



Notice for Online Forward Auction (FA) of Verified Emission Reductions (VERs) of Steel Authority of India Limited

Auction Document No.:
EMD/TCH/CDM/TD/822
Dated: 31 August, 2010

Prepared & issued by:

Environment Management Division
Steel Authority of India Limited
6 G.C. Avenue (5th Floor),
Kolkata – 700 013 INDIA
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1.0 Steel Authority Of India Limited (SAIL) invites bids for sale of various categories of Verified Emission Reduction (VER) through Online Forward Auction process. This auction will be held on **29th September, 2010** at the auction platform of **mjunction services ltd.** The description of the lots is given below:

Lot No	Project Name	Location	Total VERs accrued (ton of CO2)		Validation Standard
			till Mar 2008	Expected till Mar 2010	
1	Installation of Multi slit Burner in both strands of Sinter Plant-I at Rourkela Steel Plant	Town: Rourkela State: Orissa Country: India	67,981	23,090	ISO 14064
2	Heat recovery from sinter cooler of sinter plant #3 at Bhilai Steel Plant	Town: Bhilai State: Chhattisgarh Country: India	951,822	315870	ISO 14064
3	Thyristorisation of blast furnace #3 & 4 skip hoist electric supply for better operation efficiency and energy conservation at Bhilai Steel Plant		22,921	15280	ISO 14064

- 1.1 The interested customers will be required to buy minimum quantity of 5000 VER (ton of CO2) and in the multiples of 1000 VER (ton of CO2), thereafter.
- 1.2 Summary of the projects is given in **Annexure - A**
- 1.3 Customers seeking more details of these VERs may send their queries to carboncredit@mjunction.in. Interested customers are requested to settle all their queries before submission of Earnest Money Deposit (EMD).
- 2.0 Customers intending to purchase any of the lot shall have to submit the following particulars **latest by 27th September, 2010 [detailed in annexure A]** to the office of Metal junction.
- A letter of Interest in the format given at “Annexure – B”
 - Acceptance of “General Rules & Regulations governing conduct of Online Auction on the Service Provider Platform”(Annexure-C),
 - Acceptance of “Definition of Key Terms”, (Annexure-D)
 - Acceptance of “Terms & Conditions for Sale of Materials” (Annexure-E)
- 2.1 In respect of sale through Online forward auction process, actual Customers would have to submit the balance sheet of the organizations for two preceding years. These can be submitted at the e-mail addresses of representatives of mjunction services ltd provided above, before the submission of EMD.
- 2.2 The Bidders will sign each and every page of the Online Forward Auction documents, terms & condition of sales, schedule, etc. in token of acceptance thereof.
- 3.0 The customers will have to deposit Earnest Money Deposit of Rs 10,000/- or \$ 250 or € 150 **on or before 27th September, 2010 till 4.00 PM (IST)** in the account of SAIL.

3.1 The details of the account are given below:

Account No: 30654738767
Bank Name: State Bank of India
Branch: Corporate Accounts Group,
Kolkata – 700 071 INDIA
MICR Code: 700002199
IFSC Code: SBI N0009998
Swift Code: SBININBB175

3.2 The EMD of the unsuccessful bidders will be refunded to their bank account within 7(seven) working days from the date of closing of auction. In case the bids given by the customers in Online auction process are not accepted, the EMD shall be refunded within 7 (Seven) working days from the date of non-acceptance of bids by SAIL. Customers are requested to provide the details of their bank account in **Annexure B**. No Interest shall be payable on Earnest Money Deposit (EMD) amount.

4.0 The contact person and contact details of mjunction services ltd are :

- 1) **Mr Arunava Mandal**
Email: arunava.mandal@mjunction.in
Hand Phone: +91-9903982378
Land Phone: +91-33-66106294
URL: www.valuejunction.in
- 2) **Mr Subhro Banerjee**
Email: subhro.banerjee@mjunction.in
Hand Phone: +91-9231000665
Land Phone: +91-33-66106126
URL: www.valuejunction.in

5.0 The Service provider viz., mjunction services ltd will provide a “user ID” and a “Password” to each individual customer, who will submit required EMD and the documents stated above, to enable them to participate in the dynamic auctioning process of lots of their choice to be conducted in the <http://auction.metaljunction.com>. Before actual participation, the customer may obtain necessary help from the Service provider so as to enable themselves to participate in the Online Auction process without any difficulty. **Time of auction shall be intimated to all customers.**

6.0 **The bids submitted by the bidder(s) will be exclusive of taxes and duties (if any). All Duties, Taxes and Levies as applicable in India at the time of delivery will be paid by the buyer as extra. At present VAT @ 4(Four) % is applicable on sale of Carbon Credits.**

7.0 The customers will have the option for bidding in US \$ or Euro €. Euro (€) will be the base currency for the bidding. The exchange rate of US \$ to € will be displayed on the bidding screen.

