

## *Policy Guidelines for sale of products through e-auction*

### **1.0. Preamble:**

- 1.1. CVC has been emphasizing on e-commerce/e-procurement/e-sales for enhancing transparency, giving equal opportunities to all and for developing clientele. Accordingly, this e-auction procedure for sales of prime and defective products is formulated. Through this process, the steel products shall be made available to the construction, House building segments. This process provides a transparent way to sell other slow moving and defective products. The by-products are also sold in this process. Further, this process also provides insight into prevailing market prices for various products.

### **2.0. E-Auction:**

- 2.1. The e-auctions shall be taken up every month at a suitable date as specified by the respective policy for sale. The branches shall endeavor to standardize the e-auctions on a particular date(s) every month. Press advertisements shall be released from HQ at regular intervals indicating that the branches shall sell various prime and defective products through e-auction and calling the attention of public to RINL web site for details of a particular e-auction. This advertisement campaign shall be done covering all the regions and branches for a period of three months initially and shall be reviewed for finalizing the further campaign as required, if any.
- 2.2. The details of e-auction will be sent, by e-mail, to all the registered customers by the system on uploading of the e-auction details in the web site.
- 2.3. The products and quantities to be sold through tender and e-auction as specified in the respective policies shall be sold through e-auction only. Any other products not specified for e-auction, like slow moving, Non-moving can be put to e-auction with the approval of HOD-Marketing. Customer returned, defective and packing materials can be put to e-auction with the approval of RM.
- 2.4. The materials lying in the stock yard for more than 3 months and whose cumulative sale in the previous three months is less than the stock available in the yard can be considered as slow moving material. The materials lying in the stock yard for more than 6 months and whose cumulative sale in the previous six months is less than half of the stock at the yard can be considered as non-moving materials.
- 2.5. Multiple lots can be taken up for auction in one e-auction date. However, the number of lots shall not exceed 10 on a single auction. Multiple lots of same product shall be limited to three nos. and variable quantities may be considered in each lot so that the customers can take the lot with the quantity nearer to their requirement.
- 2.6. The Lots of prime material need not be physical. Notional lots may be selected and delivered from the stocks. The lots for secondary products dealt by SSD /Branches shall be as per the policy in vogue. Physical lots need to be maintained for all defective, customer returned and packing material.
- 2.7. The lot closure report is not required for notional lots and the dealing executive certification is sufficient for closure of Delivery Order and release of EMDs. However, the lot closure certificate is required to be issued by Stockyard In-charge for all physical lots delivered in e-auction.

### **3.0. Terms & Conditions:**

- 3.1. The terms & Conditions for e-auctions shall be as mentioned at the Annexure (B&C) to this policy and shall be finalized based on the provisions of the various policies under which material is identified for e-auction.
- 3.2. The terms and conditions as mentioned in Annexure-B and terms of delivery at Annexure-C shall be modified to suit the E-Auction, as follows:
  - a. The delivery of lot in respect of E-Auction for prime material shall be completed within the same month. Accordingly, auctions to be taken up before 15<sup>th</sup> of the month and delivery should complete by end of the month. Similar approach shall be followed for slow moving and non-moving materials also to the extent possible.
  - b. The successful bidder shall make payment within 7 days from the date of acceptance letter for all products sold in auction unless otherwise approved. However, in case of notional lots, the payment shall be made within 7 days from the date of offer letter issued by the branch as approved by Auction Administrator. The delivery period for prime materials shall be 10 days from the date of acceptance of auction but, however, the delivery to be completed in the same calendar month.
  - c. The E-Auctions for byproducts, dealt by By-Products section, defectives and secondary products dealt by SSD shall be planned around 10<sup>th</sup> and around 20<sup>th</sup> with a delivery period of 20 days from the date of acceptance of the auction.
  - d. The E-auction for defectives (generated at stock yards), slow/non moving items and packing materials shall be planned, based on the generation of the products, once in a month with a delivery period of 20 days from the date of acceptance of the auction.
- 3.3. HOD (Mktg) is authorized to approve the extension of due date for payment and/or delivery period by 10 days and D(C) is authorized to approve the extension beyond 10 days.
- 3.4. The auction proposals shall be approved by the RM except for slow moving & non moving material, which shall be approved by HOD (Mktg.). Auction details as approved shall be placed on the web site.
- 3.5. The auction details shall be uploaded in the website at least a week before the date of e-auction. In deserving cases, where e-auction is to be conducted immediately, GM(Mktg) may approve the uploading the e-auction details with shorter time gap.
- 3.6. The date and time of e-auction shall be explicitly indicated in the web site.

