

No.F.13/2/2010-AC/dsfa *DS-IT/731-732*
GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
FINANCE (ACCOUNTS) DEPARTMENT

'A' Wing, 4th Level,
Delhi Secretariat,
I.P. Estate, New Delhi.
Telephone No: 22392134

Dated: 06.08.2010

OFFICE MEMORANDUM

Subject: Disposal of surplus or obsolete or unserviceable articles through e-auction through MSTC Ltd., a Government of India Enterprise, on single source basis.

In pursuance of Cabinet Decision No.1651, dated 10.05.2010, it has been decided to engage MSTC Ltd., a Government of India Enterprise, initially for a period of three years, for undertaking the disposal of surplus or obsolete or unserviceable articles of all the Departments of Government of NCT of Delhi on service charges @ 2.75% on the value of materials disposed. If the total disposal through e-auction for all the units under the Government of NCT of Delhi during a financial year exceeds Rs.80 Crores, the service charges will be further reduced by MSTC Ltd. to @ 2.5% for that financial year. The credit/adjustment of this reduction in service charges will be done in the succeeding year. It has also been decided to waive off the condition of submission of Performance Security by MSTC Ltd. during the currency of contract.

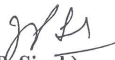
MSTC Ltd. have agreed to provide their services to all the Departments of Government of NCT of Delhi without any loss of time and efforts by the Departments, and in getting the best prices for the scrap material lying in different Departments and different sites. They would act as Selling Agent for disposal of all items by way of e-auction over the Internet through www.mstcecommerce.com. They would arrange publicity for disposal through e-auctions by way of occasional advertisement in leading dailies/newspapers/websites and other Internet tools. In addition, their system shall notify, automatically, to all the buyers who are registered with the auction website i.e. www.mstcecommerce.com regarding all the forthcoming e-auctions specifying therein all relevant details about the materials/lots/date and time of opening and closing of auctions etc. The guidelines are prescribed in Annexure-I, the procedure for e-auction through MSTC Ltd. is prescribed in Annexure-II and the standard terms and conditions for e-auction are prescribed in Annexure-III. A blank online Seller Registration form is enclosed as Annexure-IV for ready reference.

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All the Departments of Government of NCT of Delhi are requested to provide M/s MSTC Ltd. with the list of obsolete/surplus/unserviceable materials with detailed specifications and description, location, quantity, quality, etc. so as to enable them to take action for the disposal of surplus or obsolete or unserviceable articles by way of *e-auction* over the Internet through www.mstcecommerce.com.

All the Head of Departments are requested to nominate one Nodal Officer on Zonal/District basis to deal with MSTC officials, for ensuring smooth disposal and other operational works. The name, contact number and *e-mail* of the Nodal Officers may be communicated to MSTC, so that they may be able to give training/presentation on account of *e-auction* by MSTC.

All the Heads of Departments are further requested to register their respective Department with Department of Trade & Taxes and obtain TIN/TAN number so that they may be able to register online.


(J.P. Singh),

Pr. Secretary (Finance).

**1. All Pr. Secretaries/Secretaries/
Heads of Departments of
Government of NCT of Delhi.**

**2. The Regional Manager,
MSTC Ltd., Jeevan Vikas Building,
30-31-A, Asaf Ali Road,
New Delhi.**

Guidelines to be followed by the Departments of Government of NCT of Delhi with regard to Disposal of scrap material through MSTC Ltd, New Delhi.

1. Each Department has to nominate one Nodal Officer on Zonal/District basis to deal with MSTC officials, for ensuring smooth disposal and other operational works.
2. You can contact the following officials of MSTC, Ltd, at 30/31-A, Asaf Ali Road, Jeevan Vikas Building First Floor (Opposite Hamdard), New Delhi for further assistance and guidance:
 - Regional Manager Shri S K Kaul ----- 011-23220578
(skkaul@mstcindia.co.in)
 - Sr. Manager Shri B S Saini ----- 011-23211679
(bssaini@mstcindia.co.in)
 - Dy. Manager Smt Shalini Bhatti ----- 011-32084151
(snbhatti@mstcindia.co.in)
3. The procedure to be adopted would be as under:
 - Consolidated and homogeneously bifurcated lists, on Zonal/District basis e.g., Health/Education/Hospitals, other departments and various autonomous bodies, may be submitted with MSTC Ltd, New Delhi.
 - Registration as Seller will have to be done on a Zonal/District basis on www.mstcecommerce.com or any other way, so that material can be sold by way of e-auction, in a smooth and prompt manner.
 - Each Department should have a Combined/Single Registration for the disposal of their department's scrap and other materials. For example Registration on portal www.mstcecommerce.com, can be done as –

MSTC/Govt. of NCT Delhi/Health/West Zone or so,
MSTC/Govt. of NCT Delhi/Education/East Zone or so.