8.0 The bidding methodology will be Yankee bidding

8.1 Each project has been designated as a separate lot. The bidding will take lot wise separately

8.2 **MINIMUM BID QUANTITY: 5000 VER (ton of CO₂) i.e. 1 UNIT, with increments in multiple of 1000 VER (ton of CO₂).**

8.3 METHODOLOGY FOR ALLOCATION OF QUANTITY IN YANKEE BIDDING

Allocation is carried out by the e-Sale software on following basis:

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

The Yankee bidding is illustrated below for VERs.

Assume that the total quantity available is 1000 VER (ton of CO₂) and customers bid for certain quantity (in VER) at a certain price as illustrated in following table (minimum bid quantity is assumed as 200 VER (ton of CO₂) = 1 UNIT):

Bidder	Bid Time (Hr.: Min.)	Bid Qty. in Units (200 VER = 1UNIT)	Bid Price (\$/Unit)	Allocated Qty. In Units (200 VER = 1 UNIT)
B	9:40	1	1.50	1
F	9:39	2	1.48	2
D	9:36	1	1.48	0
A	9:32	1	1.48	1
E	9:34	1	1.48	1
C	9:30	2	1.47	0

Explanation for the Allocation of Quantity

- i. Bidder 'B' is the highest bidder @ \$ 1.50/ton, hence the system allocates his bidded quantity i.e., 200 VER (ton of CO₂) = 1 Unit
- ii. There are 4 bidders @ \$1.48 /VER.
 - a. Since bidder 'F' has quoted for 400 VER (ton of CO₂) i.e. 2 Units (Highest at \$1.48 /VER) the system allocates his bid quantity in full.
 - b. Since bidder 'A' placed his bid earlier than bidder 'D' & bidder 'E' i.e. 9:32 Hrs hence the software gives first preference to Bidder 'A' and allocates bidder 'A' the available quantity (i.e. 200 VER = 1 Unit) first, followed by 200 VER (ton of CO₂) to bidder 'E' (bidder 'D' & 'E' have bid same quantity, 'E' having bid earlier)

Since, all the quantity is exhausted at higher bid price than \$ 1.47/VER, therefore no quantity is allocated to Bidder 'C'. If Bidder 'C' wants to win any quantity then he has to place bid in terms of higher price and/or greater quantity.

- 9.0 Final bids given by the successful bidders in the Online Auction process shall be kept **valid for 4 working Days** from the date of closing of auction for the acceptance by the Environment Management Division, Steel Authority of India Limited.
- 10.0 SAIL reserves the right to accept or reject any or all the bids or to apportion the VERs in any manner deemed fit and this decision shall be final.
- 11.0 **Letter of Acceptance / Sale Order (S.O.)** will be issued to the successful bidder(s) whose bids are accepted.

- 12.0 The Successful bidders will have to pay 100% of the amount including taxes and duties within 7 working days from the date of acceptance of the bid by SAIL in the account of SAIL. The details of SAIL account is as given in the clause no. 3.1 above.
- 13.0 The EMD money deposited by customers who do not opt for additional future VERs will be adjusted in the final payment for accrued VERs.
- 14.0 In case the customer fails to submit payment within the stipulated period for any of the lots for which Sale Order(s) are issued to him, EMD amount as deposited shall be forfeited and customer will be debarred from **participation in two consecutive Forward Auctions for VERs.**
- 15.0 The auction will be conducted for accrued VERs only. However, customers will be allowed to purchase freshly verified accruals for each project. The allotment of freshly verified VERs will be as per the following terms:
- 15.1. The Customer should bid and be winner of at least 5000 VER in the auction for accrued VERs to be eligible for consideration for freshly verified VERs.
- 15.2. The Customer will be allowed to buy freshly verified VER from the project in which he is a winner.
- 15.3. The freshly verified VERs will be offered at the auction winning price of the accrued VERs.
- 15.4. For lot no 1 & Lot No 2 customers will be allowed to purchase 300 freshly accrued VERs for purchase of 1000 accrued VERs. For Lot no 3, customers will be allowed to purchase 600 freshly accrued VERs for purchase of 1000 accrued VERs.
- 15.5. The Customers may show interest for purchasing freshly accrued VERs on the date he makes payment for accrued VERs, through mail /fax.
- 15.6. The verification process of freshly accrued VERs will start after receipt of intimation from interested customers.
- 15.7. The verification process will take two months (approx) or earlier from the date of receipt of intimation by Environment Management Division, SAIL.
- 15.8. The Sale Order will be issued to the customers immediately on completion of verification.
- 15.9. The Customers will have to pay 100% of the lot value including taxes and duties within 7 working days from the date of the intimation.
- 15.10. The EMD submitted by customers will be converted to Security Deposit and will be adjusted in the final payment.
- 15.11. In case the customers do not pay the lot value, then the security deposit will be forfeited and the customer will be debarred from participation in two consecutive Forward Auctions for VERs
- 15.12. All costs and expenses arising out of the performance of the Seller's obligations (including the preparation of the Project Documents, Registration, Validation, Verification and Certification of VERs, expenses payable to the Verifier) are to the account of the Seller.
- 15.13. All costs and expenses arising out of the performance of the Buyer's obligations (including the creation and maintenance of the Buyer's Account) are for the account of the Buyer.

