

LETTER OF INTEREST

To

Steel Authority of India
Limited, Name of the Branch

Dear Sir,

1. We _____ are interested in participating in the Online Forward Auction notified vide your notice No. _____ dated _____.

2. We have provided a Permanent EMD of Rs. _____ vide DD/Banker's Cheque/ Pay Order No. _____ dated _____ drawn on _____ (Bank) in favour of M/s.Steel Authority of India Ltd., payable at _____ (branch).

We are hereby submitting a onetime EMD of Rs. _____ vide DD/Banker's Cheque/Pay Order _____ dated _____ drawn on _____ (Bank) in favour of M/s. Steel Authority of India Ltd., payable at _____ (branch).

3. We agree to abide by all the instructions contained in the above indicated online forward auction notice, "SAIL – FA1 – General Terms & Conditions for sale through Online Auction/Forward Auction (FA)" available on SAIL/Service Provider's website and your General and Special Terms & Conditions of sale of materials.

4. I/We understand that my/our bid in an e-selling event would be construed as my/our acceptance to the "SAIL – FA1 – General Terms & Conditions for sale through Online Auction/Forward Auction (FA)" available on SAIL/Service Provider's website and the General Rules and Regulations governing conduct of Online Forward Auctions (Annexure C). I/We understand that if our bid is accepted by the service provider, and approved by SAIL, I/We are obliged to complete the transaction.

5. I/We agree that we have been provided training by Service Provider in order to participate in Online Forward Auctions.

6. I/We request Service Provider to allot User-id and password to me/us and activate the same to participate in the above mentioned online forward auction.

7. I/We agree that I/we shall change the password on receipt by me/us and keep it confidential. I/We agree that Service Provider shall not be held responsible in any way for any losses that may be suffered by me/us as a result of disclosure of the password to any other person by me.

8. I/We understand that my/our inability to participate in an e-selling event due to disruption of my/our internet services, or due to bandwidth problems with my/our local internet service providers is beyond the control of the Service Provider.

9. In the event of any failure on our part to comply with all or any of the Terms & Conditions regarding the Online Forward Auction, I/We irrevocably agree for the forfeiture of our earnest money deposit and security deposit (if applicable).

10. We are providing the following details to you :

- a) Name of the contact person on our behalf :
- b) Our contact Telephone No. :
- c) Our contact FAX No. :
- d) Our contact E-Mail particular :
- e) Bank name :
- f) Branch name :
- g) Branch address :
- h) Branch telephone no. :
- i) 9 digit code number of the branch :
- j) Account type :
- k) Ledger No./Ledger folio no. :
- l) Account no. :
- m) Other documents required by the plant/ “ unit, if any

Yours faithfully,
Signature of Authorized Person
(Name of the person signing)
For M/s. _____
(With Company's Seal)

Date :

Place:

Note: Please delete portions not applicable.

STEEL AUTHORITY OF INDIA LIMITED
BRANCH SALES OFFICE

#39 RK BEACH, VISAKHAPATNAM 530003

No. VIZ/14-15/LP/OFA/11D

Date :09.12.2014

ONLINE FORWARD AUCTION NOTICE

1. The following materials are available on 'as is where is' basis at **BSO, VIZAG STOCKYARD** for sale through Online Forward Auction process, subject to prior sale.

ITEM/ SECTION	LOT NO	QUALITY	QTY	Ex-Syd price inclusive of standard size, quality extras, Excise Duty but EXCLSUIVE of VAT/Octroi, cutting/bending,non- standard extras and all other charges as applicable.(Rs./ Tonne)	ACTUAL ED/CESS OF THE LOT (Rs./MT)
STOCK LENGTH TMT BARS (20mm)	LOT-1	IS 1786 FE500D	66.43	48877/-	4832/-

The rate quoted will be deemed to be inclusive of price and quality extras/charges, ED (Actual ED as indicated above) but exclusive of /VAT /Octroi and cutting/bending charges and all other charges as applicable.

Customers intending to purchase any of the above materials shall have to submit to the Branch Manager or his authorized representative, a letter of interest as per format available at the Branch as well as submit a copy each of the "General Rules & Regulations governing conduct of Online Auction on the Service Provider platform" and the "Definition of Key Terms", available with the Branch, after duly signing on each page.

2. **Inspection of Material available for sale**

Bids are accepted on the assumption that the bidders have inspected the materials and have known what they are bidding for whether they have first inspected the materials or not and that the principle of 'Caveat Emptor' shall apply. The materials offered for sale are on "AS IS WHERE IS" and "NO COMPLAINT" basis. The material will be lifted from the site of storage with all faults and errors in description or otherwise, if any. Quantity, quality, size measurement, marks and number stated in the tender documents are approximate and no warranty or guarantee shall be

implied. The bidders are advised to inspect the material before bidding.

