



# འབྲུག་གོང་འཕེལ་དངུལ་ཁང་ཚད་འཛིན། Bhutan Development Bank Limited

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## 1.9 Terms and Conditions of Auction for the Bidders

- 1.9.1. All interested bidders must register using the Registration Form prescribed in Annexure – V of the BDB Auction Guideline on the day of the auction before a time set by the Bank and avail a token.
- 1.9.2. Any person or group of persons interested to purchase the property from the auction may be represented by a proxy bidder who may register on behalf of the interested principal buyer or group of buyers with a valid power of attorney or authorization letter from the interested principal buyer. Such a bidder representing the interested buyers or group of buyers shall be required to fill in and sign a prescribed proxy form in the Annexure – V of the BDB Auction Guideline.
- 1.9.3. A person without a token shall not be allowed to bid during the auction.
- 1.9.4. Registration fee of Nu.300/- (non-refundable) with an Earnest Money Deposit (EMD) of Nu. 25,000/- must be deposited in cash/online payment at the time of registration on the day of the auction by each interested bidder.
- 1.9.5. The Bank shall issue a token number to each bidder upon payment of the registration/entry fee and the EMD on the day of the auction before the time set by it to enable the bidder to participate in the auction.
- 1.9.6. For each token, a bidder can bring a maximum of two other individuals (engineer/advisor, etc. for consultative purpose only) upon payment of stipulated registration/entry fee per head. However, only the bidder in whose name or his/her representative holding a valid token can participate in the bidding process.
- 1.9.7. The highest bidder whose bid amount is equal to more than the reserve price shall be declared the successful bidder by the Auction Committee. The highest successful bidders shall not be allowed to retract their bid(s) and all sales will be considered as final and binding.
- 1.9.8. For every successful bid, the successful bidder is required to make a payment of 25% of the bid amount by cash/online payment on the day of the auction upon fall of the hammer/gavel. The balance amount of 75% of the bid amount must be paid within 10 working days from the date of auction and take delivery or possession of the property.
- 1.9.9. The EMD of Nu. 25,000 (Ngultrums twenty-five thousand) of the highest successful bidder shall be retained until the auction is completed as security for subsequent bids to be offered in respect of the remaining properties on auction. On completion of the auction, the EMD of the highest successful bidder shall be adjusted against the auction value of properties won by the highest successful bidder.



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- 1.9.10. EMD of unsuccessful bidders shall be refunded within twenty-four hours or on the next working day following the auction day.
- 1.9.11. The highest successful bidder whose bid is accepted by the Auction Committee must make the full payment and take delivery or possession of the property at his/her own cost within 10 (ten) working days from the date of the auction. The successful bidder will not be entitled to possession of the properties purchased until the full bid amount has been fully paid and adjusted.
- 1.9.12. All applicable renewal fee/ownership transfer tax and charges payable to the relevant agency or authority shall be borne by the highest successful bidder.
- 1.9.13. In case the highest bidder withdraws the bid or does not take delivery or possession of the properties or is not able to pay the full bid price as required within timeline specified above, his/her EMD and/or any advance payments shall be forfeited, and the second highest bidder may be given an option to purchase the property at the highest bid amount, and if the second highest bidder opts not to purchase, the property shall be re-auctioned.
- 1.9.14. The Bank shall reserve the right to withdraw from the sale of all or any property at any time before the auction date or before the fall of the hammer/gavel.
- 1.9.15. The Auction Committee reserves the right to accept or reject all or any bids on the spot or at any subsequent date without assigning any reasons thereof, and in the event of dispute regarding the auction, the decision of the Auction Committee shall be final and binding.
- 1.9.16. The bidders shall be deemed to have physically inspected the property to their full satisfaction before making their bid(s) and unless specified otherwise all moveable properties shall be auctioned on *as is where is basis*.
- 1.9.17. A bidder shall not resort to any syndication or commit any fraud prior or during the auction in connection with the aforesaid property. Any bidder/person suspected of syndication or fraud shall be disqualified from participation in the auction and may be dealt with appropriately in accordance with relevant laws of the Kingdom of Bhutan.
- 1.9.18. BDB may add, delete, or change the terms and conditions specified above in the Auction Guidelines with approval from the Management Committee



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Registration fee of Nu.300/- (non-refundable) with an Earnest Money Deposit (EMD) of Nu. 25,000/- must be deposited in cash/online payment at the time of registration on the day of the auction by each interested bidder.

The successful bidder shall sign the Letter of Undertaking in the prescribed form in Annexure – VIII of this Manual stating that the bidder shall abide by the terms and conditions of the Auction for settlement of accounts.

The list of properties sold/unsold with brief details shall be signed by the Auction Committee members on the work sheet for record.

After settlement of the bid in full, the officials entrusted for the conduct of the auction shall issue the ownership transfer documents and ensure that the property is delivered or handed over to the winning bidder using the prescribed form in Annexures - IX & X of this Auction Manual.

Any incidental expenses, charges, costs, premium incurred towards transport, repair, maintenance, insurance cover and management of the seized properties as well as expenses relating to seizure proceedings shall be borne by the mortgagor or the borrower, and such expenses shall be recovered from the sale proceeds of the auction if there is any surplus after adjusting the sale proceeds against the loan outstanding. However, if there is no surplus after adjusting the sale proceeds against the loan outstanding, the incidental expenses, costs, charges incurred may be waived off.

The Internal Audit Department shall audit the auction process and procedures and submit the report to the Bank’s Board Audit Committee. The records and documents shall be made available as and when required by the Authority or by any law enforcement agencies based on existing laws of the Kingdom of Bhutan.