themselves with the quality of Jhama Coal being offered from the Source. Bids will be deemed to have been made on the clear understanding that prospecting bidders have satisfied themselves fully in regard to the nature, condition and quality of Jhama Coal upon inspection, as per inspection schedule to be notified by Mjunction Services Limited. Bidder(s) shall carry valid documents as mentioned in para 3 of the Online Forwarding Notice at the time of inspection.

4.3 Prospective Bidders are entitled to Bid for the quantity to the extent of amount of EMD which is available with Mjunction Services Limited in the bidder's account at the time of bidding. The minimum lot size of each bid shall be 500 Tonne or its multiple.

4.4 The Bidders while bidding shall quote their "Bid price" per tonne in Indian Rupee as per Annexure 1 for Jhama Coal. Successful Bidder(s) will have to arrange for loading of Jhama Coal into coal transport vehicle and transport such goods from the Source at their own cost. The sale of goods will be complete once the Jhama Coal is loaded into transport vehicle of the Successful Bidder(s) and is weighed at weighbridge identified by CESC within / near the mine. The nature of transport vehicle should be decided by the Successful Bidder(s) keeping in mind only mechanical loading shall be allowed to be done by the Successful Bidder(s) using payloader, mine outward road conditions, the capacity of the weighbridge as specified by CESC and other similar issues. Loading on the transport truck/tipper arranged/hired by

the Successful Bidder(s) shall be done by the Successful Bidder(s) at its own cost. No manual loading shall be done or allowed. The Successful Bidder(s) shall be solely responsible for generation of e-waybill required for the transportation of coal from the Sarisatolli Coal Mine stock yard. The Successful Bidder shall ensure that the e-way bill is generated in a timely manner and in compliance with all statutory requirements, including but not limited to the accurate declaration of the consignment value, details of goods, and other particulars as may be prescribed by the relevant authorities from time to time. The Successful Bidder shall indemnify and hold CESC harmless from any penalties, liabilities, or losses arising out of or in connection with the non-generation, delayed generation, or incorrect generation of the e-way bill.

4.6 The bidder has to bid for a price equal to or above the Start Bid Price to secure consideration in the concerned e-Auction.

4.7 The date, time and period of e-Auction as notified in advance including closing time on portal of Mjunction Services Limited shall be strictly adhered to but for the event of force majeure. However, the closing time of e-Auction will be automatically extended up to last Bid time, plus 5 minutes, so that opportunity is given to other Bidders for making an improved Bid.

4.8 The Bidder shall offer his Bid price (Rs. per tonne) in the increment of Rs.10/- (Rupees ten) per tonne during the Normal e-Auction period of one hour. During the extended period of first two (2) hours, the Bidder shall offer his Bid price in the increment of Rs.20/- (Rupees twenty only) per tonne. Beyond this extended period of two hours the bid price increment would be Rs. 50/- (Rupees fifty only) per tonne.

4.9 While maintaining the secrecy of Bidder's identity, the web site shall register and display on screen the lowest and highest Bid price at that point of time. The system will not allow a Bidder to Bid in excess of his entitled quantity as per his EMD. However once a Bidder is out-bid by another (in part or full) the particular Bidder shall become eligible for making an improved Bid.

4.10 Following criteria would be adopted in deciding the successful bidder(s):-

- (a) Precedence will be accorded to the highest bid price in the descending order (H1, H2, H3 and so on) as long as the offered quantity is available for allocation.

- (b) If two or more Bidders bid the same highest price, precedence for allotment will be accorded to the Bidder who has placed the bid for the higher quantity.
- (c) In case two or more Bidders bid the same price and the same quantity, precedence will be given to the Bidder who has accorded his bid first with reference to time.

5. **Post e-Auction process:**

5.1 Each successful Bidder will be intimated about the allotment through e-mail / SMS by Mjunction Services Limited on the same date after the closure of e-Auction. However, it will be the responsibility of the bidder to personally see and download the result displayed on website, on the same date after close of e-Auction.

5.2 After close of e-Auction, an Allotment Order will be generated confirming allotment of quantity and amount to be deposited by the successful Bidder.

5.3 The successful Bidder(s) after the e-Auction will be required to deposit the amount of Total Coal Value mentioned in Allotment Order for the entire quantity allotted to the Bidder(s) through e-Auction process as computed under paragraph 6.1 below, with CESC within a period of **10 (Ten) working days**, after the date of closing of e-Auction. In case, if any additional tax /fees imposed by state /central government in future, having retrospective effect under the above auction notices, such Tax/fee shall be collected from the Successful Bidder(s) who are liable to pay such tax. The detailed pricing structure is enclosed as Annexure I.

5.4 Delivery Order shall only be issued upon payment of full amount as mentioned in Allotment Order.

5.5 Delivery Order shall be issued in the name and address of the successful Bidders as mentioned in the GSTIN Certificate of such Bidders.