16.0 VERs, which are leftover in odd lots after the conclusion of the auction process may be given to winning customers on the basis of specific requests. Distribution of such VERs will be on the basis of rank and quantity allocation of the customer in the auction. Customers having higher rank will be given first preference. This sale will be subject to approval by SAIL, Environment Management Division.

For example:

Bidder	Bid Time (Hr.: Min.)	Winning Price (\$/Unit)	Allocated VER qty. in Units (200 VER = 1 UNIT)	Rank
B	9:40	1.5	1	1
F	9:39	1.48	2	2
A	9:32	1.48	1	3
E	9:34	1.48	1	4

The customer having the highest rank in a lot will be given the first preference to buy leftover VERs in odd lots. In case the successful bidder refuses, the customer having the next rank will be given preference and so on and so forth.

17.0 The VERs of SAIL are held in repository of Asia Carbon Emission Management India Pvt. Ltd., New Delhi. These VERs will be transferred to the repository indicated by the buyer within seven (7) working days from the date of payment. Following the successful transaction, fee related to Asia Carbon Registry services for transaction of VER has to be borne by buyer.

Registry Cost:

17.1 Cost of transaction

No. of VERs (ton of CO2) transacted	Transaction charge per VER shall be
> 25000	2 US Cents/VER
< 25000	4 US Cents/VER

17.2 Term of Payment

100% upfront before transaction.

If buyer prefers to get the VER issued for the registry prescribed by him then the cost of registration and issuance will be born by the buyer

18.0 If, for any reason beyond the control of the company all the VERs offered through the online Auction process or part thereof **cannot be delivered**, the liability of the company will be limited only to the extent of **refund of the proportionate amount** paid by the customer as applicable for the quantity not delivered. The customer shall not be entitled to claim any damages, loss of profit, interest or compensation on account of such cases.

19.0 In case auction of all the lots can not be completed on the specified date, the auction for remaining lots will be continued on the next working day.

20.0 The customer must indicate their bank account number, name of the bank, branch and city in Annexure B, letter of Interest.

21.0 It shall be the responsibility of the persons submitting the Bids to ensure that the tenders have been submitted in the formats and as per the terms and conditions prescribed by SAIL and no change should be made therein before submission of

their tender. In the event of any doubt regarding the terms and conditions/ formats, the person concerned may seek clarifications from the Executive Director, Environment Management Division, SAIL.

- 22.0 In case any tampering/ unauthorized alteration is noticed in the tender submitted, from the tender document available on SAIL website, the said tender shall be summarily rejected and the company shall have no liability whatsoever on the matter. However, deviation, if any proposed by the tenderer may be separately indicated for acceptance of SAIL. Such proposed deviation will not be treated as tampering for the purpose of application of this clause.

For and On behalf of
Environment Management Division, SAIL

**Executive Director
Environment Management Division
Steel Authority of India Ltd
6, G.C.Avenue (5th Floor),
Kolkata – 700 013
INDIA**

**Contact No: +91-33-22250885/
22255053/22361850**

Fax No: +91-33-22251640

Email: cdmsail@rediffmail.com

Project Name:

Installation of Multi slit Burner in both strands of Sinter Plant-I at Rourkela Steel Plant

Project Location:

The project is located in Rourkela Steel Plant, in the north-western tip of Orissa State between 22° 12'N latitude and 84° 54'E longitude, in Eastern India.

Validation Standard: ISO 14064-2

Start Year: 2003

End Year: 2012

VER verified and accrued till March 2008: 67,981 VER (Ton of CO₂)

Sector of this Project: Energy demand

Project Details:

The project activity involves the replacement of conventional burner by energy efficient multi slit burner in Sinter Plant of the Rourkela Steel Plant (RSP) of Steel Authority of India Ltd. (SAIL), India. The installation of the multi-slit burners resulted in generation of uniform curtain type flame thereby improving the rate of heat transfer and causing faster ignition of top layer. The proposed project activity thus leads to greenhouse gas emission reduction due to reduced fossil fuel consumption

In the conventional burners, the heat required to ignite the top layer is mainly transferred by radiation from the heated furnace. As a result the rate of the heat transfer is slow, losses are high and the furnace length at a given pallet speed is quite larger.

