

## ANNEXURE - 1

### Terms & Conditions of Spot e-Auction Scheme 2007

#### **Objective:**

Coal distribution through e-Auction has been introduced with a view to provide access to coal for such buyers who are not able to source coal through the available institutional mechanism. In the long run it is expected that e-Auction may help in creating spot as well as future market of coal in the country.

**The purpose of e-Auction is to provide equal opportunity to purchase coal through single window service to all intending Buyers.**

E-Auction has been introduced to facilitate across the country wide ranging access to book coal on-line for all sections of coal buyers enabling them to buy coal through a simple, transparent and consumer friendly system of marketing and distribution of coal.

#### **Terms & Conditions**

**With reference to para VI (4) of the 'e-Auction Scheme 2007' for Spot**

##### **1. Eligibility:**

Any Indian Buyer [ viz. individual, partnership firm, companies etc ] can participate in e-Auction for procurement of coal.

##### **2. Registration:**

- 2.1 Before participation in the e-Auction, a prospective Buyer shall be required to get itself/himself registered With the Service Provider appointed by the CIL/Coal Companies for the purpose , by submitting an application in the prescribed format available on the website of the respective Service Providers. The application shall be made along with the required documents such as copy of Income Tax return [ latest], PAN Number, Sales Tax / Vat registration certificate, SSI Registration, Trade License, if applicable, Passport size photograph etc, as prescribed by the service provider. Registration can be done either online, or at any of the front offices of the service provider .
- 2.2 After the registration , all prospective Buyers will have an auto generated “ Unique User ID & password” based on which they can log in . Details of the registration process with the service provider will be available in their respective websites .
- 2.3 The service provider shall issue “Photo Identity Card” to their registered bidders duly authenticating the identity & signature, indicating a “ Unique Registration Number” allotted to them. The “Unique registration number” of the registered bidders shall be communicated to the Coal Companies by the service provider .

- 2.4 Only one registration will be done against one PAN number. However, based more than one independent Valid sales tax registration, more than one registration against one PAN Number can be considered. In such cases the details of valid sales tax registration will be indicated in each photo identity card.
- 2.5 All Buyers having been registered with the service providers, shall also have to furnish non interest bearing Earnest Money Deposit (EMD) at the rate of Rs. 200/- per tone, with the Service Provider. This EMD shall not be specific for a particular Subsidiary Coal Company and shall be available with the Service provider for participation in the e-auction across the Subsidiary Coal companies of CIL, as long as the required amount of EMD is available in the bidders a/c with the Service Provider.

### **3 Notification:**

- 3.1 Coal companies would draw program for conducting at least two e-auctions per month and notify the same, minimum 7 [seven] days in advance, through display on the Company's notice board and putting the same on the Coal Company's websites for wide publicity. The program will be intimated to the Service providers accordingly for hoisting the same on their websites also.

There will be separate auction for dispatches by rail and road mode. The minimum quantity for bidding would be 50 (fifty) tones for a source for Road mode, where as in case of Rail the minimum quantity for bidding would be 1 (one) rake. The rake size shall be as per prevalent Railway Rules. The capacity of the rake shall be as indicated in the notice of E-auction.

- 3.3 The Buyer should satisfy itself/himself about the Rake fit station/destinations from the Railways before Participation in e-Auction by Rail, Non acceptance of the programme even after the option exercised under extant Railway rules, on account of rake fit stations/destinations being not accepted by the Railways shall be treated as a failure of the Buyer leading to forfeiture of relatable EMD.

### **4. Bidding Process**

- 4.1 The registered Bidders shall be required to record their acceptance after log in, of the Terms & conditions of the e-auction before participation in the actual Bidding process.
- 4.2 Before participating in e-Auction, bidders are to satisfy themselves with the quality of coal being offered from a source.
- 4.3 Prospective Bidders are entitled to Bid for the quantity to the extent of amount of EMD for which is available with the service provider in the bidder's account at the time of bidding.
- 4.4 The Buyers while bidding shall quote their "Bid price" per tone in Indian Rupee as base coal price on FOR/FOB colliery basis, exclusive of other charges like Selling Expenses, statutory levies, surface transportation charges, sizing /beneficiation charges, taxes, cess, royalty, SED, & any other charges as will be applicable at the time of delivery. These charges as well as freight etc. shall be on the Buyers account.
- 4.5 The bidder has to bid for a price equal to or above the **reserve price** so as to secure consideration in the concerned e-Auction.