### **4.0. Process**

- 4.1. The user manual for the customers shall be made available on the web for familiarizing with the e-auction process. The customers need to register themselves before participating in e-auction. The Registration screens are to be made available in the website. The customers shall go through the "General terms and conditions of service including operating rules regarding Internet based auctions" and explicitly agree to continue with the registration. The registration is made free of cost.
- 4.2. The process of registration is detailed at Annexure-A.

5.0. **EMD:**

- 5.1. EMD shall be 5% of the lot value calculated at the prevailing selling price (excluding ED) and shall be expressed in absolute rupee terms rounded off to the nearest thousands on higher side. For items where there is no Prevailing Selling Price the lot value to be estimated based on the previous sales price or other assessed price by the auction administrator. The EMD amount shall be indicated against each lot.
- 5.2. Customers willing to participate in the auction shall be required to submit EMD one day prior to the date of the e-auction. For example, if the auction is to start sometime on 10<sup>th</sup> then EMD is acceptable upto specified time on 9<sup>th</sup>. The Amount of EMD and the time upto which EMD is accepted shall be indicated in the website for the information of the bidders. No EMD shall be accepted beyond this time. Sr. BM/BM and BFM shall jointly sign the EMD statement containing the details of EMD received for that auction mentioning the closure time.
- 5.3. Remittance of EMD shall be by RTGS/Demand Drafts/Banker's Cheque/Pay order drawn in favour of "Rashtriya Ispat Nigam Limited - <Customer Name> A/c" on any scheduled commercial bank, payable at "the city where the respective Branch Sales Office is located".
- 5.4. The customers interested to participate in E-auction shall deposit EMD along with the Letter of Interest within the date and time indicated. If the EMD submitted is not sufficient towards (at least) a single lot, then the EMD shall not be accepted.
- 5.5. Customers, if they choose so, can deposit a sum towards regular EMD, which shall be used as a diminishing and replenishable balance. The customers with this regular EMD can participate in the e-auctions as long as the balance in their account is more than or equal to the EMD required for the lot. As the EMD will reduce after each auction they quote, the customer shall ensure sufficient balance in his EMD before the commencement of e-auction, considering the e-auctions, he wish to participate. The BFM / BM shall validate the customers for all e-auctions as long as they submit / maintain the replenishable EMD. This Regular EMD is Branch specific and is valid for all auctions conducted by the branch.
- 5.6. The instruments so received towards EMD will be validated by BFM. Consolidation and final validation will be done by the Auction Administrator who will also give bid authorization to the valid parties in the system. The EMD particulars of the valid instruments of the valid parties should be fed to the system and the enabling box there must be tick marked. If the enabling box is not tick-marked then authorization will be incomplete and the party cannot participate in the auction as per the system.
- 5.7. The EMD amount submitted by the Customers shall be displayed on their respective bidding screen . As the customer bids in one lot, the required EMD of that lot gets deducted from his total EMD and displayed on his screen. Like that, as the customer proceeds with the bidding of further lots, the EMD balance gets progressively consumed and he can only participate in those many lots for which his EMD suffices. The EMD of the customer will thus remain locked against a lot as long as he remains the highest bidder of that lot.
- 5.8. In case the customer is out-bid during the process of auction, his EMD becomes unlocked and gets added to the EMD balance and the customer is free to utilize the EMD amount on that particular lot by bidding higher or elsewhere as far as the EMD balance amount permits. There by, the total amount deposited earlier towards EMD can be dynamically adjusted online as per the customer's requirement and wish.
- 5.9. The EMD shall be converted to Security Deposit on acceptance of the auction for the highest bidder of the lot and shall be returned after successful completion of contract.

5.10. EMD/SD shall not be adjusted towards making delivery order for the lot. After the award of offer to the successful parties of the respective lots the EMD instruments of the unsuccessful parties will be returned by the Branch Sales Office.