3. The documents detailed at paragraph 2 above should be accompanied with Earnest Money Deposit in the form of Demand Draft/Pay Order/Banker's Cheque/cheque from customers having cheque facility/Bank Guarantee obtained from a scheduled Bank except from any **Gramin/Co-operative Bank and from any branch of Catholic Syrian Bank Ltd** and drawn in favour of Steel Authority of India Limited payable at **VISAKHAPATNAM**. The value of the EMD to be paid is to be computed @ 2% of the value of the items, detailed at paragraph 1 above, which the customer is interested to procure through Online Forward Auction, subject to the maximum of Rs.1, 00,000/- (Rupees one lakh only). The prevailing stockyard prices of the items as on date of the notice would be the basis for computing the value of the EMD.

4.

AUCTION DATE	17.12.2014
AUCTION START TIME	15:30 Hrs
AUCTION END TIME (INDICATIVE)	16:30 Hrs
INSPECTION DATE	ANY DATE BEFORE 17.12.2014
INSPECTION TIMINGS	9:00 Hrs TO 15:00 Hrs
AUCTION WEBSITE	www.auction.metaljunction.com

5. In case of CMO the documents, "Letter of Interest", copy of the "SAIL FA1 (General Terms & Conditions of sale for sale through Online Auction/ Forward Auction (FA)", "General Rules & Regulations governing conduct of Online Forward Auction", "Special Terms & Conditions (if any)", and "Definition of Key terms" duly signed and stamped as a token of the bidder's acceptance of the same in Toto should be accompanied with EMD in the form of Demand Draft/Pay Order/Banker's Cheques/Cheque from customer having cheque facility/Bank guarantee obtained from a scheduled bank and drawn in favor of Steel Authority of India Ltd. payable at VISAKHAPATNAM to the CMO Branch Sales Office.

The value of the EMD to be paid is to be computed @ 2% of the value of the items, which the customer is interested to procure through FA, subject to a maximum of Rs.1.0 lakh. The prevailing stockyard prices of the items as on date of the notice would be the basis for computing the value of the EMD.

6. Permanent customers will be those who would like to keep the EMD amount as decided to enable them to participate in all the FAs without returning the EMD. Such customers will be given permanent User Id by the Service Provider.

Temporary customers will be defined as those who submit the EMD in each FA for participation.

7. **EMD and the documents detailed at paragraph 5 above complete in all respect, should reach the CMO Branch Sales Office before 13.00PM on or before 17.12.2014.**

8. Before actual participation, the customers may obtain necessary help from the Service Provider so as to enable them to participate in the Online Forward Auction process, without any difficulty.

9. Final bids given by the successful bidders in the Online Forward Auction should be kept valid for 7 (seven) working days from the date of conduct of Online Forward Auction for acceptance by the competent authority.

Acceptance Offers/Sale Orders/Offer Letters issued by SAIL to successful bidders against this notice will be valid for a definite period as decided.

10. SAIL reserves the right (with the approval of competent authority, as per the delegation of power) to accept or reject any or all the bids and their decision shall be final.

11. In cases where the bids given by the bidders in the Online Forward Auction are not accepted, the EMD amount would be refunded in full within 7 days of auction by Service Provider/ CMO Branch Sales Office to the bidder.

If the bids are accepted and materials are offered through Acceptance Offer/Sale Order/Offer Letter and the customers do not make payment as stipulated in the Acceptance Offer/Sale Order/Offer Letter, EMD shall be forfeited in full.

If the customers have obtained Release Order/Delivery Order after making full payment but have failed to lift the **available** quantities **in the lot** in full within the time stipulated in Release Order/Delivery Order, **the EMD shall be forfeited in full.**

12. If for any reasons beyond the control of the company all the materials offered through the Online Forward Auction or part thereof cannot be delivered, the liability of the company will be limited only to refund of the proportionate amount paid by the customer as applicable for the quantity not delivered.

13. Material lifting from the stockyard shall be customer's responsibility. **However, loading at the stockyard will be done into the customers' transport, other than railway wagons, free of cost by SAIL. Customers shall take delivery of the total quantity of materials offered to them from the lot/wagon, without any sorting (pick and choose).**

14. The sale of materials shall be governed by "SAIL – FA1: General Terms & Conditions for sale through Online Forward Auction/Forward Auction (FA)" and General and Special Terms & Conditions of sale.

15. SAIL reserves the right to withdraw from the sale after advertising or after issue of Acceptance Offer/Sale Order/Offer Letter for any item of any quantity of the materials by number or weight without assigning any reasons thereof to the customer. SAIL will not be responsible for any damages/loss whatsoever to the customer on account of such withdrawal.