- 4.6 The date, time and period of e-auction as notified in advance including closing time on portal of service provider shall be adhered to but for the event of force majeure. However, the closing time of e-auction will be automatically extended up to last Bid time , plus 5 minutes, so that opportunity is given to other Bidders for making an improved Bid on that item .
- 4.7 The Bidder shall offer his Bid price [ per tone ] in the increment of Rs.10/- [ Rupees ten ] during the Normal e-auction period . During the extended period of first two hrs[02], the Bidder shall offer his Bid price in the increment of Rs.20/- . Beyond this extended period of two hours the bid price increment would be Rs. 50/-[ fifty ] .
- 4.8 While maintaining the secrecy of Bidder's identity, the web site shall register and display on screen the lowest successful bid price at that point of time. The system will not allow a Bidder to Bid in excess of his entitled quantity as per his EMD .However, once a Bidder is out-bided by another [ in part or full] the particular bidder shall become eligible for making an improved Bid.
- 4.9 Following criteria would be adopted in deciding the successful bidders:-
- (a) Precedence will be accorded to the highest bid price in the descending order (H1, H2, H3 and so on) as long as the offered quantity is available for allocation.
- If two or more buyers, bid the same highest price, precedence for allotment will be accorded to the buyer who has placed the bid for the highest quantity.
- © In case two or more buyers bid the same price and the same quantity, precedence will be given to the buyer who has accorded his bid first with reference to time.

## **5 . Post e-Auction process:**

- 5.1 Each successful bidder will be intimated through e-mail/ SMS by the Service provider on the same day after the closure of e-auction. However, it will be the responsibility of the bidder to personally see and download the result displayed on web site , on the same date after close of e-auction .
- 5.2 The successful bidders after the e-Auction, will be required to deposit coal value with the concerned coal company, within a period of seven working days, after the date of closing of e-Auction. Seven working days would be reckoned as applicable to the respective Subsidiary Coal Company' office where the payment / deposit is required to be made .
- 5.3 Equivalent amount of EMD of successful bidder corresponding to successful bid quantity, shall be blocked and will be transferred to coal company by the service provider along with the bid sheet in respect of successful bidders.

## **6. Terms of payment:**

- 6.1 The coal value to be deposited in advance by the successful bidders shall be computed and deposited after making provision for the EMD amount for the successful bid quantity already transferred by the service provider to the subsidiary company. In other words, the coal value to be deposited and EMD amount together, shall be equivalent to the 100 % coal value.

6.2 EMD amount shall not be treated as an adjustment towards the coal value but would stand converted into a ' Security Deposit ' for performance of the bidders towards completion of the said transaction.

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6.3 The above security deposit ( as converted from the EMD amount) would only be adjusted as coal value, only on successful performance & completion of the transaction i.e. the lifting against the bid quantity. However, in the event of default in performance by the bidder, the provision of forfeiture of the 'Security Deposit' (as converted from the EMD) as stipulated, would be applicable.

6.4 In case of road supplies, once the coal value is deposited by way of demand draft /pay order, drawn in favor of the concerned coal company, along-with the debit advice issued by the bank, certifying that the DD/pay order has been issued, by debiting the account of the concerned Buyer, Sale/Delivery orders shall be issued within seven days by the coal company after encashment of buyer's financial instrument .

In case of successful bidders, if the coal value is deposited for less than the allotted Quantity but not below 50 % of the allotted quantity or, 50 te whichever is higher, the coal company shall accept the payment for said amount and forfeit the EMD for the failed quantity. However , if the buyer fails to at least 50 % of the allotted quantity or 50 tone whichever is higher then the entire EMD of the allotted quantity shall be forfeited .

6.5 However, a successful bidder whose allotted quantity is only 50 tones will be allowed to deposit coal value of minimum 90% i.e. 45 tones within the stipulated period of 7 days without which the amount shall not be accepted. In such event they shall be permitted to deposit the balance fractional amount, limited to 10 % of the total coal value of 50 tone, within the subsequent period of 3(three) working days. In spite of this, if they fail to deposit full coal value of 50 tone (minimum bid quantity), EMD for entire 50 tone shall be forfeited.