**6.0. Authorizing a customer to bid**

6.1. Customers to ensure that the EMD and duly filled and signed Letter of Interest shall reach BSO/deposited in the box thereof before the specified time and date. After validation of EMD, Auction administrator shall give bid authorizations to the customers. The user-IDs of all customers, who choose to deposit a replenishable EMD, shall also be validated, after verifying their EMD balance. The details of valid customers will be entered into the system and when **send details** button is pressed to submit to the system, authorization will be done in the system and a system generated e-mail will be automatically sent, preferably the day before the auction starting day (at least 12 hours before auction starting time), to the customer at his e-mail address conveying him the authorization to bid. If any customer is not authorized to bid, the same thing will also be e-mailed to him. After enabling the valid customers in the system the executives of marketing and finance will also take a final Authorization Report (hard copy) from the system for their verification and record.

**7.0. Date & Time of Auction.**

7.1. The date, start time and duration of the auction shall be standardized for every branch. In case a particular date falls on holiday, the auction shall be conducted on the next working day. The duration of auction shall be increased by the system, depending on the last minute bidding.

7.2. The system will automatically extend the closing time by 5 minutes if any bid is submitted before 2 minutes of the closing time. This process of extension by 5 minutes will continue till there is no bid submitted for any lot before 2 minutes of the closing time.

7.3. The change in the date of e-auction, deletion of any lot or all lots (cancellation of auction itself) shall be made in deserving cases with the approval of HOD(MKtg.) and the same will be informed to the prospective bidders by E-Mail.

**8.0. Starting bid Price.**

8.1. The starting bid price for a lot is the price level from where the bidding starts and bids lower than that are not acceptable to the system. This is to enable the auction to be fast enough to be completed in a limited time frame. The starting bid price is not confidential and shall be displayed at the auction bid page against each lot for the information of the bidders.

8.2. The starting bid price shall be as follows:

- a. In case of prime material like Rebar and Structural items the prevailing price (including ED) rounded off to nearest ten rupees will act as the Starting Bid Price.
- b. In case of slow moving and non moving materials the 80% of the Prevailing Price (or the selling price) excluding ED rounded off to nearest ten rupees will act as the Starting Bid Price.
- c. In case of By-products the 80% of the prevailing Price (or the selling price) excluding ED rounded off to nearest ten rupees shall be the Starting Bid Price. In the absence of BLP the starting bid can be based on the previous selling price.

- d. In case of Secondary Products (dealt by SSD/Branch), Defectives and packing materials the starting bid price shall be 70% of the previous sales price (excluding ED).
  - e. In all the cases, where previous price is not available, the bid shall start at Rs.15,000/- (Excluding ED) or above as assessed by the Sr.BM and approved by the RM along with the e-auction proposal.
  - f. All the cases, where the starting bid is required to be placed below Rs.15,000 per Ton or below the percentage indicated above for the respective products shall be put up to the approval of HOD-Mktg.
- 8.3. It should be explicitly mentioned in the auction Notice and wherever possible, the concept of bid price whether basic price exclusive of ED or BLP inclusive of ED. Wherever the auction is based on the basic price, the actual ED component for the material against each lot should be clearly informed to the customers in the auction notice, and also in the bidding page so that they will bid accordingly.
- 8.4. In case of auction placement date and auction date falls in two different calendar months, the prevailing Price on the date of auction shall be considered for fixing the starting bid price.
- 8.5. The minimum bid increment shall be Rs. 50/- and the maximum bid increment shall be limited to 10 times to the minimum bid increment. However, in deserving cases, the minimum or maximum bid increment can be changed with the approval of RM while finalizing the e-auction.
- 9.0. **Reserve Price:**
- 9.1. Reserve Price is required to be fixed for secondary, customer returned, defective and packing materials. The Reserve price committee shall comprise of the RM and RFM for Branch Auction sales or by the reserve price committee (for HQ) as per the instructions in vogue.
- 9.2. The starting bid price shall be the reserve price for all prime materials. The BLP or prevailing selling price shall be the reserve price for Slow & non-moving materials and By products. The Reserve Price shall not be fed in the system and the column meant for Reserve Price on the screen may remain blank as it is not necessary that the bidders be informed about it.
- 10.0. **Auction Committee:**
- 10.1. There will not be any Auction Committee. Sr.BM/BM or his authorized representative will be the Auction Administrator for the branch. They will make the auction placement, give bid authorizations and obtain various auction reports. The auction reports are to be printed from the system after the auction is completed and are to be signed by the auction administrator immediately thereafter.
- 11.0. All the e-auctions at reserve price or above shall be accepted by the Sr.BM/BM. Prime material shall not be sold below the Reserve Price in e-auction. However, Customer returned, Slow moving, non-moving, by-products, secondary products, defective and packing materials can be sold below Reserve prices as per the delegation given at clause 14.
- 12.0. There will be no negotiations with the customers.
- 13.0. There will not be any requirement of sale by tender. Accordingly, the Tender Sale Policy is kept in abeyance. In case of specific requirement to take up tender sale, the same shall be with the approval of D(C).

