

NORTHERN COALFIELDS LIMITED

P.O. SINGRAULI, DIST. SINGRAULI (M.P)

e-Auction Scheme 2007 (for spot e-auctions) for sale of coal with effect from November 2007.

Introduction:

As per New Coal Distribution Policy circulated by Ministry of Coal vide OM No.2301/4/2007- CPD dated 18-10-2007 a revised e-Auction Scheme for spot e-auctions is being introduced by CIL/subsidiary coal companies with effect from November 2007, Accordingly, a new scheme called "**E-Auction Scheme 2007**" for spot e-auctions is as under: -

I. ELIGIBILITY

- (1) Any buyer can participate in the e-auction for procurement of coal.
- (2) CIL/Coal Companies would take help from Service providers for conducting e-auctions who are to be nominated specifically for this purpose.
- (3) The buyer has to register himself with the Service providers so nominated after completion of all necessary formalities and obtain their User-Ids and other necessary documents for participating in e-auction.
- (4) The buyers have also to deposit non-interest bearing EMD @ **Rs.500/- per tonne, for Grade 'E' & above and Rs. 400/- per tonne for Grade 'F' & below** with the Service provider before participating in e-auction.
- (5) As long as EMD is available with the Service Provider, the buyer can participate in the e-auctions conducted by any coal company of CIL through the particular Service provider. In other words, it will be a global EMD for participating in the e-auction to be conducted by a Service provider for various coal companies of CIL.

II. METHODOLOGY

- 1) Coal Companies would draw program for at least two e-auctions per month and notify the same minimum seven days in advance for hoisting in Coal Company's websites for wide publicity. The program will be intimated to the Service providers accordingly for hoisting the same at their websites also.
- 2) The Service Providers would conduct the e-auctions as per the said program on the scheduled date and time.
- 3) The bidder has to bid for a price equal to or above disclosed reserve price so as to secure consideration in the concerned e-auction.
- (4) The buyers would bid for basic price and intended quantity only from the desired sources of their choice during such e-auctions. Other charges, taxes & duties will be extra as prevailing from time to time.
- (5) Following criteria would be adopted in deciding the successful bidders: -
 - i) Preference will be given 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.

- ii) If two or more parties bid the same highest price, preference for allotment will be given to the party who has placed the bid for highest quantity.
 - iii) In case two or more parties bid the same price and the same quantity, preference will be given to the party who has placed the bid first with reference to time.
- (6) There will be a separate auction for dispatch by rail and road. In case of road, the minimum quantity for bidding would be 50 tonne whereas in case of rail, the minimum quantity for bidding would be one full rake.
 - (7) After the auction is completed, the successful bidders would be intimated through e-mail / SMS by the Service Provider.
 - (8) The successful bidders after having received such intimations will be required to submit coal value with the concerned coal company within a period of seven working days from the date of intimation as mentioned at Sl. No.(7) above. Seven working days would be reckoned applicable to the respective Coal Company's office.
 - (9) EMD of such successful bidders would be adjusted at the time of depositing coal value if the bidders so desire.
 - (10) In case of road supplies, once the coal value is deposited, delivery orders will be issued by the coal companies after encashment of their financial instruments whereas in case of rail supplies, there shall be two options available. While submitting program, the bidder at his option can deposit 100% BG on the prescribed format or else 100% amount through Demand Draft. In case of BG, however, the 100% coal value will have to be deposited before allotment of rakes.
 - (11) The validity period to complete the lifting of coal by road shall be 45 days from the date of issue of Sale / Delivery Order. No extension of time shall be allowed. The validity period in case of rail, however, shall be guided by the prevailing Railway Rules.
 - (12) In case the coal could not be made available to the successful bidder from the specific source where he became successful, there will be an option to supply the same grade/size of coal from the neighboring collieries, if available, at H-1 price of the concerned neighboring colliery. This is to be applicable only if the customer had agreed for the same before participating in the bid.

III. REFUND OF COAL VALUE:

In case of any quantity remaining un-lifted after the prescribed validity period of lifting due to Force Majeure conditions, the balance coal value shall be refunded. Similar refund shall also arise due to non-lifting of coal arising out of a balance quantity less than a truck load / rake load.

IV. FORFEITURE OF EMD:

EMD shall get forfeited under the following conditions:-

- (1) If the successful bidder does not deposit the coal value (with/without adjustment of EMD) for the full successful bid quantity within the stipulated period, the entire amount of EMD shall be forfeited against the successful quantity.