The advantage of this curtain type top mounted gas fired burner system is that the flame directly impinges on the top layer of the charge, giving the heat required to ignite the top layer. The rate of heat transfer is fast and the furnace length for a given pallet speed reduces considerably. This reduces heat loss which results in less heat consumption rate. Due to the incorporation of the multi-slit burner technology, the specific fuel consumption of the furnace is reduced by about 50 %. The project thus leads to reduction in greenhouse gas emissions through reduced consumption of the fossil fuel.

Available Vintage and Volume (verified)

Year	Vintage VER (ton of CO ₂)
2003	8428
2004	12524
2005	6703
2006	6340
2007	12134
2008	21852

Potential Volume

Year	Vintage VER (ton of CO ₂)
2009	11545
2010	11545
2011	11545
2012	11545

Project Name:**Heat recovery from sinter cooler of Sinter Plant #3 at Bhilai Steel Plant****Project Location:**

The project site is located in Bhilai Steel Plant, Durg in Chhattisgarh State between 21°10'59"N latitude and 81°23'37"E longitude, in Eastern India.

Validation Standard: ISO 14064**Start Year:** 2003**End Year:** 2012**VER verified and accrued till March 2008:** 951,822 VER (ton of CO₂)**Sector of this Project:** Energy industries (Renewable, non-renewable)**Project Details:**

Heat recovery at the Sinter Plant is a means for improving the efficiency of sinter making. Waste Heat Recovery at Sinter Plant has been installed in the sinter cooler which initially was released to the atmosphere. The recovered heat is used to preheat the combustion air for the burners, provide heat to furnace and pre-post heating zone. The waste heat is recovered from sinter cooler in two streams; one stream of hot air (350-400 °C) from sinter cooler is cleaned of dust in multi-cyclone and fed to burner whereas the other stream of un-cleaned hot air (350-450 °C) is used to pre and post combustion heating of sinter bed.

Available Vintage and Volume (verified)

Year	Vintage VER (ton of CO ₂)
2003	126383
2004	134359
2005	130594
2006	149453
2007	223086
2008	187947

Potential Volume

Year	Vintage VER (ton of CO ₂)
2009	157935
2010	157935
2011	157935
2012	157935

Project Name:

Thyristorisation of blast furnace #3 & 4 skip hoist electric supply for better operation efficiency and energy conservation at Bhilai Steel Plant

Project Location:

The project site is located in Bhilai Steel Plant, Durg in Chhattisgarh State (between 21°10'59"N latitude and 81°23'37"E longitude), in Eastern India.

Validation Standard: ISO 14064

Start Year: 2006

End Year: 2015

VER verified and accrued till March 2008: 22,921 VER (ton of CO₂)

Sector of this Project: Energy industries (Renewable, non-renewable)

Project Details:

The proposed CDM project activity involves the replacement of Motor Generator sets at Blast Furnaces #3 & 4 by energy efficient Thyristor converters. This has resulted in reduced grid electricity consumption during its operation. Along with reduced energy consumption the project activity reduces green house gas emissions into the atmosphere.

Available Vintage and Volume (verified)

Year	Vintage VER (ton of CO ₂)
2006	7818
2007	7554
2008	7549

Potential Volume

Year	Vintage VER (Ton of CO ₂)
2009	7640
2010	7640
2011	7640
2012	7640
2013	7640
2014	7640
2015	7640

LETTER OF INTEREST

To

Executive Director
Environment Management Division
Steel Authority of India Ltd
6, G.C. Avenue (5th Floor),
Kolkata – 700 013
INDIA

REF.: Notice for Online Forward Auction of VERs, Auction Document No. EMD/TCH/CDM/TD/822 dated 31 August 2010.

Dear Sir,

1. We are interested in participating in the Online Forward Auction for accrued VERs stated in “Annexure A” of the Auction Notice. We agree to abide by
 - i) All the instructions including terms & conditions contained in the above indicated Online Forward Auction notice,
 - ii) General Rules and Regulations governing the Conduct of Online Auction on the service provider platform (Annexure-C)
 - iii) Definitions of key terms (Annexure-D) and
 - iv) The Terms and Conditions for Sale of VERs Online Forward Auction (Annexure-E).
2. We have submitted EMD of Rs. /US \$/ Euro. _____ for participating in this auction for **VERs**.

Money Transfer Details	Date	Bank Details	Amount (Rs.)

3. We undertake to submit our best bid in the E-Auction process and it shall be exclusive of Taxes and other levies applicable in India.
4. The Bid(s) shall be valid for four (4) working days from the date of closure of Auction.
5. The required details of our organization are given below:

Customer Details:

Name:

Address:



Name of the contact person:

Contact No.:

Fax No.:

E-mail address:

Bank Details:

Account No.:

Name of Bank:

Branch & Address:

Branch code:

Swift Code:

Telephone No.:

Enclosures:

- i. Annexure C
- ii. Annexure D
- iii. Annexure E

Place _____

Date _____

Yours Faithfully,

Signature of authorized Person

For _____
(With Company's Seal)

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

1.0 INTRODUCTION:

This Online Forward Auction is being conducted for Environment Management Division, Steel Authority of India Ltd (hereinafter referred to as the “Client”) on the Auction Platform of mjunction services ltd (hereinafter referred as “Service Provider”).

