

JSP Terms & Conditions for Sale of Domestic Coal from Gare Palma IV/6 mines

Objective:

Gare Palma IV/6 coal mine has been vested with M/s. Jindal Steel and Power as a successful bidder in the Coal block Auction in Tranche-14 by MOC, Government of India. The mine is a Greenfield project. The mine peak rated capacity is 4 MTPA and is presently operational.

The mine is a commercial coal mine and we intend to sale coal of G14 grade in the open market having a quantity of 50,000 MT in the first phase.

E - Auction has been introduced to facilitate across the country wide range of access to book coal on-line for all sections of coal Buyers enabling them to buy coal through a simple, transparent and consumer friendly system of marketing and distribution of coal.

Terms & Conditions:

1. Eligibility:

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

1.2 Before the bid is accepted, the bidder shall pay in full all sums of money due to the seller in regard to any previous supply of coal to the bidder. If there are any arrears the seller shall be entitled not to consider such bids.

2. Registration:

2.1 Before participation in the e-Auction, a prospective Buyer shall be required to get itself/himself registered with the Service Provider appointed by **M/s. Jindal Steel & Power** for the purpose, of 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 PAN Number & GST Registration Certificate (Reg- 06), SSI Registration, Passport size photograph, etc. as prescribed by the Service Provider. Registration can be done online through service provider website.

2.2 After the registration, all-prospective Buyers 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.

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

2.5 All Buyers having been registered with the Service Providers shall also have to furnish non-interest-bearing Earnest Money Deposit (EMD) at the rate of Rs.150 per ton for Coal with the Service Provider. This EMD shall not be specific for the Seller and shall be available with the Service Provider for participation in the e-Auction across the Seller, as long as the required amount of EMD is available in the bidders a/c. with the Service Provider.

3. Notification:

3.1 Seller would draw a program for conducting e- Auctions and notify the same to the Service Providers for hoisting auction programs on their websites.

3.2 There will be an auction for dispatch by road mode only. The minimum quantity for Bidding would be 1000 (One Thousand) tons and in the multiple of 500 tons thereafter.

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 Before participating in e-Auction, Bidders are to satisfy themselves with the quality of coal being offered from a source. To this extent, Bidders may collect samples from the seller at the designated location.

4.3 Prospective Bidders are entitled to Bid for the quantity to the extent of amount of EMD which is available with the Service Provider in the Bidder's account at the time of Bidding.

4.4 The Buyers while Bidding shall quote their "Bid price" per ton in Indian Rupee as base coal price on FOR/FOB colliery basis. The FOR colliery price shall be exclusive of bid levies and applicable rate of Royalty, DMF, NMET and duties. Also the GST and Compensation Cess as applicable will be extra on taxable value of coal price.

Income Tax: 1% on total Sale Value without Form 27- C and with Form 27-C is Nil.
(Kindly refer Annexure -1).

4.5 The Bidder has to Bid for a price equal to or above the Base 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.20/- (Rs. twenty) or multiple thereof during the Normal e-Auction period. During the extended period, the Bidder shall offer his Bid price in the increment of Rs.50/-(Rs. Fifty) or multiple thereof.

4.8 While maintaining the secrecy of Bidder's identity, the web site shall register and display on screen the highest & 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-Bided 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:-

- 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.
- If two or more Buyers Bid the same highest price, precedence for allotment will be accorded to the Buyer who has placed the Bid for the higher quantity.
- In case two or more Buyers Bid the same price and the same quantity, preference will be given to the Buyer who has accorded his Bid first with reference to time.

5. 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 the seller, within a period of seven working days, after the date of closing of e-Auction. Seven working days would be reckoned as applicable to seller's 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 seller by the Service Provider along with the Bid sheet in respect of successful Bidders.

6. 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 the seller. In other words, the coal value to be deposited and EMD amount together, shall be equivalent to the 100 % coal value.

6.2 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.

6.3 Once the coal value is deposited by way of NEFT/RTGS, Sale/Delivery orders shall be issued within Three (3) working days by the seller.