14.0. Delegation of Powers under this policy:

Cl.No	Subject /Clause in the Policy		Delegation
3.3	Extension of payment date & Delivery	Upto 10 days	HOD - Mktg
		Beyond 10 days	Director (C)
3.4	Approval of E-auction	Except the Products listed below	RM
		Products not specified for e-auction like slow moving and Non-moving items, etc	HOD - Mktg
3.5	Approval of E-auction	With short notice	HOD - Mktg
7.3	Change in e-auction date or Cancellation		HOD-Mktg
8.2 F	Variation in Starting bid price		HOD - Mktg
11.0	<b>Acceptance of bids price</b>	At or above Reserve Price	Sr BM/BM
		Not less than 90% of the Reserve Price (Non prime products only)	HOD – Mktg
		Below 90 % pf the Reserve Price (Non Prime products only)	Director (C)
13.0	Approval of Sale by Tender		Director (C)

## Process of Registration:

1. The customer who is interested to register for participation in e-auction shall have to register with our web site at [www.vizagsteel.com](http://www.vizagsteel.com).
2. At the opening screen of the web site, the customer need to select the link of "Auctions" to reach the page for Auctions and then to choose "Click to Register".
3. On selecting "Click to Register" the customer, shall be presented the terms and conditions applicable for e-auction. The customer, after going through the terms & conditions, shall tick mark in the acceptance link, as a token of his acceptance for the terms and conditions listed there in and press on the box marked as "I AGREE".
4. The customer shall be presented with the following registration form for filling in the details of customer and his firm. The fields marked with "\*" are mandatory and need to filled in properly.

<b>* Indicates Required Fields</b>	
*Name of the Organization	<input type="text"/>
Address (Not more than 100 Characters)	<input type="text"/>
*Country	Select a Country <input type="text"/>
*State	Select a State <input type="text"/>
*City	Select a city <input type="text"/>
For International Customers / Others	<input type="text"/>
Pincode	<input type="text"/>
*Phone Number	<input type="text"/>
Other Phones (Enter other phones if any with ',' as delimiter)	<input type="text"/>
Mobile Number	<input type="text"/>
Fax Number	<input type="text"/>
Mail Address	<input type="text"/>
*Contact Person	<input type="text"/>
*Designation	<input type="text"/>
Company Web Site	HTTP://WWW. <input type="text"/>
SST No.	<input type="text"/>

CST No.	<input type="text"/>
ECC Code	<input type="text"/>
Ecc Zone	<input type="text"/>
PAN/GIR Number	<input type="text"/>
Select Your Business Category (Hold Ctrl key and select multiple Business Categories)	<input type="text"/> <ul style="list-style-type: none"> <li>2/3 Wheeler Manufacturers</li> <li>Agricultural Implement Mfrs</li> <li>Agriculture Sector</li> <li>Aircraft Manufacturers</li> <li>Airports</li> </ul>
Select Your Product Category (Hold Ctrl key and select multiple Product Categories)	<input type="text"/> <ul style="list-style-type: none"> <li>Angle</li> <li>Argon Gas</li> <li>Bar</li> <li>Beam/Joist</li> <li>BFG Slag</li> </ul>
About your Company (Not more than 250 letters)	<input type="text"/>
<b>Details for RINL Customers</b>	
Are you a RINL Customer?	<input type="checkbox"/> Yes <input type="checkbox"/> No
To which Branch you belong to?	Select a Branch <input type="text"/>
Enter Your Customer Code:	<input type="text"/>
*Select your Account Name	<input type="text"/>
*Enter Password	<input type="text"/>
*Confirm Your Password	<input type="text"/>

5. The customer to press the box "Register" on completion. A line of confirmation shall appear on the screen informing him about the successful completion of the registration.