6. **Terms of payment:**

6.1 The Total Coal Value for the quantity of Jhama Coal allotted through e-Auction process, to be deposited in advance by the successful Bidder(s) shall be computed after adjusting the EMD amount for the allotted quantity blocked by Mjunction Services Limited from the Total

Coal Value. In other words, the Total Coal Value to be deposited and EMD amount, already deposited, together, shall be equivalent to the 100% of the Total Coal Value. Such payment shall be made in the manner as specified by CESC.

6.2 The successful Bidder(s) shall deposit the Total Coal Value for allotted quantity computed as per paragraph 6.1 above, in full with CESC. For availing TCS rebate, the successful bidders need to upload duly signed & stamped Form 27C and relevant documents during online Delivery Order application. In any case requests for tax exemption shall not be entertained after making application for Delivery Order.

6.3 EMD amount shall not be treated as payment for Total Coal Value but would stand converted into a 'Security Deposit' for performance of the successful Bidder(s) towards completion of the said transaction.

6.4 The above security deposit (as converted from the EMD amount) would be considered as payment of Total Coal Value only after completion of lifting of allotted quantity of Jhama Coal. However, in the event of default in performance by the bidder, the provision of forfeiture of the 'Security Deposit' (as converted from the EMD) as stipulated, would be applicable.

6.5 The bank details of CESC for submission of Total Coal Value is appended below -

| | |
|----------------|--|
| Account Name : | CESC Limited |
| Bank : | ICICI Bank Limited |
| Branch : | 38, Hemanta Basu Sarani, Kolkata - 700 001 |
| A/c. No. : | 000605029831 |
| A/c. Type : | CA |
| IFSC Code : | ICIC0000006 |

7. Procedure of Jhama Delivery

7.1 The successful Bidder(s) will be required to furnish 1) Bid Confirmation mail 2) Photocopy of Bidder ID card 3) Authorization letter and 4) Delivery Order in prescribed format and other required documents to CESC for taking delivery of the Jhama. The address mentioned in the Delivery Order of the successful Buyers shall be considered for all billing and commercial purposes.

7.2 The validity period to complete the lifting of Jhama Coal by road shall be within **40 (forty) calendar days** from the date of issue of Delivery Order. No extension of validity will be allowed in any case.

7.3 The successful Bidder(s) shall be present or depute their representative(s) (maximum three persons) to supervise the loading and transportation of the Jhama Coal at the Source to avoid any complaint regarding over-loading, under loading and quantity of Jhama Coal loaded into their transport vehicles. Such successful Bidder(s) or their authorized representative(s) shall carry valid authority letter along with photocopy of Identity Card issued by Mjunction Services Limited.

7.4 The Bidder(s) shall be allowed to use only mechanical loading at their own cost of such Jhama Coal into their vehicles placed for the purpose.

7.5 The weighment at the loading end shall be final and binding for all purposes.

7.6 The respective successful Bidder(s) will be responsible for arranging the transportation of Jhama Coal from the Jhama Coal stock yard at their own cost.

7.7. All transport vehicles engaged by successful Bidders shall have valid permit, Insurance, and the driver of such vehicle shall carry valid driving licence. Each successful Bidder shall submit at the loading point, copies of such valid permit, Insurance and driving licence duly attested by the bidder or his authorized representative to CESC, otherwise Jhama Coal will not be loaded into such vehicles.

7.8. No unauthorized persons shall be allowed to enter in any Mine / Office/ Stockyard area. The statutory /administrative restrictions of the Sarisatolli Coal Mines Authority shall be final and binding on all persons in this regard.

7.9 If for any reason beyond the control of the CESC all the materials offered through the Online Auction process or part thereof cannot be delivered, the liability of CESC shall be limited only to the extent of refund of the balance amount, as applicable, without interest for the quantity not delivered.

8. Refund of EMD for Unsuccessful bidders

Refund of EMD for Unsuccessful bidders: In case of unsuccessful bidders, EMD shall be refunded by mjunction after the e-Auction is over, on the bidder's request as per the existing standard terms and conditions of refund of EMD maintained by mjunction.

9. Forfeiture of EMD / Security Deposit

The EMD submitted by the successful Bidder(s) will be liable for forfeiture in the following cases: -

9.1 If after completion of e-Auction, a successful bidder fails to make payment for the Total Coal Value within a period of 10 (Ten) working days, after the date of closing of e-Auction, the EMD equivalent to the booked quantity shall be forfeited, and/or,

9.2 If the successful Bidder(s) does not lift the allotted quantity within the period specified in paragraph 7.2 above, the proportionate Security Deposit @ **Rs. 250/-** per tonne (as converted from the EMD amount) for the unlifted quantity would be forfeited.

Such forfeiture, however, would not take place if CESC has failed to offer full or part of the successful bid quantity within the validity period. In cases where the balance quantity is less than a truck/tipper load, no EMD forfeiture will take place.

10. **Refund against the Total Coal Value payment**

The balance of Total Coal Value of the un-lifted quantity after the expiry of the validity period for supply of Jhama Coal and completion of required commercial formalities shall be refunded subject to forfeiture of EMD if required, in terms of the forfeiture clause as above.