6.6 In case of rail borne supplies, there shall be two options available. While submitting program, the bidder at his option can deposit 100 % BG on the prescribed format or else may deposit 100% amount through demand draft /pay order, drawn in favor of the concerned coal company, along with the debit advice, issued by the bank certifying that the DD/pay order has been issued by debiting the account of the concerned Buyer.

6.7 In case of Buyers who have booked their rail programme through BG, a notice for deposition of coal value by way of DD/Pay order, will be displayed on the notice board of the coal company, at least three working days in advance before the schedule date of offer to the Railways for allotment. The Buyer will be accordingly required to deposit DD/Pay Order alongwith the debit advice to the tune of BG involved in the programme , at least one day before the scheduled date of offer to the Railways for allotment. The buyer will be accordingly required to deposit DD/Pay Order along with the debit advice to the tune of BG involved in the programme , within 48 hours of such notice .

In the event of non deposition of 100% coal value by the Bidder in terms of clause 7.7 above, the consent given against rake programme will be withdrawn by the coal company and EMD as per e- Auction scheme will be forfeited.

## **7. Procedure of Coal Delivery**

By Road:

- 7.1 Coal company shall issue Sale/Delivery Orders to the successful bidders only after realization of payment. The Buyer has to submit the option before the issue of the

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Sale/Delivery Order for movement of the coal "within state" or "outside state" and the Sale/Delivery Order would indicate the same accordingly. However the challan issued by the Coal Company shall indicate the destination.

**Submission of the option to be made BY THE SUCCESSFUL BIDDERS before issue of the Sale/Delivery Order regarding movement of the coal "within state" or "outside state" along with coal value & debit advice .**

- 7.2 The validity period to complete lifting of coal by road shall be 45 days from the date of issue of Sale/ Delivery Order. **No extension of validity will be allowed in any case.**

By Rail:

- 7.3 The seniority of buyers in case of rail borne supplies shall be guided by the seniority list as provided by the service provider based on buyer's bids.
- 7.4 The quantity allotted against each rake is indicative quantity only and delivery shall be made on the basis of actual weighment by the Seller at the loading end.
- 7.5 The validity period for seeking allotment of rake in case of rail supplies shall be 45 days from the date of issue of consent by the coal company. Once the rake is allotted it shall remain valid for supply of coal as per prevailing Railway Rules.
- 7.6 Although loading will be the responsibility of the coal company, but to avoid any complaint regarding over-loading, under loading and quality, the Buyer himself or his authorized representative may supervise loading at the loading point. The authorized representative must carry valid authority letter along with photocopy of Identity Card issued by Service Provider .

The overloading and under-loading charges , if any, at the rates applicable as per railway Rules shall be as under :

- A] Any penal freight for overloading charged by the Railways for any consignment shall be payable by the Purchaser. However , if overloading is detected from any particular colliery, consistently during three [03 ] continuous months, on due intimation from the Purchaser to this effect , the Seller undertakes to take remedial measures .
- B] Any idle freight for underloading below the stenciled carrying capacity, as shown on the wagon, for Grade A, grade B , Steel Grade I, Steel grade II , Washery Grade I, Washery Grade II, Semi-coking Grade I, Semi-coking Grade II and washed coal ; and below the stenciled carrying capacity, as shown on the wagon , plus two [ 2 ] tones for all other grades of coal shall be payable by the Seller .
- C] Idle freight resulting from underloading of wagons, as per clause (b) shall be adjusted in the bills. Idle freight shall be reckoned as :

- I] the difference between the freight charges applicable for the stenciled carrying capacity, as shown on the wagon, less the freight payable as per recorded weight of coal loaded in the wagon for Grade A, grade B , Steel Grade I, Steel grade II , Washery Grade I, Washery Grade II, Semi-coking Grade I, Semi-coking Grade II and washed coal ; or

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- ii] the difference between the freight charges applicable for the stenciled carrying capacity, as shown on the wagon, plus two [ 2 ] tones less the freight payable as per actual recorded weight of coal loaded in the wagon for all other grades of coal .