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

The key terms pertaining to the online Forward Auctions are provided in the “Annexure-D”. Prospective bidders are advised to read through the same.

2.0 ROLE OF “SERVICE- PROVIDER”:

- 2.1 “Service Provider’ is the agency (operator) primarily providing the service of the Forward auction to the “client”.
- 2.2 Finalization of the auction items in consultation with the client.
- 2.3 Defining of bidding rules for each auction in consultation with the client.
- 2.4 Enhancing bidder awareness of and comfort with the auction mechanism and bidding rules.
- 2.5 Input of the Auction items and defining the bidding rule in the auction engine.
- 2.6 Enlarging the customer base by introducing new bidders.
- 2.7 Collection of EMD, Letter of Interest, etc. from the willing bidders and forwarding the same to the Client.
- 2.8 Providing access to the approved bidders to participate in the Auction.
- 2.9 Summarizing the Auction proceedings and communication of the outcome to the Client.

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

3.0 ROLE OF BIDDER:

The role of the bidder is outlined below:

- 3.1 The bidder would participate in the auction with the aim of bidding to secure the auctioned item in the auction.
- 3.2 The bidder would be provided access to the Auction through a “User ID” protected by a “Password”. The bidder needs to ensure that the “User ID” and “Password” is not revealed to unauthorized persons. Bidders are also requested to change the

password allocated to them by the “Service Provider” to keep their confidentiality. However it would be bidder’s sole responsibility to ensure the security and privacy of the same and he/they would not hold the “Client” / “Service Provider” responsible in any manner whatsoever for any misuse of these user IDs and/or Password. Access to the auction mechanism shall be provided to all the approved bidders subsequent to obtaining their written consent to the General Rules & Regulations and the Letter of Interest. Payment of Earnest Money Deposit (EMD) as decided by the client before the start of the Forward auction will be one of the necessary conditions for participating in the auction.

- 3.3 Bidders hereby confirm that they shall commit to lift the item (being bid for) at the price entered by them in the auction engine AND at the terms and conditions specified herein by the Client. All Prices entered shall be legally binding on the bidders. Bidders are strongly advised to exercise due diligence while placing bids. Failure to honor the bids placed during online bidding shall render the bidders liable for penal action as deemed fit by “Client” / “Service Provider”.
- 3.4 In the event of winning an allotment in the auction mechanism, the bidder shall commit to fulfill outlined obligations under the contract.
- 3.5 The bidders shall bid on the terms specified by the client & place their bid in the auction engine in the manner specified by “Service Provider”. The bidders shall not stipulate any conditions on their own unless the terms of the client (the client’s terms & conditions) expressly permit such conditions being stipulated by the bidder. Bids entered with conditions attached shall be considered Conditional bids & “service provider” retains the right of rejecting these bids even without intimating the client.

4.0 BIDDING RULES:

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

- 4.1 Definition of the unit bidding.
- 4.2 Start Time and duration of the auction.
- 4.3 Any extension of the duration of the auction in the event of bids being received towards the end of the pre-specified duration.
- 4.4 Start Bid Price.
- 4.5 Specified Unit for Bidding.
- 4.6 Price Increments and any reduction in the price increment in the auction in the event of inactivity.
- 4.7 Other attributes (informational/non-negotiable in nature).

While it shall be the endeavor of “Service Provider” to specify these rules at the earliest for each online auction, the “Service Provider” shall retain the right to delay the announcement of these biddings rules or modify rules specified earlier at the time of online bidding. These details would be available to the bidders on the Auction Engine at the time of bidding.

Participation in the auction process presumes complete awareness and understanding of the bidding rules.

5.0 CONDUCT OF THE AUCTION:

- 5.1 Only those bidders who have been approved by the “Client” and handed over stamped and manually signed “General Rules and Regulations governing conduct of online auction along with Letter of Interest, required EMD amount and other necessary documents to the “Client”/ “Service Provider” prior to the start of online auction will be given “Login ID” and “PASSWORD” to enable them view and participate in online auction.
- 5.2 The Auction shall be conducted on pre-specified date. The Key Terms pertaining to the conduct of Auction such as “START TIME”, “DURATION”, “END TIME” AND “AUTO EXTENSION FACILITY” Shall be specified separately for each Auction.
- 5.3 “Service provider” retains the right to cancel or reschedule the auction, with the approval of the Competent Authority of the Client, on any of the following reasons:
 - i. The number of confirmed bidders is deemed insufficient to conduct the auction.
 - ii. Some of the confirmed bidders are unable to access the module due to infrastructure problems such as sustained power failure or telecommunication breakdown.
 - iii. There are no bids, bids equal to or below Start Bid Price.
 - iv. Any other reason, which in the opinion of “Service Provider” / “Client” requires such action to be initiated.
 - v. The duration of auction may also vary from the pre-specified period of time either on account of termination of the auction by “Service Provider” on the advice of the Client