11. **General Terms & Conditions**

11.1 All terms and conditions of Scheme are subject to force majeure conditions as applicable.

11.2 Bidders must always ensure to keep their email address valid. In any case Bidder(s) cannot be absolved from fulfilling the responsibility of compliance of any of the terms and conditions herein including payment terms due to non-receipt of emails from Mjunction Services Limited.

11.3 Bidder(s) must be extremely careful to avoid any error in bidding (whether typographical or otherwise) and they are fully responsible to check and rectify their bid before submitting their Bid into the live e-Auction floor by clicking the "Bid" button. During the auction if the incremental bid price is more than 50% of the immediate preceding bid price, then the system will seek a re-confirmation from the Bidder before the bid is registered.

11.4 There is no provision for bidding in decimals. The Bidder shall be solely responsible for all consequences arising out of the bid submitted by him (including any wrongful bidding by

him) and no complaint /representation will be entertained by Mjunction Services Limited/CESC in this regard.

11.5 The decision of Officer-in-Charge/ authorized person of- CESC in matters related to this e-Auction shall be final and binding on the Bidder(s).

11.6 Price, Quantity, Taxes and Duties mentioned in notice are only indicative and may undergo a change depending on factors like actual production of Jhama Coal, bottlenecks in Jhama Coal loading etc.

11.7 Notwithstanding anything contained in the auction sale notice or advertisement issued as to description and particulars of material put up for sale, the sale of the Jhama Coal is on 'as is where is and no complaint basis only. The purchaser/ bidder/buyer shall have to satisfy himself on inspection of the Lot as to what it contains and make his/her offer accordingly. No plea of misunderstanding or ignorance of conditions put forth subsequent to any confirmation of sale shall be accepted. The principle of CAVEAT EMPTOR (let the buyer be aware) will apply. There will not be any joint/ third party sampling facility extended to any Bidder. Refusal on account of non-suitability and /or sub-standard quality for the allotted quantity of Jhama Coal shall not be acceptable.

11.8 CESC / Service Provider (herein – mjunction) reserve the right to cancel the sale of Jhama Coal under this e-Auction from any source / location in part or whole at any stage at its sole discretion without assigning any reason thereof and no Bidder shall have any right whatsoever to raise any claim in that regard on that count.

11.9 CESC reserves their rights to amend/modify and revise the terms and conditions contained herein in full or in part at any point of time and no Bidder shall have any right whatsoever to raise any claim in that regard on that count.

11.10 Sale under each e-Auction shall be an individual, independent, unique and complete transaction.

11.11 In the event of any dispute, Bidder is necessarily required to represent in writing to the Officer-in-charge/ authorized person of CESC, who would deal with the same in a period of one month from receipt of such written representation. Any interpretation of any clause of this will be subject to clarification by CESC, which will be deemed as firm and final. All disputes arising out of this terms & conditions or in relation thereto in any form whatsoever shall be dealt exclusively by way of arbitration in terms of the Arbitration and Conciliation Act, 1996. The arbitration shall be conducted at a place to be notified by CESC. The sole

Arbitrator shall be appointed by CESC upon written request in this behalf. The award rendered by the sole Arbitrator shall be final and binding on the parties.

11.12 Successful Bidder(s) will be allowed to lift the material only from the area ear marked at the delivery point.

11.13 Dumpers / trucks/ tippers to be engaged by Bidder(s) are required to be weighed both before and after lifting materials at the source / delivery point weigh- bridge as specified by CESC.

11.14 Bidder(s) shall ensure that the vehicles/equipment engaged by them are in good condition. In case of failure or lapse on the part of the driver / equipment operator any compensation payable or repairing cost of any building or equipment shall be borne by the Successful Bidder(s).

11.15 At the time of lifting/delivery of the material, if there is any change in regard to Royalty, additional amount equivalent to royalty as per the MMDR ACT 1957/MCR 1960 Act Amendment, DMF, NMET, IGST, CGST and SGST, GST Compensation Cess, Income Tax or any other statutory levy, then the same will be brought to the notice of the buyer/bidder/purchaser and will be charged extra to the successful Bidder(s) account.

Annexure 1

Jhama Coal Price break up

| Sl. No. | Particulars | Price Calculation Formula | Sample Illustration |
|---------|-----------------------|---|---------------------|
| | | Rs. per Tonne | Rs. per Tonne |
| 1 | Bid Price # | Final price quoted by successful bidder | 1000.00 |
| 2 | CGST | {1}*2.5% | 25.00 |
| 3 | SGST | {1}*2.5% | 25.00 |
| 4 | Total Value with GST | {1}+{2}+{3} | 1050.00 |
| 5 | GST Compensation Cess | Rs. 400 Per Metric Tonne | 400.00 |
| 6 | TCS * | {4}+{5}*1% | 14.50 |
| 7 | Total Material Value | (4)+{5}+{6} | 1464.50 |

Bid price includes statutory levies excluding GST and GST Compensation Cess.

* TCS @ 1% is exempted if Form 27C is submitted by the successful Bidder during placing online request for Delivery Order.