- (2) If the successful bidder does not lift the entire allotted quantity within the validity period so prescribed, the EMD for the un-lifted quantity shall stand forfeited.

V. REFUND OF EMD:

Such forfeiture, however, would not take place if the coal company has failed to offer full or part of the successful bid quantity within the validity period. No forfeiture would again take place in case the coal company has failed to offer coal within the validity period. Again, no forfeiture would take place if the balance quantity is less than a truck load/rake load.

VI. GENERAL CONDITIONS:

- (1) Any interpretation of any clause will be subject to clarification by CIL which will be deemed as firm and final. All disputes arising out of this scheme or in relation to this scheme in any manner whatsoever shall be dealt with exclusively by way of arbitration in terms of Arbitration & Conciliation act 1996. The Arbitration shall be conducted at Kolkata at a place to be notified by CIL and the Arbitrator shall be appointed by the Chairman and Managing Director, CIL. The award rendered by the Arbitrator shall be final binding on the parties. (The place of arbitration and nomination of Arbitrator be varied appropriately in view of Coal Company involved)
- (2) Sale of coal under this scheme shall be for consumption in the country only and hence coal purchased under this scheme cannot be exported.
- (3) CIL/coal company reserves the rights to amend, modify and revise the said scheme in full and/or part at any point of time and no party shall have any right whatsoever to raise any claim in that regard on that count.
- (4) The detailed terms & conditions regarding "E-Auction Scheme 2007" will be available along with the notice for e-auction to be issued by concerned Coal Companies. Bidder has to accept the same before participating in e-auction.

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NORTHERN COALFIELDS LIMITED
P.O.SINGRAULI, DIST. SINGRAULI (M.P)

Terms & Condition of e-Auction Scheme 2007 (for Spot e-Auctions) for sale of coal from Northern Coalfields Limited with effect from November 2007.

With reference to para VI (4) of the 'e-Auction Scheme 2007' for Spot e-Auction the detailed terms and conditions are given below:

1.0 Eligibility:

Any Indian Bidder (viz. individual, partnership firm, companies etc.) can participate in e- Auction for procurement of coal.

2.0 Registration:

2.1 Before participation in the e-Auction, a prospective Bidder shall be required to get itself / himself registered with the Service Provider appointed by NCL for the purpose, by submitting an application in the prescribed format available on the Website of the respective Service Providers. The application shall be made along with the required documents such as copy of Income Tax return (latest), PAN Number, Sales Tax / Vat Registration Certificate, SSI Registration, Trade License, if applicable, Passport size photograph, etc. as prescribed by the service provider. Registration can be done either online, or at any of the front offices of the service provider.

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 the service provider will be available in their respective websites.

2.3 The service provider shall issue "Photo Identity Card" to their registered bidders duly authenticating the identity & signature, indicating a "Unique Registration Number" allotted to them. The "Unique registration number" of the registered bidders shall be communicated to NCL by the service provider.

2.4 Only one registration will be done against one PAN number. However, based on more than one independent valid sales tax/VAT registration, more than one registration against a PAN number can be considered. In such cases, the details of valid sales tax registration will be indicated in each "Photo Identity Card". **In the event of one PAN number and one sales tax/VAT registration number for a bidder having multiple units in one state, more than one registration will be allowed based on independent valid exercise registration number or factory license for such units and the same will be indicated in each "Photo Identity Card".**

2.5 All Bidders having been registered with the service providers shall also have to furnish non-interest bearing Earnest Money Deposit (EMD) at the rate of **Rs.500/- per tonne, for Grade 'E' & above and Rs. 400/- per tonne for Grade 'F' & below**, with the Service Provider. This EMD shall not be specific for a particular Subsidiary Coal Company and shall be available with the Service Provider for participation in the e-Auction across the Subsidiary Coal Companies of CIL, as long as the required amount of EMD is available in the bidders account with the Service Provider.

3.0 Notification:

3.1 NCL would draw program for conducting at least two e-Auctions per month and notify the same, minimum 7(seven) days in advance, through display on the NCL's notice board and putting the same on the NCL's website for wide publicity. The program will be intimated to the Service providers accordingly for hoisting the same on their website also.

3.2 There will be separate auction for dispatches by rail and road mode. The minimum quantity for bidding would be 50 (fifty) tonnes for a source for Road mode, where as in case of Rail the minimum quantity for bidding would be 1 (one) rake. The rake size shall be as per prevalent Railway Rules. The quantity of coal in a rake shall be as indicated in the notice of E-auction.