EMD TO BE DEPOSITED BY THE PROSPECTIVE AUCTION BUYERS @ RS.500/- PER TON UNIFORMLY FOR ALL GRADES AND SIZES OF COAL UPTO GRADE E & RS.400/- FOR GRADE F , FOR AUCTIONS TO BE HELD IN MARCH 2009 & ONWARDS .

#### **8. Refund of EMD for Unsuccessful Bidders .:**

In case of unsuccessful bidders, EMD shall be refunded by the Service Provider after the auction is over, on the bidder's request. However, if no such request is received by the Service provider will retain the EMD for participation in e-Auction in future .

#### **Forfeiture of EMD: -**

The EMD submitted by the successful Bidders will be liable for forfeiture in the following cases: -

If after completion of e-Auction, a successful bidder fails to make payment for the coal value including all other charges within the stipulated time, the proportionate EMD equivalent to the failed quantity shall be forfeited and/or

- 9.1 If the successful bidders does not lift the booked quantity within the stipulated validity period, the proportionate Security Deposit @ Rs. 200/- per Tone (as converted from the EMD amount) for the un lifted quantity would be forfeited. Such forfeiture shall be made only if the balance Un lifted Quantity is equal or more than a Truck Load i.e.9 or 10 tones.Such forfeiture, however, would not take place if the coal company has failed to offer full or part of the successful bid quantity within the validity period. No forfeiture would again take place if the coal company has failed to offer full or part of the successful bid quantity within the validity period. In such cases again, no forfeiture would take place if the balance quantity is less than a truck load/rake load.
- 9.2 If the Buyer cancels the order/Rake after booking, the EMD @ Rs.200/- shall be forfeited for the rake cancelled.

#### **10. Refund of Coal value:**

The balance coal value of the un lifted quantity after the expiry of the validity period for supply of coal and completion of required commercial formalities shall be refunded subject to forfeiture of EMD if required ,in terms of the forfeiture clause as above.

#### **11. GENERAL TERMS & CONDITIONS**

- 11.1 The coal procured under e-auction is for use within the country and not for Export .
- 11.2 All terms and conditions of Scheme are subject to force majeure conditions as applicable.
- 11.3 Bidders must always ensure to keep their email address valid. In any case Buyers can not be absolved from fulfilling the responsibility of compliance of any of the terms & conditions herein including payment terms due to non-receipt of emails from the Service provider .
- 11.4 Bidders must be extremely careful to avoid any error in bidding [ whether typographical or otherwise ] and they are fully responsible to check and rectify their bid before submitting their Bid into the live e-auction floor by clicking the “ Bid Button “. During the auction if the incremental bid  
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- 11.5 price is more than 50 % of the immediate preceding bid price, then the system will seek a re-confirmation from the Bidder before the bid is registered .
- 11.6 There is no provision for bidding in decimals. The bidder shall be solely responsible for all consequences arising out of the bid submitted by him[ including any wrongful bidding by him ] and no complaint/representation will be entertained by the Service provider/Coal Company in this regard .
- 11.7 The decision of the Director-In-Charge of Marketing of CIL/Coal Company in matters related to this e-auction shall be final and binding on the bidders / Buyers .
- 11.7 Quantity mentioned in notice are only indicative and may undergo final change depending on Factors like actual production of coal, bottlenecks in coal transportation etc.
- 11.8 There will not be any joint/ third party sampling facility extended to any buyer. Refusal on a/c of non-suitability and /or sub-quality for the allotted quantity of coal shall not be acceptable.
- 11.9 Coal Company/Service Provider reserves the right to cancel the sale of coal under this SPOT e-Auction from any source / location in part or whole at any stage at its sole discretion without assigning any reason thereof.
- 11.10 CIL/Coal Company reserves their rights to amend/modify and revise the said scheme in full and part at any point of time and no party shall have any right whatsoever to raise any claim in that regard on that count.
- 11.11 Sale under each e-auction shall be an individual, independent, unique and complete transaction .
- 11.12** In the event of any dispute , Bidder/ Buyer is necessarily required to represent in writing to the General manager { Sales } of the concerned coal company, who would deal with the same in a period of one month from such representation. Thereafter, if required the matter may be determined by the Director-In-Charge of Marketing of the concerned coal company. Any interpretation of any clause of this disputes arising out of this scheme, or , in relation thereto in any form whatsoever shall be dealt exclusively by way of arbitration in terms of the Arbitration and Conciliation Act, 1996. The arbitration shall be conducted at Calcutta at a place to be notified by CIL and the arbitrator shall be appointed by the Chairman and Managing Director, CIL. The award rendered by the Arbitrator shall be final binding on the parties. (The place of arbitration & nomination of arbitrator be varied appropriately in view of the Coal Company involved)”.