**RASHTRIYA ISPAT NIGAM LIMITED  
VISAKHAPATNAM STEEL PLANT**

**TERMS AND CONDITIONS FOR SALE OF MATERIALS THROUGH E-AUCTION**

**1. PREAMBLE**

- a) Sale of materials through auction from Branches / Regional Offices / HQs will be governed by the Auction conditions herein contained.
- b) The quantities indicated in the Auction are only indicative and may vary upto (+/-) 10%. No claim on this account will be entertained.

**2. INSTRUCTIONS TO THE BIDDER**

- a) If due to any reason the date of auction is postponed to any other date, information regarding the same will be displayed on the Notice Board of the company and in the website and emailed to the parties.
- b) Bidding will be accepted online only. Please refer 'User Manual' made available in our website for further details.
- c) The lots are notional and are not made as physically separate entities for prime materials and byproducts. Physical lots are made for customer returned, defective and packing materials. However, before participating in the auction, the bidders may inspect the material.
- d) The bids shall be submitted by the bidders inclusive of ED or exclusive of ED as the case may be depending on the relevant lot. The sales Tax and other levies applicable, if any, will be charged extra.
- e) In case of inter-state sales, the bidders shall follow the clause No.9(d) of the terms and conditions.
- f) The Letter of Interest duly filled in and signed along with EMD as has been mentioned should reach at the indicated branch sales office / HQs or dropped in the box kept there for the purpose within the prescribed date / time as mentioned in the Auction Notice. Regular customers may also opt to utilize the replenishable (permanent) EMD facility. The customers may visit our web site or contact the branch manager for further details in this regard. RINL will not be responsible for any loss in transit or postal delay in submission of EMD/letter of interest.
- g) Customers can also submit their letter of interest through "Digital Signature Certificate" (DSC), Ministry of Corporate Affairs has authorised the Certifying Agencies to issue Digital Signature Certificates to participants, which facilitate to submit the signed instructions through web. (For further details participants are advised to visit the website at 'www.mstcecommerce.com').
- h) The bidder should sign on the Letter of Interest in acceptance of all Terms and Conditions of Auction Sale. The customers with replenishable (permanent) EMD shall submit the Letter of Interest at the time of submission of EMD and their user-ID shall be validated for all e-auction by the branch, as long as the EMD is maintained with the Branch.

### **3. EMD**

- a) **Amount of Earnest Money Deposit (EMD):** The lot-wise EMD details shall be indicated for each lot on sale. The EMD required to be submitted for each lot will be the value of amount mentioned against each lot.
- b) In case a bidder wants to bid for more than one lot then the total EMD should be submitted in combined form.
- c) Remittance of EMD will be only by RTGS/Account payee Demand Drafts/Banker's Cheques/Pay Orders drawn in favour of "Rashtriya Ispat Nigam Limited - <Customer Name> A/c" on any scheduled commercial bank, payable at Branch Sales office/HQs where the auction sale is invited.
- d) The bidders submitting the valid EMDs and other required documents only are enabled to participate in the auction.
- e) Customers who like to pay the EMD through RTGS can also submit their "Letter of Interest" through "Digital Signature Certificate" (DSC), Ministry of Corporate Affairs has authorised the Certifying Agencies to issue Digital Signature Certificates to participants, which facilitate to submit the signed instructions through web. (For further details participants are advised to visit the website at 'www.mstcecommerce.com').

### **4. EMD / SD / REFUND / FORFEITURE**

- a) In respect of the successful bidder, the EMD on award of the contract will automatically be converted into Security Deposit (SD) towards faithful and satisfactory performance of the contract. The surplus EMD, if any, shall be returned to the customer after finalization of auction. In respect of unsuccessful bidders, the EMD will be returned after finalization of auction. No interest shall be paid on EMD.
- b) In case the successful bidder withdraws his offer before expiry of the validity or does not execute the contract as per the acceptance by RINL, the EMD/SD, as the case may be, shall be forfeited.

