

Bidders Manual

E-AUCTION OF EXTRACTED IRON ORE IN GOA

Introduction:

MSTC LTD (A Miniratna PSU under Ministry of Steel, Govt. of India) on behalf of Director of Mines and Geology, Government of Goa, will be the service provider for sale of iron ore through e-Auctions which shall be conducted on its website www.mstcecommerce.com. Iron ore being auctioned is on on **“As and Where is”** basis.

Eligibility:

- a. Only those buyers which are enrolled with DEPARTMENT OF MINES & GEOLOGY (DMG), GOVT. OF GOA and registered online with MSTC shall be allowed to participate in e-Auction.
- b. Enrolment with DMG, Govt. of Goa can be done at any time; however for participation in a particular e-Auction, prospective bidder has to enroll at least 5 days in advance of the date of e-Auction notice.
- c. Unregistered Bidders cannot participate in Iron Ore e-Auction.

Registration:

Prospective bidders have to complete the e-auction enrollment procedure at the office of Director of Mines & Geology, Govt. of Goa as per the notification published on website www.goadmgt.gov.in.

After completing the enrollment procedure at Director of Mines & Geology, Govt. of Goa bidders have to complete online registration task on our website www.mstcecommerce.com to participate in above e-Auctions.

Steps for Online Registration:

Please log on to MSTC's eAuction Website at www.mstcecommerce.com.

- 1) Click on ***eAuction → e-Sale of Iron Ore***.
- 2) On next page click on ***Directorate of Mines and Geology, Panaji, Goa***
- 3) On next page click on ***New Registration***

- 4) On next page (GENERAL TERMS & CONDITIONS OF e-AUCTION) click on **Register As Buyer**
- 5) On next page (BUYER SPECIFIC TERMS & CONDITIONS (BSTC)) click on **Agree**
- 6) On next page (Registration Form) select your registration type i.e. **Goa Iron Ore Only** and fill up the complete details and click on **SUBMIT**.
- 7) On next page choose **PRE-BID GOA IRON** from the list of **Restricted Items** and click on **Preview**.
- 8) On next page check the details submitted by you and click on **SUBMIT** button.

After successful registration, you will receive a confirmation eMail on your registered eMail address indicating '**Buyer Ref. No.**'.

You are requested to forward the above mentioned eMail to below MSTC officials with a request for activation of your registration indicating your Buyer Reference No.

1. **Mr. G. Yadav, Dy. Manager / EMAIL: ganeshyadav@mstcindia.co.in**
2. **Mr. Nitin Anand, Jr. Manager / EMAIL: anandnitin@mstcindia.co.in**

In case you have already registered with our website under other category, you are requested to register once again as per above details.

All the prospective bidders should have access to the internet & their e-mail ID. While filling the Online Buyer Registration form, each bidder generates a Unique 'User ID' & a 'Password' for themselves using which they can access the MSTC e-Auction portal: www.mstcecommerce.com. It will be the sole responsibility of the bidders to keep their email id operational & their Password Secure and protected. If a bidder intends to change his/her e-mail id registered with MSTC, a written request should immediately be sent to MSTC on the above eMail addresses.

Online registration, as mentioned above, of prospective bidders shall be activated by MSTC only after the receipt of mandatory & necessary confirmation from DEPARTMENT OF MINES & GEOLOGY, GOVT. OF GOA along with the Maximum Permissible Quantity (MPQ) of the bidder. In the event of expiry of enrollment with DEPARTMENT OF MINES & GEOLOGY, GOVT. OF GOA, the registration will automatically become dormant and during the period of dormancy, the bidders shall not be allowed to participate in bidding by MSTC.

Declaration, Inspection & Periodicity of E-Auction:

Declaration of e-Auction shall be done through website of DMG www.goadmg.gov.in, website of MSTC LTD i.e. www.mstcecommerce.com & www.mstcindia.co.in. After declaration of auction, the E-Auction shall be concluded on the 12th day. From 2nd day till 10th day, the prospective bidder can undertake sampling. On 11th day, the base price shall be declared in e-Auction catalogue. On 12th day the auction shall be conducted. If the highest bid is accepted by the DMG/Government of Goa, it will be communicated to MSTC, who will in turn communicate the same to the successful bidder. In case the bid offer is not accepted by the DMG/Government of Goa, the lot shall be disposed off as per the decision of the DMG/Government of Goa which shall be final.

e-Auctions will usually be held once a week (Any working day of the week).