6.4 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, 1000 tons whichever is higher, the seller 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 1000 tons whichever is higher than the entire EMD of the allotted quantity shall be forfeited.

6.5 However, a successful Bidder whose allotted quantity is only 1000 tons will be allowed to deposit coal value for minimum 90% i.e. 900 tons 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 1000 tons, within the subsequent period of 3(three) working days. In spite of this, if they fail to deposit full coal value of 1000 tons (minimum Bid quantity), EMD for entire 1000 tons shall be forfeited.

6.6 The Buyers shall also have the option of e-Payment once the system in the Seller is suitably developed & the same is notified on the websites accordingly.

6.7 The successful buyer shall pay any additional sum which may become payable by the seller under any statutory provision over and above the amount claimed in the invoice. The successful bidder will also be entitled to a refund of the sum of taxes to the seller on account of reduction, if any of the statutory levies claimed in the invoice by the seller.

7. Procedure of Coal Delivery

By Road:

7.1 Jindal Steel & Power Ltd shall issue Sale / Delivery Orders to the successful Bidders in terms of Clause 6.3 after realization of payment. The Buyer 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. However, the challan issued by the seller shall indicate the destination.

7.2 The validity period to complete lifting of coal by road shall be 30 days from the date of issue of Delivery Order. Seller reserves the right to extend the validity of lifting period for additional 15 days upon submission of written request letter by bidder/ bidder's authorized representative well in advance i.e. at least 7 days before the validity date mentioning the valid reason for extension.

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

7.4 The Seller shall only be responsible for loading of trucks. However, the buyer needs to ensure GPS, proper tarpaulin covering, sealing arrangements and security at their own cost.

7.5 It is the sole responsibility of the Purchaser/Buyer/Bidder to take delivery of the coal from the mine, strictly adhering to the safety pre-cautions and the provisions of Environment Protection Act or any other applicable laws. The transportation of coal from Gare Palma IV/6 coal mine to the bidder's premises shall be the responsibility of the buyer only and they shall not give any room for complaints of pollution, whatsoever.

8. 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. The EMD amount shall not carry any interest payable to bidder till refund or adjustment or retain for the period of participation in e-Auction in future.

9. Forfeiture of EMD: -

9.1 The EMD submitted by the successful Bidders will be liable for forfeiture in the following cases:

(a) 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,

(b) If the successful Bidders does not lift the booked quantity within the stipulated validity period, the proportionate Security Deposit @ of Rs.150/- per ton for coal (as converted from the EMD amount) for the unlifted quantity would be forfeited.

Such a forfeiture shall be made only if the balance Unlifted Quantity is equal to or more than a Truck Load i.e. 10 tons as applicable.

Such forfeiture, however, would not take place if the seller 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 were less than a truck load i.e. 10 tons.

9.2 If the Buyer cancels the order after booking, the EMD @ of Rs.150/- per ton shall be forfeited.

10. 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. General Terms & Conditions:

11.1 The Coal procured under e-Auction is for use within the country and for Export. However, the buyer would be solely & wholly responsible for exporting consignments through legal & valid channels.

11.2 All terms and conditions are subject to force majeure conditions as applicable.

11.3 Bidders must always ensure to keep their email address valid. In any case Buyers 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 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/seller in this regard.

11.6 The decision of the Head- Coal Management Group of Jindal Steel & Power Ltd in matters related to this e-Auction shall be final and binding on the Bidders / Buyers

11.7 Quantity mentioned in notice are only indicative and may undergo a change depending on factors like actual production of coal, bottlenecks in coal transportation etc.

11.8 Coal will be auctioned and lifted on “As is Where is” basis. The purchaser/bidder/buyer shall have to satisfy themselves on inspection of the materials to what they contain and make his/her offer accordingly. The principle of “Caveat Emptor” will apply.