### **5. ISSUE OF ACCEPTANCE OF OFFER LETTER / CONCLUSION OF CONTRACT :**

- a) RINL, VSP shall issue Letter of Acceptance of bid to the successful bidders. Letter of Acceptance of bid shall be issued for each lot separately.
- b) Such acceptance letter shall be issued based on final rates of the successful bidder and accepted by VSP.

### **6. FINANCIAL ARRANGEMENT**

- a) The successful bidder should pay the value of the material including Taxes and Duties, etc., by RTGS/DD/Pay Order/Banker's Cheque drawn in favour of Rashtriya Ispat Nigam Limited, payable at the Branch as mentioned in the Acceptance Letter along with the C/D form or any other sales tax form as required. Otherwise full tax will be collected. The amount so collected will be adjusted against the invoices for the actual quantity delivered. The balance surplus deposits/advance will be refunded to the successful bidder after completion of the contract.

- b) The successful bidder has to pay the amount indicated in the Acceptance Letter within 7 days from the date of Acceptance Letter. However, in case of notional lots, the payment can be made within 7 working days from the date of offer provided the payment date falls within the delivery schedule as mentioned at clause 8 below.
- c) The bidder has to pay full amount as per the Acceptance Letter for enabling VSP to issue delivery order for the lot quantity. Delivery Order for part quantity of any physical lot will not be issued. However, Delivery Order for part Quantity can be issued in case of material being delivered in notional lots. The offer letters shall be issued based on the availability in case of notional lots.

## **7. DELIVERY OF MATERIAL**

- a) Materials will be delivered from the stockyard of the Branch Sales Office /HQs conducting the auction and purchaser has to arrange his own transport. Loading will be carried out by VSP, wherever possible as per Auction Notice.
- b) Trucks/trailors will be placed at loading point as per the direction of VSP. Loading on trucks / trailors/rail will be as per the instruction of VSP's representative at the place of loading. The bidder / purchaser will not be allowed to pick or choose the material. If any material other than the subject auction lot is found in the vehicle at the time of loading or weighing or at the time of issue of gate pass, etc suitable action will be taken as per VSP's rules and regulations and also consider the same as breach of contract under the auction.
- c) The risk and property of the material will pass on to the bidder immediately after loading the materials into their vehicles / wagons.
- d) Weight as per the weighbridge at VSP's stockyard or HQs will be final and no dispute will be entertained after the material leaves VSP premises.
- e) If the bidder intends to take the deliveries through his representative he must authorize his representative by a letter of authorization giving name and details of such representative. The letter of authorization will be with the signature of the representative duly attested by the bidder, who signed on the auction documents.

## **8. DELIVERY SCHEDULE / EXTENSION**

- a) The bidder should lift the entire quantity of the lot quoted and accepted by the Company within the delivery time indicated in the auction notice.
- b) The successful bidder shall deposit the value of the lot accepted within 7 working days from the date of Acceptance of auction or issue of offer Letter (for notional lots) by VSP. Failure to submit the payment within the prescribed time limit, or failure to lift the quantities within the delivery period as indicated in the offer or communicated otherwise, shall be considered as breach of contract and the Company shall forfeit the EMD/SD submitted by the successful bidder. Any losses due to such breach of contract on the part of the bidder will also be recovered from any other amounts due to the bidder either under this auction or under any other auction or contract.

## **9. TAXES & DUTIES**

- a) The ED shall be charged as indicated in the Tender Notice. Cenvatable documents will be issued for the ED charged.

- b) For the sales from plant and stockyard, sales tax, octroi and others statutory levies etc will be charged extra.
- c) If the bidder claims any sales tax exemption/concession under any form issued by any department other than sales tax authorities, the bidder shall pay the difference between full applicable rate of tax and rate chargeable as per the concession form eligible as deposit. This deposit will be refunded after completion of Sales Tax assessment of the Company.
- d) In case of inter-state sales, where the buyer intends to avail concessional rate of sales tax against form 'C'/D', the following documents shall be submitted along with form 'C'/D' evidencing that the goods have been moved from the state/U.T in which the branch is situated to other states.
  - (i) The consignee copy of RR/LR showing RINL as the consignor, and
  - (ii) If goods are moved by Road, the copy of the way bill/E.D.Invoice endorsed by the exit check post of the Commercial Taxes Department of the state/U.T in which branch is situated

#### **10. REFUND OF SD/DELIVERY ORDER BALANCE/CLOSURE OF LOT**

- a) The SD and balance refundable amount shall be released only after the receipt of delivery completion report, closure of lot report, from the custodian of material and after adjusting any dues to VSP in case of materials delivered from physical lots. In case of material delivered from notional lots, the SD and balance refundable amount shall be released based on the certification of the Sr.BM/BM.