3.3 The Bidder should satisfy itself / himself about the Rake fit stations / destinations from the Railways before participation in e-Auction by rail, Non-acceptance of the programme, even after the option exercised under extant Railway rules, on account of rake-fit stations / destinations being not accepted by the Railways shall be treated as a failure of the Bidder leading to forfeiture of relatable EMD.

4.0 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 **Before participating in e-Auction, bidders are to satisfy themselves with the quality of coal being offered from a source.**

4.3 Prospective Bidders are entitled to Bid for the quantity to the extent of amount of EMD for which is available with the service provider in the bidder's account at the time of bidding.

4.4 The Bidders while bidding shall quote their "Bid price" per tonne in Indian Rupee as base coal price on FOR/FOB colliery basis, exclusive of other charges like statutory levies, surface transportation charges, sizing/beneficiation charges, taxes, cess, royalty, SED, & any other charges as will be applicable at the time of delivery. These charges as well as freight etc. shall be on the Bidders' account.

4.5 The bidder has to bid for a price equal to or above the reserve price to secure consideration in the concerned e-Auction.

4.6 The date, time and period of e-Auction as notified in advance including closing time on portal of service provider shall be 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 on that item.

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

4.8 While maintaining the secrecy of Bidder's identity, the web site shall register and display on screen the lowest successful 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.

4.9 Following criteria would be adopted in deciding the successful bidders:-

- (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.

5.0 Post e-Auction process:

5.1 Each successful bidder will be intimated through e-mail / SMS by the Service Provider 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 The successful bidders after the e-Auction will be required to deposit coal value with NCL, within a period of seven working days after the date of closing of e-Auction. Seven working days would be reckoned as applicable to NCLs' office where the payment/ deposit is required to be made.

5.3 Equivalent amount of EMD of successful bidder corresponding to successful bid quantity shall be blocked and will be transferred to NCL by the service provider alongwith the bid sheet in respect of successful bidders.

6.0 Terms of payment:

6.1 The coal value to be deposited in advance by the successful bidders shall be computed and deposited after making provision for the EMD amount for the successful bid quantity already transferred by the service provider to NCL. In other words, the coal value to be deposited and EMD amount together shall be equivalent to the 100 % coal value inclusive of all other charges as indicated in 4.4.

6.2 EMD amount shall not be treated as an adjustment towards the coal value but would stand converted into a 'Security Deposit' for performance of the bidders towards completion of the said transaction.

6.3 The above security deposit (as converted from the EMD amount) would be adjusted as coal value, only after completion of lifting of coal covered under coal value paid, excluding security deposit. 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.

6.4 In case of road supplies, once the coal value is deposited by way of Demand Draft /Pay Order, drawn in favour of NCL, along-with the debit advice issued by the bank, certifying that the Demand Draft /Pay Order has been issued, by debiting the account of the concerned Bidder. Sale/Delivery orders shall be issued within seven days by NCL after encashment of bidder's financial instrument.

In case of successful bidders, if the coal value is deposited for less than the allotted Quantity but not below 50% of the allotted quantity or, 50 tonne whichever is higher, NCL shall accept the payment for the said amount and forfeit the EMD for the failed quantity. However if the buyer fails to deposit the coal value for at least 50% of the allotted quantity or 50 tonnes whichever is higher then the entire EMD of the allotted quantity shall be forfeited.

6.5 However, a successful bidder whose allotted quantity is only 50 tonnes will be allowed to deposit coal value for minimum 90% i.e 45 tonnes within the stipulated period of 7 days without which the amount shall not be accepted. In such event they shall be permitted to deposit the balance fractional amount, limited to 10 % of the total coal value of 50 tonne, within the subsequent period of 3(three) working days. In spite of this, if they fail to deposit full coal value of 50 tonne (minimum bid quantity), EMD for entire 50 tonne shall be forfeited.

6.6 In case of rail borne supplies, there shall be two options available. While submitting program, the bidder at his option can deposit 100 % BG on the prescribed format from the buyers own account or else may deposit 100% amount through demand draft /pay order, drawn in favour of NCL, along with the debit advice, issued by the bank certifying that the RTGS/EFT/Demand Draft /Pay Order has been effected/issued by debiting the account of the concerned Bidder.