Quantity & Grade of Iron Ore:

The stack wise quantity of ore shall be listed on the websites of **DMG, Govt. of Goa/ MSTC LTD** with details of near to approximate quantity and grade and location details.

The grade of ore shall be declared as per the grade given by the lease holder/person claiming the stack ore. In case of unclaimed or ceased ore, the grade shall be verified by DMG. The DMG shall use recognized/authorized agencies by MOEF or other Govt. authorities for the purpose. In any event, it shall be the declared grade and the registered bidders shall be permitted to lift max 12 samples of not more than 100 grams each as per the location as per the choice of registered bidder. Inspection/ samples of ore for at least for a period of 8 days and participating in bid and correctness of grade shall be the responsibility of the bidder. Grade of the ore as declared by the leaseholder/authorised person will be accepted for declaration; only if it was declared before the decision of the Hon'ble Supreme Court; all other cases the same procedure as in case of ceased ore will apply.

Lot Size:

Lot will be normally in multiples of 10000 MT quantity, for which bids shall be accepted on unit basis, where 1 unit will be of 10000 MT quantity.

However, there may be some lots which are not in multiples of 10000 MT quantity and all such lots will be sold as 1 Lot (i.e. for which bids shall be accepted for entire lot quantity).

Base Price:

The base price shall be as declared by State Govt. The base price can be varied or changed by the State Govt. any time but at least 24 hrs before the commencement of E-Auction and the same shall be available for the prospective bidders on MSTC website www.mstcecommerce.com. The base price shall be intimated in relation to grade of ore and the place where the ore is stored, i.e. the same grade of ore at different locations may have different base price.

Pre Bid EMD Deposit:

Pre Bid EMD Deposit	Maximum Quantity for which bids may be placed during e-Auction	Maximum Units of Qty. for which bids may be placed during e-Auction
Rs 2,50,00,000/-	10,000 MT	1
Rs 5,00,00,000/-	20,000 MT	2
Rs 7,50,00,000/-	50,000 MT	5
Rs 10,00,00,000/-	Limited to the quantity being offered in the e-auction.	Limited to the Units being offered in the e-auction.

Bidding Methodology:

The e-auction will be Price-cum-Quantity bidding. Price bid will be accepted in Rs per MT. Quantity bid will be acceptable in form of Units. 1 Unit is equivalent to 10,000 MT OR entire lot quantity as the case may be.
Bids shall be accepted along with Quantity and Price both.
Bid submitted by a bidder will supercede his earlier bid and any allocation/de-allocation of iron ore to a bidder will take place on the basis of last received bid only.
Price Bid Increment will be in multiples of Rs 20/- per MT viz Rs 20, Rs 40, Rs 60
Bidder cannot reduce the price once quoted. Further, the bid quantity can be increased from the current allocation during auction within Maximum permissible limits.
A bidder cannot bid with quantity less than current allocated quantity.
The bidding shall no way exceed the quantity for which pre bid EMD has been deposited by the buyer with DMG, Goa. Corresponding to any lot, a bidder may quote price bid and quantity bid. Bids in any lot(s) on offer may be placed by bidders, limited to their maximum eligible quantity as per the pre bid EMD submitted by them.
In case the lot quantity has not been exhausted, a bidder may revise his bid by increasing its quantity at same/higher price within permissible quantity limits.
During bidding process, in case of nil allocation against a bid, bidder can submit fresh bid at higher price with increased or decreased quantity within permissible quantity limits.

Lots shall be arranged in multiples of 10,000 MT. For e.g, if a lot is of 50,000 MT, bidders may place quantity bids of minimum 1 unit and maximum 5 units corresponding to this lot.

It may happen sometime that a lot will contain any quantity other than 10,000 MT and bids shall have to be placed for the entire lot which shall be treated as 1 Unit.

For e.g, say a lot contains 8528 MT. Bidders can place quantity bid of 1 Unit only for this lot which will be treated as 8528 MT.

For e.g, say a lot contains 12,917 MT. Bidders can place quantity bid of 1 Unit only for this lot which will be treated as 12,917 MT.

e-Auction will be conducted as per the schedule mentioned in e-Auction catalogue. For a particular lot, bidding will close at the scheduled time provided the closing time is preceded by Five minutes pause period. Bidding for a particular lot will continue for further Five minutes if a bidder changes the bidding during the pause period and the process shall continue so on. ***The auto-extension of closing time is 5(five) minutes.*** E-Auction will be completed as and when bidding for all the lots is over.