#### **11. GENERAL**

- a) In case payments are not made or materials are not lifted after making part/full payment as per the conditions of the auction, the Company will have the full right to dispose off the lot in any manner, as it deemed fit. The bidder will have no claim on such materials. In such cases the SD shall be forfeited. For any losses on account of such failure by the bidder, RINL shall have right to recover the losses apart from other rights available to RINL under the law. Decision of VSP shall be final and binding in this regard. The bidder is not entitled for any gain on account of such acts of VSP.
- b) If the fulfillment of the contract is rendered impossible by any Executive or Legislative Act done by or on behalf of the Government the contract or any non-fulfillment part thereof will be cancelled.
- c) The Company at its entire discretion may terminate the contract without any notice to the bidder in case there is any malafide intention noticed during lifting of materials from VSP. In the event of such termination of contract, the SD will be forfeited and RINL shall have right to recover the losses, if any, incurred during disposing off such material.
- d) Bidder will not be entitled to claim any compensation of whatsoever nature if termination/cancellation is imposed by VSP for any reason.
- e) Any damage caused to VSP's property or its contractor's personnel within VSP's premises by the bidder during the operation of the contract will be to his account and are recoverable.
- f) Except the matters covered by the terms of the contracts , where a decision is provided or where it is declared to be final, if at any time, any question, dispute or difference whatsoever shall arise between RINL, VISAKHAPATNAM STEEL PLANT and the CUSTOMER upon, or in relation to or in connection with the Contract either party may forthwith give to the other notice in writing of the

existence of such question dispute or difference and the same shall be referred to the adjudication of an arbitrator to be nominated by RINL, VISAKHAPATNAM STEEL PLANT. The award of the arbitrator shall be final and binding on both the parties and the provisions of the Arbitration and Conciliation Act, 1996, and the rules there under and any statutory modification thereof shall be deemed to apply to and be incorporated in this contract.

The performance of the obligations under the contract shall unless otherwise directed by the Arbitrator, continue during the Arbitration proceedings and no payment due or payable by the parties shall be withheld on account of such proceedings.

The Arbitrator shall make a reasoned award.

The venue of Arbitration shall be at Visakhapatnam, Andhra Pradesh, India (for auctions conducted at HQ)

- g) All suits or proceedings relating to any dispute or any claim arising out of or in the course of performance of the contract shall be subjected to the exclusive jurisdiction of the courts at Visakhapatnam only (for auctions conducted at HQ).

**Note: For auctions conducted through RO's and BSO's, the respective places may be considered for Venue and Jurisdiction of courts and suitably incorporated in the Arbitration Clause.**