6.7 In case of Bidders who have booked their rail programme through BG, a notice for deposition of coal value by way of Demand Draft /Pay Order, will be displayed on the notice board of NCL, at least three working days in advance before the expected date of offer to the Railways for allotment. The Bidder will be accordingly required to deposit DD/Pay Order along with the debit advice to the tune of BG involved in the programme, within 48 hours of such notice.

In the event of non-deposition of 100% coal value by the Bidder in terms of Clause-6.7 above, the consent given against rake programme will be withdrawn by NCL and EMD as per e-Auction scheme will be forfeited.

- 6.8 The Bidders shall also have the option of e-Payment; the same is notified on NCL website accordingly.
- 6.9 **Successful bidder shall deposit the full coal value by Demand Draft/RTGS for the ‘allotted quantity’ along with the application in the prescribed format and relevant documents at the office of General Manager (SA&M), Northern Coalfields Ltd., Singrauli, Dist. Singrauli (MP) within 7(seven) NCL’s working days after closure of e-auction, so as to obtain ‘Delivery Order’ for the ‘allotted quantity’.**
- 6.10 The Bidders shall make payment by Demand Draft /Pay Order in favour of Northern Coalfields Limited CSR A/c,.....(Name of the Bidder) payable at Morwa drawn on any of the following Banks.:
1. State Bank of India, Morwa.
 2. Allahabad Bank, Morwa.
 3. Union Bank of India, Morwa.

The Drafts should be accompanied by a certificate issued by the bank certifying that the Demand Draft has been issued by debiting the account of concerned Bidder.

PI. Note: If the bidder is depositing coal value through RTGS/NEFT/EFT, they can make payment at the banks, details of which are as under:

Sl.No.	Name of the Bank	Branch	RTGS / IFSC code	Account No.
1	State Bank of India	Morwa	SBIN0003767	10773219417
2	Allahabad Bank	Morwa	ALLA0210254	50066405613
3	Union Bank of India	Morwa	UBIN0539171	391701010129658

RTGS/NEFT/EFT payment should be accompanied by a certificate issued by the bank certifying that the RTGS has been done by debiting the account of concerned Bidder.

7.0 Procedure of Coal Delivery:

By Road:

- 7.1 Successful Bidders on receiving e-Mail/SMS forwarded by respective Service Providers, intimating about the **‘allotted quantity’** at the pre-fixed booking rate, shall submit the following documents at the office of Sales & Marketing Department, Northern Coalfields Limited, Singrauli, Distt. Singrauli-486889 (MP) for obtaining **‘Delivery Order’**
- (a) Application for obtaining Delivery Order in the prescribed format of NCL alongwith photocopy of PAN & Sales Tax Registration Certificate.
 - (b) Copy of Photo Identity Card issued by respective Service Providers duly authorized or attested by a Gazetted Officer (original card also to be presented in person for verification), which should be having validity on the date of submission of the application.)
 - (c) Two copies of Authorization letter by the Photo Identity Card Holder (in the event of their inability to physically present themselves) in favour of their representative, whose signatures are duly authenticated.
 - (d) Demand Draft with certificate of the issuing bank as per Clause 6.4 above.
 - (e) NCL shall issue Sale / Delivery Orders to the successful bidders in terms of Clause 6.4 after realization of payment. The Bidder has to submit the option before the issue of the Sale / Delivery Order for movement of the coal **“within state”** or **“outside state”** and the Sale / Delivery Order would indicate the same accordingly.

7.2 The validity period to complete lifting of coal by road shall be 45 days from the date of issue of Sale/Delivery Order. No extension of validity will be allowed in any case.

By Rail:

7.3 The seniority of bidders in case of rail borne supplies shall be guided by the seniority list as provided by the service provider based on bidder's bids.

7.4 The quantity allotted against each rake is indicative quantity only and delivery shall be made on the basis of actual weighment by the Seller at the loading end.

7.5 The validity period for seeking allotment of rake in case of rail supplies shall be 45 days from the date of issue of consent by the coal company. Once the rake is allotted it shall remain valid for supply of coal as per prevailing Railway Rules.

7.6 Although loading will be the responsibility of NCL, but to avoid any complaint regarding over-loading, under loading and quality, the Bidder himself or his authorized representative may supervise loading at the loading point. The authorized representative must carry valid authority letter along with photocopy of Identity Card issued by Service Provider.

7.7 The overloading and under loading charges, if any, at the rates applicable as per Railways rules, will be borne by NCL and the respective bidder as follows:

- (i) Overloading charges will be borne by the bidder.
- (ii) Under loading charges shall be borne by NCL where the loading of the wagons is not under dispute.

