



Ref.No.KSFC/HO/MD/ED(F)/037/2010-11

Date : 09.04.2010

CIRCULAR No.901

Sub: Sale of secured assets through e-Auction.

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As you are aware presently, public auctions are conducted to sell properties seized under both Section 29 of SFCs Act and SARFAESI Act. Prior to this, the system of closed tender and post tender negotiation was in prevalence. This had limitations and important one being a discretionary role for the officers to finalise the sale negotiation and the possibility of the formation of a cartel by the bidders. By resorting to public auction, these limitations have been addressed, particularly the former. Many Government / Public Sector Undertakings including BBMP have resorted to e-auctioning which makes the entire process of auctioning transparent, open, devoid of subjectivity without scope for cartels to operate.

In this regard, with the assistance of Reyvish B Serve.com an e-auctioning portal is hosted on KSFC website viz., www.ksfc.in. In this system the bidder would be advised to log on to KSFC website and the entire process of e-auctioning happens through KSFCs dedicated portal. The entire process of posting auctions, bidding and selection of successful bidder will be done on internet. The bidders who wish to bid for properties put up for sale by various Departments at HO / BOs have to be registered with KSFC. The HODs in HO and BMs in BOs will be designated as Local Administrator (LA) who will conduct the e-auction. The detailed procedure for e-auction (for both LA and bidder) is attached to this Circular. All the concerned HODs and BMs are advised to go through the same and familiarize themselves with the necessary steps for conducting successful e-auction. For any clarification / assistance they may contact the AGM(IT).

The e-auction system comes into force in the first phase at HO with effect from 15th April, 2010. In the second phase it is proposed to cover Super 'A' grade BOs and



next all other branches are proposed to be extended with this facility. Therefore, while the e-auctioning system in the HO will come into operation with effect from 15th April, 2010, in respect of BOs separate instructions will be issued.

The standard terms and conditions of e-auction should be included by the authorized officer at the time of hosting a property for e-auction are given at Annexure - IV.

The contents of this Circular shall be brought to the notice of all the concerned in your office / department.

Sd/-
MANAGING DIRECTOR

To:
All BMs
All ZMs / DGMs of Super 'A' Branches / IA cells
All Principal Officers / Section Heads in HO
All General Managers
Library

Executive Directors - for information



ANNEXURE-I

A. PROCEDURE FOR E-AUCTION:LOCAL ADMINISTRATOR (LA) :

The Heads of concerned Departments at HO and BMs in all the BOs are authorised as Local Administrator (LA) for conducting e-Auction. His duties include the following:

a. Obtaining Login Id and Password from Central Administrator (CA), IT Department, HO :

The LA should send email to the CA (admin@ksfc.in) requesting for Login Id and Password. This will be issued within 24 hours by the CA. Soon after receiving Login id and Password, the LA should log in to the account and change the Password.

b. Posting e-Auction :

The LA can go to the Login Page by clicking the link 'e-Auction-Administrator' on the KSFC Website www.ksfc.in. When the LA logs into the account he will be able to find link post e-Auctions. When he clicks on that the 'Post Auctions' Page appears. He will have to make necessary entries under the headings Basic Information, Owner Information, Asset Information, Auctioner Information, Statutory Information and Auction & Bid Information. After all the entries made correctly he has to accept the Terms and Conditions and click on the button 'Post'. This will make the Auction Page visible to all the Bidders.

Note : In the 'Post Auction' Page, there are facilities to upload a Photograph, a Video and a Document of the Properties put up for Auction. The steps for doing the same enclosed separately vide Annexure-II . All the LAs are advised to upload Photographs and Videos for each Auction without fail.

c. Issuing Bid Key/Auction Key to the Bidders after collecting EMD :

Any Bidder can login to the account and view the Auctions posted by the LA. If he wishes to bid for any Asset, he has to submit EMD DD to the LA. After verifying the DD, the LA logs into his account where we find the list of Auctions posted by him. He should click on the Asset Id of the Asset for which bid is received and it will open 'View Auction' Page. There is a tab called 'Generate Key' on this Page. Click on the same and it will open 'Auction Key Generation' Page. There he has to make entries like Member Id, PAN No. and EMD details. After making all the entries, click on the Button, 'Generate Key', which will generate Auction Key. We get a message as 'Successfully Generated the Key' and also option to print and e-mail a letter



to the Bidder. The LA has to use both the options.

d. Checking the bids received:

After receiving the Bid Key from the LA, the Bidder will bid for the Property. In the Bidding Process, successive Bidders will be forced to bid an amount higher than the previous Valid Bid amount.