16. SAIL reserves the right to dispose of any item by other means even after inviting bids for sale of such materials by auction through internet.

BRANCH MANAGER

GENERAL RULES AND REGULATIONS GOVERNING CONDUCT OF ONLINE AUCTIONS

INTRODUCTION

This online auction is being conducted for Steel Authority of India Ltd. (hereinafter referred as the "Client") on the Service Provider platform (hereinafter referred to as the "Service Provider").

"The General Rules and Regulations governing conduct of Online Forward Auction" provided herein govern the conduct of online forward auctions arranged by the Service Provider on its auction platform. These rules cover the roles and responsibilities of the parties in the online forward auctions on the auction platform. Acceptance in Toto to "SAIL – FA1 (General Terms & Conditions for sale through Online Auction/Forward Auction (FA))", "General Rules & Regulations governing conduct of Online Forward Auction" and Special Terms & Conditions of sale of materials is a pre-requisite for securing participation in the online auction.

The key terms pertaining to the online auctions are provided in the Annexure-D.
Prospective bidders are advised to go through the same.

Role of the "Service Provider"

The Service Provider is the agency (operator) primarily providing the Service of the Forward auction to the "Client".

Finalisation of any third party contract suitable for the current auction. Finalisation of the auction items in consultation with the Client.

Defining of the bidding rules for each Auction in consultation with the Client.

Enhancing bidder awareness of and comfort with the auction mechanism and bidding rules.

Providing Auction outcome to the client after the auction is completed.

E-mail the OFA Notices to all the branches / Regional Offices / CCOs of SAIL and also to prominent Business Houses like SSICs.

The responsibility for fulfillment of the contract rests between the bidders and the client and Service Provider shall have no liability on this account.

Educating bidders about the auction mechanism and bidding rule.

Input of the auction items and defining of the bidding rules in the auction engine.

Providing access to the approved bidders to participate in the auction.

Summarizing the auction proceedings & communicate the outcome to the client.

Role of the Bidder

The role of the bidder is outlined below:

The bidder would participate in the auction with the aim of bidding to secure the auctioned item in the auction.

The bidder would be provided access to the Auction through a User Id protected by a password. The 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 SAIL – FA1 (General Terms & Conditions of SAIL of CMO for sale through online auction/forward auction (FA), General Rules & Regulations governing conduct of online forward auction, letter of interest and Special Terms & Conditions of sale if any. Payment of Earnest Money Deposit (EMD) as decided by the client minimum 1(one) working day before the start of the Forward auction will be one of the necessary conditions for participating in the auction.

Bidders hereby confirm that they shall commit to lift the product (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 honour the bids placed during the online Bid shall render the bidders liable for any penal action as deemed fit by Client/Service Provider.

In the event of winning an allotment in the auction mechanism, the bidder shall commit to fulfill outlined obligations under the contract.

The bidder shall bid on the terms specified by the client and place his/their bids in the auction engine in the manner specified by Service Provider. The Bidder shall not stipulate any conditions on his/their own unless the terms of the Client (in the Client's Terms and Conditions) expressly permit such conditions being stipulated by the Bidder. Bids entered with conditions attached shall be considered Conditional bids and Service Provider retains the right of rejecting these bids even without intimating the Client.

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:

1. Definition of the unit of bidding
2. Start Time and duration of the auction
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. Reserve Price (if specified)
5. Minimum & Maximum Bidding Quantity/value (if specified)
6. Price Increments and any reduction in the price increment in the auction in the event of inactivity
7. Other attributes (informational/non-negotiable in nature)
 - While it shall be the endeavor of the Service Provider to specify these rules at the earliest for each online bid, the Service Provider shall have the right to delay the announcement of these bidding rules or modify rules specified earlier at the time of the online Bid. 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 as provided on-line at the time of the auction.

Conduct of the Auction

Only those bidders who have been approved by the "Client" and/or have handed over stamped and manually Signed "SAIL-FA1 (General terms and conditions of Sale through Online Auction/Forward Auction (FA))", "General Rules & Regulations governing conduct of online forward auctions", Letter of Interest, Special Terms & Conditions of sale, if any and the necessary EMD amount to the service provider at least one day prior to start of online auction will be given User ID and Password to enable them to view and participate in the online auction. Letter of Interest, Special Terms & Conditions of sale, if any and the necessary EMD amount shall be submitted to the Branch Sales Office. However, a time of 5 working day shall be provided for in between the date of Online Auction Notice and the date of conduct of Online Forward Auction.