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

8.0 Refund of EMD for Unsuccessful bidders:

In case of unsuccessful bidders, EMD shall be refunded by the Service Provider after the auction is over, on the bidder's request. However, if no such request is received the Service Provider will retain the EMD for participation in e-Auction in future.

9.0 Forfeiture of EMD:

The EMD submitted by the successful Bidders 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 coal value including all other charges within the stipulated time, the proportionate EMD equivalent to the failed quantity shall be forfeited subject to the provisions at Clause 6.4 and/or Clause 6.5 of this document, and/or,

9.2 If the successful bidders do not lift the booked quantity within the stipulated validity period, the proportionate Security Deposit @ **Rs.500/- per tonne, for Grade 'E' & above and Rs. 400/- per tonne for Grade 'F' & below**, (as converted from the EMD amount) for the unlifted quantity would be forfeited. Such forfeiture shall be made only if the balance unlifted quantity is equal or more than a Truck Load i.e. 10 tonnes or more.

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

9.3 If the Bidder cancels the order/Rake after booking, the EMD @ **Rs.500/- per tonne, for Grade 'E' & above and Rs. 400/- per tonne for Grade 'F' & below** shall be forfeited for the rake cancelled.

10.0 Refund of Coal value:

The balance coal value of the unlifted quantity after the expiry of the validity period for supply of 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.

11.0 General Terms & Conditions:

- 11.1 The coal procured under e-Auction is for use within the country and Not for Export.
- 11.2 All terms and conditions of Scheme are subject to force majeure conditions as applicable.
- 11.3 Bidders must always ensure to keep their email address valid. In any case Bidders can not 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 the Service Provider.
- 11.4 Bidders 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.
- 11.5 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 the Service Provider/NCL in this regard.
- 11.6 The decision of the Director (Tech/ P&P), NCL in matters related to this e- Auction shall be final and binding on the bidders.
- 11.7 Quantity mentioned in notice is only indicative and may undergo a change depending on factors like actual production of coal, bottlenecks in coal transportation etc.
- 11.8 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 coal shall not be acceptable.
- 11.9 NCL / Service Providers reserve the right to cancel the sale of 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 party shall have any right whatsoever to raise any claim in that regard on that count.
- 11.10 NCL 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 party shall have any right whatsoever to raise any claim in that regard on that count.
- 11.11 Sale under each e-Auction shall be an individual, independent, unique and complete transaction.
- 11.12 In the event of any dispute, Bidder is necessarily required to represent in writing to the General Manager (Sales & Mktg) NCL, who would deal with the same in a period of one month from such representation. Thereafter, if required the matter be determined by the Director (Tech/ P&P), NCL. Any interpretation of any clause of this will be subject to clarification by CIL, which will be deemed as firm and final. All disputes arising out of this scheme, 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 Kolkatta or at a place to be notified by CIL. The arbitrator shall be appointed by the Chairman and Managing Director, CIL upon written request in this behalf. The award rendered by the Arbitrator shall be final and binding on the parties.

Details of Service Providers (M/s. MSTC or Metal Junction Services Ltd. as the case may be) for conducting e-Auctions:

The website, e-Mail & Postal Address of M/s. MSTC are as under:

Website:- www.mstcauction.com
OR www.mstcindia.com
OR www.mstcecommerce.com
E-Mail address: mstcindia@mstcindia.com
OR admin@mstcauction.com
Contact Phone: 033-22470568, 22479622, 22470964 & 22891401
Postal Address: M/s. Metal Scrap Trading Corpn. Ltd.
225, Acharya Jagidish Chandra Bose Road,
Kolkata-20, West Bengal.

The website, e-Mail & Postal Address of M/s.Metal Junction Services Ltd. are as under:

Website: - www.coaljunction.com
E-Mail Address: contactus@metaljunction.com
Contact Phone: 033-22882606
Fax No. 033-22883536
Postal Address: M/s.Metal Junction Services Ltd.
Tata Centre, 43, Jawaharlal Nehru Road,
Kolkata 700071.

The website, e-Mail & Postal Address of Northern Coalfields Limited are as under:

Website: www.ncl.nic.in
E-Mail Address: gm_sales@nclhq.nic.in
Contact Phone: 07805-256477, 267406
07805-255280, 256628
Fax No. 07805-267406, 266640
Postal Address Sales & Marketing Department
Northern Coalfields Limited
P.O. Singrauli
Dist.Singrauli (MP)
Pin-486889

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