OR

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

OR

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

- 5.4 In the event of any problems being faced in the smooth conduct of the auction, “Service Provider” with the approval of the Competent Authority of the Client, shall have the right to undertake one or more of the following steps:
 - i. Cancellation/ premature termination of the auction with/ without a subsequent rerun of the auction on a mutually decided date
 - ii. Cancellation of a bid
 - iii. Locking / deactivate a bidder’s account (suspension of operations in the account), etc.
- 5.5 In case of failure of net connection, bidder will give his best price to the “Service Provider”. “Service Provider” will bid on behalf of the bidder with the minimum increment until the bid price reaches the best price offered by the bidder, by proxy bidding mechanism.
- 5.6 The best price communicated by the bidder will have to be authenticated by written confirmation or fax to the “Service Provider” and will be kept confidential between the “Service Provider” and the bidder. Bidder will be bound by the price offered.

6.0 LIABILITY OF “SERVICE PROVIDER”:

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

- 6.1 Any breach of contract by any of the parties in the fulfillment of the underlying contract.
- 6.2 Any delays in initiating the online auction or postponement / cancellation of the online auction proceedings due to any problem with the hardware / software / infrastructure facilities or any other shortcomings.

While, reasonable care and diligence will be taken by “Service Provider” in discharge of its responsibilities such as design of the online bid, communication of bid details and rules, guidance to client/ bidders in accessing the Auction Engine and placing bids, etc. the bidder agrees not to claim any liability for any shortcomings on these aspects. It is clearly understood that these activities are undertaken by “Service Provider” to assist the bidders in participation of online forward auction but the ultimate responsibility on all these counts lies totally with the bidders.

7.0 RIGHT OF THE CLIENT:

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

8.0 CONFIDENTIALITY CLAUSE:

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

DEFINITION OF KEY TERMS OF ONLINE FORWARD AUCTION

- 1.0 Auction Auction refers to a forum where the requirement for one/more lots of an item is stated and the participants (bidders) are required to bid down the price to be selected to supply the requirement
- 2.0 Online Auctions Online auctions refer to those auctions conducted through the Internet with the bidders (from one or more locations) simultaneously bidding to be selected for supplying the item/s on auction. In other words, the venue for the auction is on an Internet website/ platform. The "Service Provider's" website assigned by "Service Provider" would constitute venue for the purpose of the online auction.
- 3.0 Award at the Auction In a single winner format, only one bidder (normally the bidder who quotes the highest price) is awarded all the units of the item being auctioned. The bidder quoting the highest price is normally allotted the item. In quantity linked bidding format there may be multiple winners. In such a case the preference will be given to the bidder quoting highest price, detailed bidding methodology is given at Clause No. 8 of the auction document.
- 4.0 Client Client is the individual/business entity who has contracted "Service Provider" to conduct such auction. In case of auction, the purpose would be the genuine intent to sell the selected item/s (Lot) to the bidders desiring to buy these items from the Client.
- 5.0 Bidder Bidder is the individual/business entity participating in the auction, intending to buy the item(s) from the Client. To become a Bidder in the auction, a business entity has to secure client approval for participation and also provide written assent to the General Rules and Regulations.
- 6.0 Auction Engine Auction Engine refers to the software that encapsulates the entire auction environment, processing logic and information flows. "Service Provider" is the sole owner of the auction engine and retains exclusive right over the utilization of the same.
- 7.0 Timings of the Online Bid All the timings of the Online Bid shall be based on the time indicated by the Server hosting the Auction Engine. It shall be the endeavor of "Service Provider" to ensure that the Server Time reflects as closely as possible the Indian Standard Time (IST) i.e. GMT + 0530 hrs. However, in the event of any deviations between the Server Time and the Indian Standard Time, the functioning of the Auction Engine (Launch, operation, and closure) would be guided by the Server Time.
- Bidders are advised to refresh both the windows of the Auction Module check the exact Server Time (displayed in both the windows).