The auction shall be communicated and conducted on pre-specified date. The key terms pertaining

to conduct of the auction such as Start Time, Duration, End Time and Auto Extension Facility shall be specified separately for each auction.

During the course of auction a facility will be provided to the bidder to ascertain whether his bid is the highest so that he can raise his bid if he/she so desires.

Service Provider reserves the right to cancel or reschedule the auction with the approval of competent authority on any of the following reasons:

1. The number of confirmed bidders is deemed insufficient to conduct the auction
2. Some of the confirmed bidders are unable to access the module due to infrastructure problems such as sustained power failure or telecommunication breakdown.
3. There are no bids accepted which are equal to or below any start Bid price.
4. Any other reasons which in the opinion of Service Provider/Client requires such action to be initiated.

The duration of the auction may also vary from the pre-specified period of time on account of termination of the auction by Service Provider.

- a) On the advice of the client or
- b) 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.

O R

Due to auto extension during the auction, the duration may increase from the specified period.

In the event of any problems being faced in the smooth conduct of the auction, Service Provider with the approval of competent authority shall have the right to undertake one or more of the following steps:

Cancellation/ premature termination of the auction with/ without a subsequent rerun of the auction on a mutually decided date

Cancellation of a bid

Lock/deactive a bidder's account (suspension of operations in the account), etc.

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. The best price communicated by the

bidder will have to be by written confirmation or fax to the Service Provider and will be kept confidential between the Service Provider and the bidder. However, the bids received through online auction platform shall only be acceptable. The Bidder will be bound by the price offered. **Request for proxy bidding through telephonic conversations may also be entertained by the Service Provider on behalf of the Bidder. The telephonic conversations will also need to be confirmed by the Bidder to the Service Provider by a written confirmation or fax.**

Liability of Service Provider

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

- a) Any breach of contract by any of the parties in the fulfillment of the underlying contract
- b) Any delay 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 is 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 bidders shall specifically indemnify Service Provider from all liabilities for any shortcomings on these aspects. It is clearly understood that these activities are undertaken by Service Provider to assist the bidders in participation but the ultimate responsibility on all these counts lies totally with the bidders.

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.

Confidentiality Clause

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

Jurisdiction

Any disputes relating to the online auction module shall be subject to the sole jurisdiction of Court of Law having jurisdiction over the Branch from where the material is made available / sold.

Signed in acceptance of the above terms & conditions

Date:

Place

Name

Designation of Signatory

Contact No. at the time of Auction

DEFINITION OF KEY TERMS

Auction

Auction refers to a forum where the participants (bidders) bid against items available for auction.

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 being awarded the item(s) of an auction. In other words, the venue for the auction is on an Internet Website/ platform. The "Service Provider's" Website would be the venue for the Online Auctions.

Award at the Auction

In a single winner format, only one bidder (normally the bidder who quotes the Highest price) is awarded the item being auctioned.

Client

Client is the individual/business entity who has contracted the "Service Provider" to conduct such auction. In case of an 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.

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.

Auction Engine

Auction Engine refers to the software that encapsulates the entire auction environment, processing logic and information flows. The "Service Provider" is the sole owner of the auction engine and retains exclusive right over the utilisation of the same.

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 endeavour of the "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).

Preview Time

Preview Time refers to the period of time that is provided prior to the commencement of bidding. This is to facilitate 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.

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.

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 a pre-specified period of time. However, the bidding rules may state the conditions when the pre-specified duration may be extended/curtailed. The condition includes:

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.

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.

End of the Auction

End of the Auction refers to the termination of the auction proceedings signaling an end to the price discovery process.

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.

CATALOGUE-11D(LP)

LOT-NO	MATL	Wagon Number	LOCATION	Grade	Dim. 1[mm]	TDC	Available Stock[MT]	AVG PRICE OF THE LOT	AVG ED OF THE LOT
LOT-1	STK LENGTH TMT BARS	SW63889	H-06	IS 1786 FE500 D (SAI	20.000	Stock Length	2.970	48877	4832
		SW63889	H-06	IS 1786 FE500 D (SAI	20.000	Stock Length	8.000		
		SW63889	H-06	IS 1786 FE500 D (SAI	20.000	Stock Length	8.000		
		SW63889	H-06	IS 1786 FE500 D (SAI	20.000	Stock Length	8.000		
		SW63889	H-06	IS 1786 FE500 D (SAI	20.000	Stock Length	8.000		
		SW63889	H-06	IS 1786 FE500 D (SAI	20.000	Stock Length	8.000		
		SW63889	H-06	IS 1786 FE500 D (SAI	20.000	Stock Length	8.000		
		SW63889	H-06	IS 1786 FE500 D (SAI	20.000	Stock Length	15.460		
					LOT-1 TOTAL		66.430		