The LA will login to his account and click on the required Asset Id. In the next page click on the Tab, 'Bids' which will open 'Bid Count List' Page where information about all the bids received with the Bid Amount will be displayed. After the closure of the bidding time, the highest bidder will be declared Successful Bidder by the System.

Note : The System allows a Bidder to bid with an amount less than the Reserve Price. Such Bids will not be accepted as Valid Bids, but recorded separately. The LA will have buttons to take Report on such Bidders, who had bid with amounts lower than Reserve Price. This information will be used for next Auction of the Property if all Bids received are lower than Reserve Price. In such situation, the LA may lower the Reserve Price comparing the received Bids with SR Value, after approval from the Competent Authority.

e. Communication to the Bidder after the Bid Closing Time:

Within few minutes after the automatic closure of the e-Auction the System will generate emails and send them to the following.

- i. Successful Bidder asking to pay 25% amount within one day.
- ii. Second highest Bidder informing status of his Bid.
- iii. Unsuccessful Bidder informing status of his Bid.

The Auto-Mails will be only a brief Notice informing the status of Bids to respective Bidders. The LA will print a Report on the closed e-Auction and place it before the Competent Authority for approval. Thereafter, a hard Copy of the Communication will be sent to the Successful Bidder with detailed Terms and Conditions. All the remaining procedures in respect of Second highest Bidder and Unsuccessful Bidders remain unchanged.

B. PROCEDURE FOR E-AUCTION: (BIDDERS) :

Any Bidder can bid for the Properties posted by LA, only through Internet. To do so, he should be registered with KSFC as a Bidder. For registration as Bidder, one should click on the link 'e-Auction-Bidders' on the KSFC Website. If he is a new bidder he has to click on 'New Bidder' Link which will take him to Registration Page. On this page he



has to enter various details like Profile Type, Personal Information, Communication Address, Contact Information, and Login Information. Next, he has to accept the Terms & Conditions and click on the Button, 'Register'. After the successful registration, his Login Id and Password will be mailed to his email Id. Whenever he wishes, he can login to this account and look for the Properties posted by various LAs. He can bid for any of the Property by submitting the EMD and obtaining Bid Key from the concerned LA. For the easier understanding of e-Auction, a Chart representing entire e-Auction Process is also enclosed vide Annexure-III.



ANNEXURE-II

PROCEDURE TO UPLOAD VIDEO, PICTURE AND DOCUMENT OF THE PROPERTY

Requirements:

1. A Digital Camera with Video creation facility
2. YouTube Account(www.youtube.com). If you have a Google Account, same can be used to log into YouTube.
3. Internet

VIDEO

Use a Digital Camera to take Video of the Property put up for Auction. Once you've finished filming your video, make sure it's less than 10 minutes, smaller than 2GB in size, and in an acceptable format(AVI, MOV, WMV, and MPG).Transfer it to your Desktop using Data Cable provided with Digital Camera.

The Videos taken with regular Mobile Phones are usually of 3GP formats. They can be converted to MPG format using a Free Converter, available in the HO Server with IP Address 192.168.1.49.

Uploading Video to YouTube : Log into your YouTube Account using Internet. Click the "Upload" button in the upper-right-hand corner of any YouTube page. Click the "Browse" button to browse for the Video File you'd like to upload to YouTube Site. Select the file you want to upload. Click the 'Upload Video' Button to start the uploading process.

As the video file is uploading, enter as much information about your Video as possible in the relevant fields (including Title, Description, Tags, and Category). You're not required to provide specific information, but the more information you include, the easier it is for users to find your video. Click the 'Save changes' button to save the updates you've made to the video file.