### TERMS OF DELIVERY ORDER

1. The Delivery Order is subject to Terms and Conditions for Sale of materials through e-auction.
  2. The hired/own vehicles have to be sent by the customers with prior appointment with the Concerned Branch Sales Office/BCSY and custodian Department.
  3. The customers can send their representative with appropriate authority and identification letter for taking delivery.
  4. The customer will not make unauthorized use of Company's land for any purpose including dumping of any material purchased against this delivery order from Company and in case of any violation of these terms/clauses, Company will reserve the right to suspend supplies against the delivery order and / or other delivery orders and / or cancel the delivery orders altogether.
  5. The customer will ensure that proper discipline and decorum is maintained by the workmen employed by or through him at works and in and around the plant site/stock yard of the Company.
  6. With regard to the work and the labour directly or indirectly employed in the works the customer will conform in all respect with the provision of any statute, ordinance or laws and the rules, regulations of by-laws brought into force by the central and the state governments or the local authority from time to time and will keep the company indemnified against all penalties and liabilities of every kind for breach of any such statute ordinance, Law, rules and regulations or by-laws.
  7. The customer will be fully responsible for the safety of his workmen and employees. The customer will however, follow all instructions and directions that the safety department of company may issue from time to time in regard to safety measures. The customer will be responsible for all accidents arising out of this work however and whatever, occurring in Plant and should ensure that they are reported without delay to the safety department of the company. The customers will also assist in regard to the enquiry and implementation of the safety measures.
  8. Claims if any arising out of errors in invoicing should be submitted to Marketing Department not later than 15 days of receipt of Invoice or delivery of material.
  9. If sales tax, excise duty authorities at any time charges sales tax, excise duty at a higher rate for any reason whatsoever the customer shall have to bear the difference of amount of taxes / duties immediately on demand.
  10. All suits or proceedings relating to any dispute or any claim arising out of or in the course of performance of the contract shall be subjected to the exclusive jurisdiction of the courts at Visakhapatnam only (for auctions conducted at HQ).
- Note: For auctions conducted through RO's and BSO's, the respective places may be considered for Venue and Jurisdiction of courts and suitably incorporated.**
11. It is specifically and expressively agreed by both the parties to this sale contract that the movement of goods under the delivery order will take place in terms of the delivery order irrespective of fact that the delivery of goods in question take place in the state of origin of the goods and / or that the movement of goods take place by a carrier as an agent of the purchaser and / or the property in goods passes on to the buyer in the origin of the goods and such sale will attract concessional rate of central sales tax provided valid central sales tax declaration form for inter-state sale is submitted.

**Letter of Interest**

To  
 Sr BM / BM,  
 Branch Sales Office.....,  
 Rashtriya Ispat Nigam Limited.

Sub: Auction Notice Ref.No..... dt.....

I/We am/are interested in participating in the Online Forward Auction vide your notice referred above. I/We have agreed to the terms of Registration and have registered. I/We have my/our User-Id and Password to login. User-id as registered by me/us on the System is..... I/We agree to the terms and conditions of Auction at Annexure-A, B and the terms of delivery Order (Annexure C) of the auction notice mentioned above. I/We have gone through the User manual.

I/We am/are hereby submitting an amount of Rs..... (Rupees in words ..... ) in the form of DD/Pay Order / Banker's Cheque drawn in favour of RINL payable at (BSO CITY) towards EMD as per the following details.

Sl.No.	DD/Pay Order/Banker's Cheque No.	Date	Issuing Bank	Amount (Rs.)
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I/We agree to offer my/our best bids in the auction process as per the terms of the auction (including or Excluding the ED) as the case may be and exclusive of all other duties and taxes, octroi and all other statutory levies. The bids shall be kept valid for a period of one month from the date of Auction for acceptance. I/We shall abide by the terms and conditions of RINL Auction sale.

\* My/Our bid is subject to the condition that if it is accepted the sale shall occasional movement of goods from the state/U.T. in which branch is situated to other states.  
 (\* Applicable for inter-state sale only)

My/Our contact details are given below:

Name of the Company & Address: .....

Name of the contact person : .....  
 Contact Telephone No. ....  
 Mobile No. ....  
 Fax No. ....  
 E-mail .....

Yours faithfully,  
 For M/s.....  
 Signature of authorized person .....  
 Name .....  
 Designation .....  
 (With Company seal)

Place: .....  
 Date: .....

RASHTRIYA ISPAT NIGAM LIMITED  
VISAKHAPATNAM STEEL PLANT

MARKETING DEPARTMENT

REGIONAL OFFICE (.....)

SALE OF MATERIAL THROUGH E-AUCTION

Rashtriya Ispat Nigam Limited, to enable availability of prime steel products to various customers on the spot basis, conducts e-auction on its website at [www.vizagsteel.com](http://www.vizagsteel.com) regularly every month for delivery from its Branch stockyard at \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_. Further, other materials like Slow Moving, Non Moving, Customer Returned, Defective and packing materials are also sold through e-auction at this web site.

All the customers and interested parties are requested to visit the website mentioned above for the dates and products placed for auction and invited to participate in the e-auctions.

Customers are required to register themselves before participation in the e-auction. The registration can be done online and is free of cost. The Registered customers shall submit EMD along with the duly filled in Letter of Interest in our Branch Sales Offices on or before the scheduled time indicated in the respective auction.

Phone No : \_\_\_\_\_

FAX No. : \_\_\_\_\_

e-mail : \_\_\_\_\_

Regional Manager (\_\_\_\_\_)