S No.	Source	Size & GCV (Equilibrated Basis) (Kcal/ Kg)
1	Gare Palma IV/6 Coal Mine	ROM & G-14 (3101 – 3400)

11.9 There will not be any joint/ third party sampling facility extended to any buyer. Refusal on account of non-suitability and /or sub-standard quality for the allotted quantity of coal shall not be acceptable.

11.10 Jindal Steel & Power Ltd / Service Provider reserves 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.

11.11 Jindal Steel & Power Ltd 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.

11.12 While the sale under e-auction is independent both parties shall be entitled to claim and recover from the other any excess or differential tax and statutory levies at any time within 1 year from the date on which the sum becomes recoverable. Both parties shall have a lien on any sums of money belonging to the other, which may come to their possession or control to the extent of the sum recoverable from the other.

11.13 In the event of any dispute, Bidder / Buyer is necessarily required to represent in writing to the) Head- Coal Management Group of Jindal Steel & Power Ltd, who would deal with the same in a period of one month from such representation. Thereafter, if required the matter be determined by Head- Coal Management Group of Jindal Steel & Power Ltd. Any interpretation of any clause of this will be subject to clarification by Jindal Steel & Power Ltd, which will be deemed as firm and final.

Conduct during Delivery:-

11.14 Buyer/bidder/purchaser shall solely be responsible for the movement and proper behavior of their deputies, agents, and laborers within Gare Palma IV/6 coal mine premises. If any damage caused to said mines property, the buyer is responsible to make good such damage to the satisfaction of JSP management, and the decision of JSP management, in this regard shall be final and binding. Reselling of coal will not be allowed in Gare Palma IV/6 coal mine premises.

11.15 The buyer shall observe all statutory and safety measures. The suggestions given by the Safety Officer, Gare Palma IV/6 mines official and JSP management shall be scrupulously followed.

11.16 The Bidder/Buyer/Purchaser shall ensure lifting of coal as per the asking rate to avoid last minute rush causing lapsation of DO.

Blacklisting:

11.17 If it is found that the bidder/buyer/purchaser is not following the terms and conditions of payment/delivery or other conditions of the auction and also indulging in any malpractices either himself or by his agents, deputies or observer, such Bidder/Buyer/Purchaser are liable to be blacklisted and appropriate action will be taken as JSP management/mjunction.

11.18 No interest will be paid to the purchaser/bidder/buyer on the amount paid or deposited by him and on the amount refundable to him, if any.

11.19 The material will be delivered only to the successful bidder/buyer/purchaser or their Authorized representatives. If the successful Bidder/ Buyer/Purchaser desires to authorize a representative or an agent for delivery, in such case, the bidder/purchaser/buyer shall produce Letter of Authorization on the name of his representative or agent to lift the materials from Gare Palma IV/6 coal mines premises. The Bidder/ Buyer/Purchaser also needs to provide vehicle/ dumper details having the correct papers and fitness at least 12 hours in advance before vehicle/ dumper enters the mines for taking load. The driver entering the mine's premises should have valid driving license.

11.20 The entire area for this delivery work is under the control of Security personnel. The buyers and their authorized person's movement is restricted strictly within the delivery area only. If they are found roaming in other areas severe action will be taken not only against the them, but, also on the successful bidders/buyers for trespassing.

12. ARBITRATION:

12.1 All dispute arising out of or in connection with this arrangement, including, but not limited to any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 and the Rules of Arbitration of Indian Council of Arbitration (ICAI Rules) framed thereunder and any amendments thereto.

12.2 The Tribunal shall consist of a sole arbitrator to be mutually appointed by the parties.

12.3 The arbitration proceedings shall be held in English language only at New Delhi in accordance with the Arbitration and Conciliation Act, 1996 or any statutory re- enactment or modification thereof for the time being in force. The award given by the arbitrator shall be final and binding on the parties hereto and not to be challenged in any court of law, unless otherwise permitted by the applicable statues.

12.4 This terms & conditions shall be governed by and construed in accordance with the laws of India, and the courts of Delhi shall have exclusive jurisdiction over any disputes arising hereunder.