- 8.0 Preview Time Preview Time refers to the period of time that is provided prior to the commencement of bidding. This is to facilitate approved participants to view the auction details such as item specifications, bidding details and bidding rules. The purpose is also to familiarize participants with the functionality and screens of the auction mechanism. It is not mandatory for "Service Provider" to provide Preview Time.
- 9.0 Start Time Start time refers to the time of commencement of the conduct of the online auction. It signals the commencement of the Price Discovery process through competitive bidding.
- 10.0 Duration of the Auction It refers to the length of time the price discovery process is allowed to continue by accepting bids from competing bidders. The duration of the auction would normally be for a pre-specified period of time. However, the bidding rules may state the conditions when the pre-specified duration may be curtailed/extended. The conditions include:
- Curtailment of auction duration in the event of no bids for a specified period of time (Inactivity Time)
 - Automatic extension in the event of bids being entered towards the end of the scheduled duration to facilitate the other bidders to view and react to the bid.
- 11.0 Auto Extension of the Auction Timings In the event of bids in the last few minutes of the scheduled bid time, the Bid Timings are automatically extended for a specified period from each such bid. Such Auto Extension shall continue until no bids are placed for the specified period (Engine remains inactive for the specified period). The Inactivity Time for Auto Extension purpose is normally X minutes. "Service Provider" however retains the right to change the same. The Inactivity Time applicable for the particular Online Bid shall be visible to the bidders under the Bidding Rules module on the engine.
- 12.0 End of the Auction End of the Auction refers to the termination of the auction proceedings signaling an end to the price discovery process.
- 13.0 Auction Report "Service Provider" would provide an Auction Report to the Client containing a summary of the auction proceedings and outcome. The Auction Report would constitute the official communication from "Service Provider" to the client about the outcome of the Auction.

TERMS AND CONDITIONS FOR THE SALE OF VERs THROUGH ONLINE FORWARD AUCTION.

1.0 DEFINITIONS:

Management: The Management will mean the Executive Director, Environment Management Division, Steel Authority of India Limited or any officer authorized by him to act on his behalf.

Purchaser: The purchaser will mean the successful bidder whose Online Forward Auction has been accepted under the terms of the Online Forward Auction.

2.0 TERMS & CONDITIONS:

Bids are accepted on the assumption that the bidders have inspected the VER project documents and have known what they are bidding for whether they have first inspected the VER project documents or not and that the principle of 'Caveat Emptor' shall apply.

2.1 Inspection of material:

Interested Bidders may inspect the VER Project Design Documents (PDD) of the respective projects on the website of valuejunction, i.e. www.valuejunction.in till 24 hours before start of the auction.

2.2 Monitoring Reports:

The Seller will make available on request of the buyer, the monitoring report to the buyer for the accrued VERs and for new vintage the seller will make available the monitoring report within 2 months from the date of finalization of buyer.

2.3 Online Forward Auction Notice and Documents:

The Bidders will sign each and every page of the Online Forward Auction documents, terms & condition of sales, schedule, etc. in token of acceptance thereof.

2.4 Validity of Offers:

The bids shall remain valid for **4 working days** from the date of closure of the Online Forward Auction.

2.5 Clients Right:

The Management Reserves the right to accept or reject any or all the Bids obtained through Online Forward Auctions without assigning any reasons thereof at any stage.

2.6 Acceptance of the Bids Obtained through Online Forward Auction:

The acceptance of bids obtained through Online Forward Auction shall be notified by a sale order which will be dispatched by email. The sale order will indicate full details namely, the particulars of the materials, quantity, accepted rate, sale value sales tax, other taxes, amount to be paid and the last date of making payment.

2.7 Taxes & duties:

All taxes & duties under the local, state, central or any other law shall be payable by the purchaser in addition to the sale value, as applicable at the prevailing rates as on the date of sale

2.8 Sale:

Sale orders and **transfers** will be made out in the name of actual purchaser.

2.9 The Management reserves the right to dispose off any item by other means even after inviting bids for sale of such materials by Online Forward Auction.

2.10 Abandoned VERs:

The purchaser must make 100% payment of cost of VERs including taxes and duties to enable Management to effect the transfer of the VERs within the date specified in the Sale Order. In case the successful Bidder failed to pay 100% of the amount including taxes & duties and also in case the Bidder, after making 100% payment, does not effect the transfer of VERs in full or in part within the specified date, the Sale Order for left over quantity will be treated as cancelled. The VERs so left over will be treated as "Abandoned VERs", at the risk and cost of the buyer. The Management will have full right on such 'Abandoned VERs' and will be entitled to resell or dispose off the same in any manner it deems fit, without any reference to the purchaser. The purchaser will have no claim on materials declared as the 'Abandoned VERs; In addition to forfeiting such 'Abandoned VERs' the EMD and the price, if any, paid by the purchaser shall also be forfeited. The purchaser shall further be held liable for all commission and other charges and losses suffered by the Management which may be sued for & recovered in a Court of Law.

2.11 Extension of delivery date:

Notwithstanding the above conditions, the Management may, on consideration of the merit of the case, allow extension of the delivery date up to a maximum period of 7working days. If the buyer fails to effect the transfer of the VERs in full or in part within the extended delivery date, the VERs so left over will be treated as 'Abandoned VERs' and will be dealt with as stipulated in Para 2.10 above.