It can take from a couple minutes to an hour for your video to upload to YouTube, based on the size of the file and Internet speed. If you're receiving an error with your Upload, you might want to make sure you are attempting to upload a file that is not recognized by YouTube. YouTube accepts video files from most digital cameras and camcorders, and cell phones in the AVI, MOV, WMV, and MPG file formats.

Embedding Video on 'Post Auction Page' : After uploading the Video to YouTube, play it by clicking the arrow mark on the right side of your Login ID and selecting "My Videos". To embed the video, just copy the code from the "Embed" box, which you can find in the "About This Video" box when you're watching the video. Once you've copied the code, just paste it into the Text Box beside "Provision for Enter the YouTube embed



code", on "Post Auction" Page.

IMAGE

Use a Digital Camera to take Picture of the Property put up for Auction. Transfer it to your Desktop using Data Cable provided with Digital Camera. On "Post Auction Page", beside the "Provision for Upload the Image for Asset", Click the "Browse" button to browse for the Picture file you'd like to upload to e-Auction Site. Select the file you want to upload.

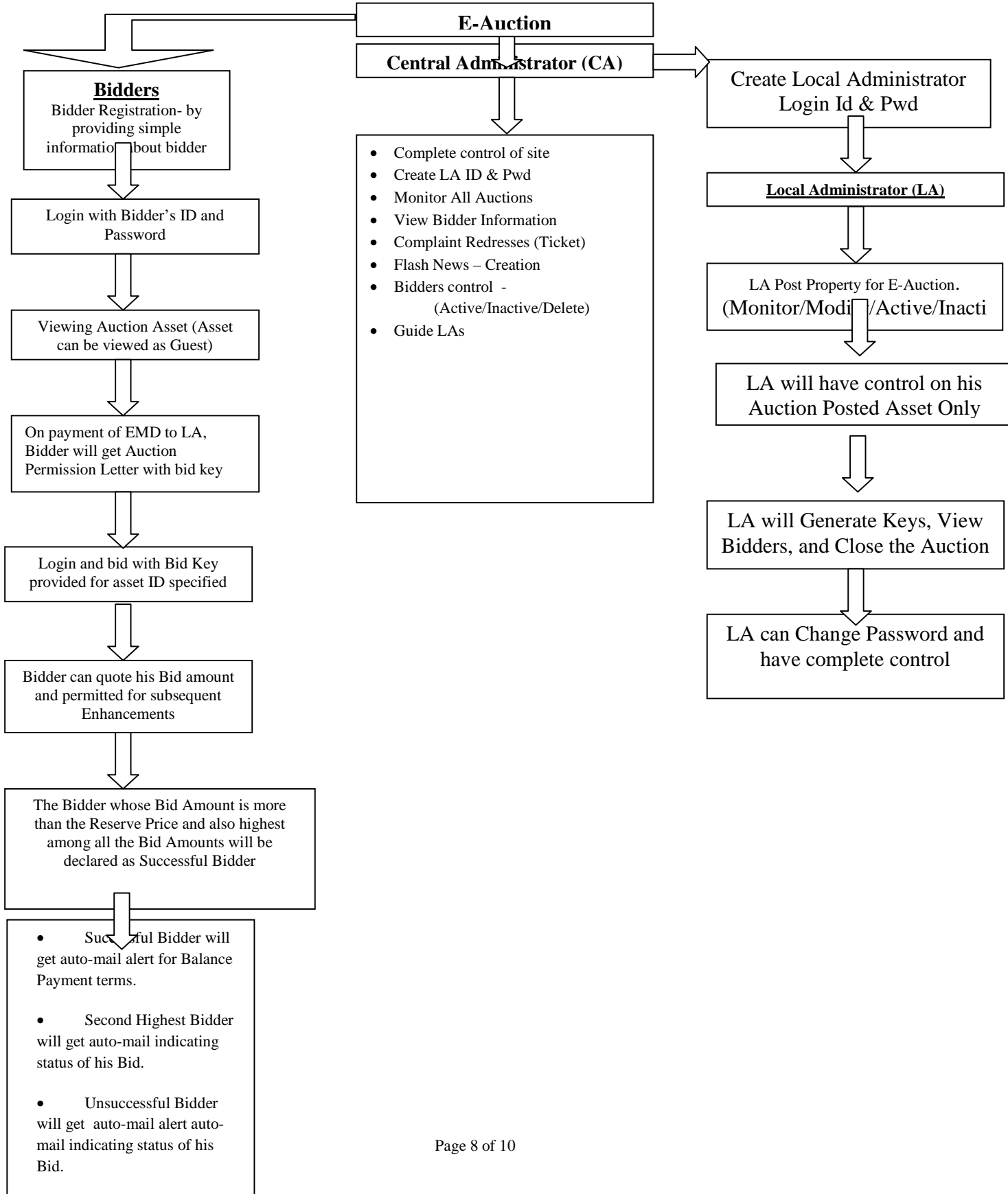
DOCUMENT

You can upload the Document of the Property after scanning it into PDF format. On "Post Auction Page", beside the "Provision for Upload the Document for Asset" Click the "Browse" button to browse for the PDF file of the Property you'd like to upload to e-Auction Site. Select the file you want to upload.



Annexure-III

Flowchart of e-Auction





ANNEXURE – IV

Standard terms and conditions to be included in the paper notification / website while bringing the asset for sale through e-auction.

1. Any individual / registered legal entities / companies may participate in the e-auction;
2. Properties are brought for sale on 'As is where is basis' (mention prior encumbrance, if any);
3. The interested person/s may physically inspect the property on the scheduled date or the photos of the properties may be viewed in the website;
4. Bidders should quote their prices for purchase of assets excluding all statutory liabilities on the assets. Bidders are advised to make their independent inquiry about such statutory liabilities.
5. The persons who are interested in participating in e-auction have to be registered with KSFC as a bidder through internet. Along with the registration he should forward scanned passport size photo, signature, address proof (ration card / passport / voters card / driving licence / electricity bill / telephone bill / bank pass book);