**ANNEXURE - II**

**EASTERN COALFIELDS LIMITED  
COAL HOUSE, KOLKATA- 700 001 .**

**SUB : STATUTORY LEVIES EFFECTIVE FROM 00 HRS OF 13.12.2007 AS PER CIL'S PRICE  
NOTIFICATION NO. CIL/S&M/GM[F]/PRICING 1124 DATED 12<sup>TH</sup> DECEMBER 2007 .**

- 1] ADDITIONAL RS. 15 PER/TE SHALL BE CHARGED ON PITHEAD PRICE OF RUN-OF-MINE COAL [ ROM ] FOR THE SUPPLY OF SLACK COAL .
- 2] ADDITIONAL RS. 165 PER/TE SHALL BE CHARGED ON PITHEAD PRICE OF RUN-OF-MINE COAL FOR THE SUPPLY OF STEAM COAL .
- 3] RS.35 PER TE WILL BE LEVIED FOR TOP SIZE LIMITED TO THE RANGE OF 200 MM TO 250 MM SIZE THROUGH MANNUAL FACILITY OR MECHANICAL MEANS IN ADDITION TO THE PRICE APPLICABLE FOR ROM COAL .
- 4] RS.55 PER TE WILL BE LEVIED FOR TOP SIZE LIMITED TO 100 MM SIZE THROUGH MANNUAL FACILITY OR MECHANICAL MEANS IN ADDITION TO THE PRICE APPLICABLE FOR ROM COAL .
- 5] RS.70 PER TE WILL BE LEVIED FOR TOP SIZE LIMITED TO 50 MM SIZE THROUGH MANNUAL FACILITY OR MECHANICAL MEANS IN ADDITION TO THE PRICE APPLICABLE FOR ROM COAL .
- 6] TRANSPORTATION FOR A DISTANCE OF MORE THAN 3 KM BUT NOT MORE THAN 10 KMS RS. 40 PER TE TO BE LEVIED .
- 7] TRANSPORTATION FOR A DISTANCE OF MORE THAN 10 KMS BUT NOT MORE THAN 20 KMS RS. 70 PER TE TO BE LEVIED .
- 8] IN CASES , TRANSPORTATION FOR A DISTANCE OF MORE THAN 20 KMS TO THE LOADING POINTS, TRANSPORT CHARGES WILL BE PAYABLE ON ACTUAL BASIS , TO BE BORNE BY THE PURCHASER .
- 9] THE PIT HEAD PRICES FIXED ARE EXCLUSIVE OF ROYALTY , CESS , TAXES , AND LEVIES , IF ANY, LEVIED BY THE GOVT, LOCAL AUTHORITIES OR ANY OTHER BODIES OF EXCISE AND SALES TAX FROM TIME TO TIME .

10] SURFACE TRANSPORTATION CHARGES , WHERE APPLICABLE, WOULD BE LEVIED EXTRA

11] ROYALTY , RECESS, STOWING EXCISE , PW/RD , PE CESS , AMBH ETC AS APPLICABLE AS PER CIL'S ABOVE PRICE NOTIFICATION DT 12.12.07 WILL BE LEVIED AT THE TIME OF DELIVERY .

12] STATUTORY LEVIES TO BE CHARGED PER TONNE BASIS HAS BEEN SENT OVER FAX CONTAINING 08 [ EIGHT ] PAGES ON 20.12.2007 .