If any VERs ,could not be delivered to the purchaser by the Management either in full or in part due to any reason whatsoever , the Management reserves the right to extend the date of delivery of such VERs for a further period without any compensation to the buyer.

2.12 Recovery of Dues:

Any sum of money due and payable to the purchaser including security Deposit(returnable to him under this contract) may be appropriated by the Steel Authority of India Limited, Environment Management Division or Government or any other person or persons, including other Steel Plants under SAIL and adjusted against any claim of the Steel Authority of India Limited, Environment Management Division or Government or such other person or persons including other steel plant under SAIL for the payment of the sum of money arising out of or under any other contract / Online Forward Auction participated by the purchaser/Bidder with the Environment Management Division, Steel Authority of India Limited or Government or such other person or persons including other steel plants under the Steel Authority of India Limited.

2.13 Payment of Interest:

No interest will be paid on the amount paid by the purchaser and subsequently found refundable under any of the conditions mentioned herein.

2.14 Illegal Gratifications:

Any bribes, commission, gifts or advantage given, promised or offered by or on behalf of the Bidder or his partner, agent or servant of any one on their behalf to any officer, servant representative or agent of the company or any officer, servant representative or agent of the company or any person on their behalf in relation to this or any other contract as aforesaid shall have the effect of the cancellation of this contract and also payment of any loss or damages resulting from any such cancellation.

2.15 Conciliation:

All questions, claims, disputes and or differences of any kind whatsoever arising out of or in connection with or concerning this contract, at any time, whether before or after determination of the contract, shall be referred by the parties hereto for Conciliation before a Conciliatory Forum / Body.

The Conciliatory Forum / Body will be composed of the following members:

- i. Nominee of the Steel Plant / Unit – Independent of officer handling the contract. (To be nominated by the head of the concerned department.)
- ii. Nominee of the Contractor / Supplier.

The parties in dispute would place their facts in writing before the Body / Forum and the process of conciliation would be completed within the period of three months from the date of reference to the Conciliatory Forum / Body.

On failure of the conciliation, the aforesaid questions, claims, disputes and or differences shall be referred by the parties here to for the decision by a Sole Arbitrator to be appointed as herein after mentioned.

2.16 Arbitration:

Matters in question, claims, dispute and or difference in respect of the contract to be submitted to arbitration as aforesaid shall be referred for decision to a Sole Arbitrator to be appointed by Director (Technical), SAIL. Before appointing the Sole Arbitrator, Director (Technical), SAIL shall nominate three names out of which the buyer shall give his consent for one of them for appointment as Sole Arbitrator, failing which after 30 days of the issuance of the letter informing three names Director (Technical), SAIL shall have the power to appoint one of the three notified persons as the Sole Arbitrator.

In case the designation of the Director (Technical), SAIL is changed or his office abolished, the officer who for the time being is entrusted with the functions of the Director (Technical), SAIL, by whatever designation such officer is called, shall be the person designated to appoint the Sole Arbitrator. The arbitrator so appointed shall adjudicate upon the disputes between the parties hereto.

The Sole Arbitrator appointed as stated above, shall from the time of his appointment and throughout the arbitration proceedings, without any delay, disclose to the parties in writing any circumstances likely to give rise to justifiable doubts as to his independence or impartiality provided that the mere fact that such Sole Arbitrator is an employee of SAIL or its subsidiary shall not be regarded as such circumstances. The arbitrator shall decide the questions, claims, disputes or

differences submitted to him by the parties in accordance with the substantive law for the time being in force in India.

The arbitrator shall hear the cases independently and impartially and shall not represent the interest of any party. Any arbitrator having personal interest in the case at the time of his appointment and at any time subsequently thereafter must withdraw from his office himself and the parties shall also have the right to ask him to do so. The venue of the arbitration shall be Kolkata for domestic bidders and Delhi for global bidders.

Procedure for conduct of the arbitration proceeding shall be decided by the arbitrator, in consultation with the parties before proceeding with reference. The arbitrator may hold preparatory meeting(s) for this purpose. In the preparatory meeting(s) as aforesaid, the arbitrator/s as the case may be in consultation with the parties shall also determine the manner of taking evidence, the summoning of expert evidence, and all such matters as are necessary for the expeditious disposal of the arbitration proceedings.

The provision of the Arbitration and Conciliation Act, 1996 and the rules framed there under, if any and all modifications / amendments thereto shall deem to apply and / or be incorporated in this contract as and when such modifications / amendments to the Act / Rules are carried out.

Work / supply under the contract shall be continued by the buyer, under the contract, during the arbitration proceedings and recourse to arbitration shall not be a bar to continuance for the work or supply unless otherwise directed in writing by the Plant / Unit.

2.17 Legal Jurisdiction:

All kinds of Legal proceedings except as aforesaid against the Steel Authority of India Limited, Environment Management Division in any matter arising out of the sale shall be triable only by the appropriate Civil Court of New Delhi.