6. After registration the bidders shall pay the EMD amount to participate in the bidding process by way of DD / electronic payment / credit cards. After receipt of DD he will be allowed to participate in the bidding process by using the password allotted by KSFC. The EMD amount will not carry any interest;
7. The e-auction will be conducted on _____ (date) between 10.00 AM and 4.00 PM;
8. After the closure of e-auction, the successful bidder will be intimated through e-mail to pay 25% of the bid amount (including EMD) before closing hours of the next working day and the sale is subject to the approval by the competent authority. In case the successful bidder fails to pay the initial amount within the stipulated time, the EMD paid by him will be forfeited without further notice. In respect of unsuccessful bidder, the EMD amount will be refunded;
9. After receipt of the initial amount of 25% as above, the confirmation of the sale will be sent after obtaining the approval by the competent authority. The balance 75% of the bid amount shall be paid within 15 days from the date of communication confirming the sale. In case, the bidder fails to pay the balance amount within the stipulated time, the amount paid by him will be forfeited and sale will be cancelled.



10. The expenditure on transfer of property shall be borne by the purchaser.
11. KSFC reserves the right to cause any modification of any terms and conditions, cancel / postpone the e-auction and accept or reject the bid.
12. The details of the e-auction are available in the website of KSFC i.e., www.ksfc.in.
13. Any disputes shall be subject to the jurisdiction of Court at Bangalore.
14. A fee of Rs.50/- per bid shall be charged to the bidder. To illustrate, if a bidder submits his initial bid, a fee of Rs.50/- is charged. If the same bidder improves upon his bid amount and submits yet another bid, the same shall be charged Rs.50/- once again and likewise. At the end of the auction, the number of times a bidder has submitted his bids is determined and the amount will be recovered out of the EMD.
15. KSFC reserves the right to reject any offer received without assigning any reasons.

NOTE: Any other relevant condition depending upon the case may be included by the authorized officer / local administrator.

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