**ANNEXURE - III**

**EASTERN COALFIELDS LIMITED  
COAL HOUSE, KOLKATA- 700 001 .**

**ANNEXURE - IV**

**SUB : FORMATS FOR FEED BACK REPORT TO ECL, HQS, OFFICE OF GM [ S&M], AS WELL AS TO THE CSM, ECL, KOLKATA AGAINST EACH MONTH'S AUCTION SEPARATELY FOR ROAD/RAIL MODES AND RAIL MODE IN CONSOLIDATED FORM**

EXECUTIVE SUMMARY OF SPOT E-AUCTION HELD BY M/S MSTC ON----- FOR THE MONTH OF ----- FOR ECLTD

SPOT E-AUCTION REF BY ROAD [ INCLUDING ALL THE ROAD MODE AUCTIONS HELD ON DATES -----, -----, -----, ----- ]

**A/C ROAD MODE AUCTIONS COMBINING ALL THE PIECEMEAL i.e. LOT WISE AUCTIONS**

[ 1 ]	[ 2 ]	[ 3 ]	[ 4 ]	[ 5 ]	[ 6 ]	[ 7 ]	[ 8 ]	[ 9 ]
SOURCE SUCCESSFUL	GRADE	SIZE	MODE OF DESPATCH	QTY OFFRD	QTY SOLD	NO OF BIDS	NO OF BIDERS	NO OF BIDDERS
[ 10 ]	[ 11 ]	[ 12 ]	[ 13 ]	[ 14 ]	[ 15 ]	[ 16 ]	[ 17 ]	[ 18 ]
NOTIFIED PRC GAIN OVR PER TE IN RS NOTF.PRC	NOTIFIED VALUE IN LAC/RS	RESERVE PRC PER TE IN RS	RESERVE VALUE IN LAC / RS	AVG PRC IN RS/MTE	BID VALUE IN LAC / RS			IN
RS/TE	[ 17 ]	[ 18 ]	[ 19 ]	[ 20 ]	[ 21 ]			
GAIN OVR NOTF.PRC GAIN OVR	GAIN OVR RESERVE.PRC	GAIN OVR RESERVE PRC	% GAIN OVR	%				

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**SUB : FORMATS FOR FEED BACK REPORT TO ECL, HQS, OFFICE OF GM [ S&M],  
AS WELL AS TO THE CSM, ECL, KOLKATA AGAINST EACH MONTH'S  
AUCTION SEPARATELY FOR ROAD MODE AND RAIL MODE IN TOTALITY**

**A ]**

**Executive summary against each month's auctions in combinations of all the lots**

- 1] NO OF PARTICIPANTS BY ROAD & BY RAIL SEPARATELY
- 2] NO OF BIDDERS BY ROAD & BY RAIL SEPARATELY
- 3] NO OF SUCCESSFUL BIDDERS BY ROAD & BY RAIL SEPARATELY
- 4] NO OF BIDS BY ROAD & BY RAIL SEPARATELY
- 5] QUANTITY OFFERED BY RAIL
- 6] QUANTITY OFFERED BY ROAD
- 7] QUANTITY SOLD/ALLOCATED
- 8] WEIGHTED AVERAGE RESERVE PRICE PER TE
- 9] WEIGHTED AVERAGE WINNING PRICE PER TE
- 10] OVERALL PERCENTAGE INCREASE OVER THE RESERVE PRICE PER TR & IN TOTAL LAC/RS
- 11] OVERALL PERCENTAGE INCREASE OVER NOTIFIED PRICE & IN TOTAL LAC/RS
- 12] TOTAL NO OF BID RECEIVED BY ROAD & RAIL SEPARATELY
- 13] TOTAL NO OF WINNERS BY ROAD & RAIL SEPARATELY
- 14] NO OF LINKED CONSUMERS BY ROAD & RAIL SEPARATELY
- 15] NO OF NON-LINKED CONSUMERS BY ROAD & RAIL SEPARATELY
- 16] NO OF NON CONSUMERS BY ROAD & RAIL SEPARATELY
- 17] QTY ALLOCATED TO LINKED CONSUMERS BY ROAD & RAIL SEPARATELY
- 18] QTY ALLOCATED TO NON-LINKED CONSUMERS BY ROAD & RAIL SEPARATELY
- 19] QTY ALLOCATED TO NON- CONSUMERS BY ROAD & RAIL SEPARATELY

**B ] BID DATA MAY BE FURNISHED IN THE FOLLOWING FORMAT  
SEPARATELY BY RAIL AND ROAD MODE AUCTIONS TAKING  
INTO ALL THE MODE WISE LOTS INTO A SINGLE FORM**



1465.00
1280.00
1465.00
1465.00
1300.00
1245.00
1245.00
1465.00
1465.00
2225.00
2005.00