Residual Quantity Available / Booking At Floor Price:

1. Till the entire quantity is exhausted, the bidders can book their requirements at Base price, as long as the total booking quantity is equal to the offered quantity.
2. If the last bidder tries to book at floor price for a booking quantity more than the residual quantity, only the residual quantity will be allotted to him and the residue will become nil.

No Residue / Price Increment / De-allocation:

3. In this phase the preference for allotment is given on the basis of higher price. The requirements of the bidders with higher prices are fulfilled by de-allocating the L1 bidders quantity.
4. If there is more than one bidder at L1 price with different allotted quantities, the first de-allocation takes place from the bidder whose allotted quantity is least. The de-allocation may take place from the allotted quantities of more than one bidders (in ascending order of allotted quantity), to fulfil the requirement of the bidder with higher price.

5. In case of situation where the bidders at L1 price have equal allotments, the de-allocation takes place on the basis of booking time. De-allocation targets the bidder who has booked their quantity at last with reference to time. The allotments of the bidders, who submitted bids earlier, with reference to time, will be de-allocated later.

Imp: Bidders may be allocated less quantity depending on allocation by system. For removal of doubts, it is clarified that a bidder may be allocated any quantity less than his bid quantity depending upon the allocation methodology of the system and such allocated quantity will be binding on the bidders.

Illustration:

Let us consider a lot of 60,000 MT = 6 Units; Base Price = Rs 2500/-Let us consider bidders A, B, C, D, E, F who submitted the pre bid EMDs as per terms & conditions.

Bidder	Bid Time	Price Bid (in Rs)	Quantity Bid (in Units)	Final Allocation (in Units)
C	10.00 AM	2500	3	0
A	10.02 AM	2520	1	1
E	10.04 AM	2520	1	0
D	10.06 AM	2520	2	2
F	10.09 AM	2520	2	2
B	10.10 AM	2540	1	1

Sequence of Allocation / De-Allocation

Time	A	B	C	D	E	F	REMARKS
10.00 AM			3				Out of 6 units, 3 units get allocated to C. Residue is now 3 units.
10.02 AM	1		3				1 Unit gets allocated to A. Residue is now 2 units.
10.04 AM	1		3		1		1 Unit gets allocated to E. Residue is now 1 unit.
10.06 AM	1		2	2	1		D places a bid of 2 units @ Rs 2520. 2 Units are allocated to D. But while doing so, system de-allocated 1 unit of C. (Reason: Bid price of C is least).
10.09 AM	1		0	2	1	2	F places a bid of 2 units @ Rs 2520. 2 Units are allocated to F. But while doing so, system de-allocated 2 units of C. (Reason: Bid price of C is least)
10.10 AM	1	1	0	2	0	2	B places a bid of 1 unit @ Rs 2540. 1 unit is allocated to B as this is the highest price bid. While doing so, system de-allocated 1 unit of E. Reason: System checked that price bids of A, D, F, E are Rs 2520/- each. D & F can't be de-allocated as they have more allocated units than A & E. Out of A & E, 1 unit has been de-allocated from E because bid of E came after bid of A.

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

- a) First preference is given to highest bid price.
- b) If two or more bidders bid the same price then preference for allocation is given to bidder that placed the bid for a higher quantity.
- c) In case two or more bidders bid the same price and quantity, then preference is given to the bidder which placed the bid earlier.

Final Allotment:

Bids received shall be kept on provisional basis after completion of e-auction. DEPARTMENT OF MINES & GEOLOGY, GOVT. OF GOA shall examine the bids received. After due approval of the bid price & the allocated quantity by the competent authority (DMG, GOA), auto confirmation emails shall be sent by MSTC to the successful bidders. Afterwards GOVT. OF GOA shall allocate Iron Ore to the successful bidders.

Important:

- 1. The decision of the DEPARTMENT OF MINES & GEOLOGY, GOVT. OF GOA shall be final on any dispute arising out of the above deal.
- 2. This manual is to be treated only as a guide by the prospective bidders. Terms & Conditions, as appearing on the live auction floor shall supercede all other terms & conditions and same shall be binding on the bidders.
- 3. Prospective bidders are also required to update themselves regularly by visiting website of DMG, Goa www.goadmg.gov.in for Iron Ore E-Auctions related documents/news/updates.