Or whatever method is mutually agreed between Govt. of NCT Delhi & MSTC Ltd, New Delhi.

- The detailed procedure along with Standard Terms and Conditions for each e-auction to be followed are enclosed as Annexure–II & Annexure-III.
- In Seller Registration as well as intimation for disposal of material to MSTC Ltd, the various departments need to be advised for specifying the details in favour of whom the payments from the highest bidders will need to be taken by MSTC Ltd. This is mandatory to avoid complication/confusion at a later date. E.g. in the name of DDO of Pr. Accounts Office or Education (Zone-wise/District-wise) or M.S., respective HOSPITAL, NEW DELHI etc.

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- The bid value is exclusive of Sale Tax and TCS, which will have to be collected by the units/departments before effecting delivery to the party. Alternatively, the rates may be provided to MSTC along with the VAT applicable on the material to be disposed of, so that the same can be uploaded from our end prior to bidding for the material.
- The TIN & TAN no. is to be submitted online at or portal www.mstcecommerce.com so that the Sale Orders and Delivery Orders issued contain the correct details, for later use by Govt. of NCT Delhi/MSTC Ltd and the highest bidder.
- A blank online Seller Registration form is enclosed as Annexure-IV for ready reference and usage of the various departments.

PROCEDURE FOR E-AUCTION THROUGH MSTC LTD, NEW DELHI

A detailed procedure for e-auction

1. Please REGISTER on the website www.mstcecommerce.com. On this page a green box will be seen with the words REGISTER. On clicking on this box, there will be an option for registration for scrap and others and another for Coal. Please select scrap and others. You are required to click on REGISTER AS SELLER box. Another page of SELLER SPECIFIC TERMS AND CONDITIONS will then be seen on your screen. You are required to AGREE on the box provided at the end of the page. SELLER'S REGISTRATION PAGE will appear then. You may please fill up this page as per the requirement, and SUBMIT. On successful submission, you will see a box saying that your registration is successful, and immediately, a mail will be received on your mail id stating that you have been successfully registered on MSTC site.
2. Once registration from your end is done, MSTC will immediately start the process of disposal. The e-auction on your behalf will be held in around three to four weeks time. Firstly, the e-auction catalogue will be hosted on the site, which may be seen by you, prospective customers and MSTC. A default mail will also be automatically sent to you stating that auction has been hosted on your behalf. You are requested check the details of the catalogue, and in case of any error or amendment, same may immediately be brought to our notice for correction.
3. The catalogue will specify the dates on which the prospective bidders may be allowed to inspect the material, and you may allow the inspection accordingly.
4. At least one working day before the scheduled e-auction date, you will be required to enter the RESERVE PRICE on the site through the USER ID and PASSWORD created by you at the time of registration. This would have been self-generated at the time of filling in the details as per Sl. No. 1.
5. The STA (Subject To Approval) Column is also to be submitted online along with the Reserve Price. The STA percentage (%) is that value like 5 or 10, which is to be put, so that any lot which is lesser than the Reserve Price upto the filled percentage, does not get out rightly rejected. The decision on STA approval/rejection is to be taken preferably within 3 working days. This column is important, to avoid rejection of lots/material with narrow margins from the reserve price fixed and fed in the system by the department. The reserve price access is available only to the seller with valid ID & password.

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6. The e-auction will be held at the scheduled date and time, and can be seen live after logging on to the e-auction site www.mstcecommerce.com. The e-auction will be visible to the customer, the Seller and MSTC. While the customer can enter their rates, Seller and MSTC can only view the same. During the auction, only the highest rate received at that point of time can be seen by all. The customer is required to give a higher rate than the one that is seen on the screen. During the entire auction process the identity of the bidder (customer) or the place of bidding is not known to anybody, be it the customer, the Seller or MSTC. The auction will automatically close when bidding for all the lots is over.
7. On closure of the auction, mails are automatically sent to all the highest bidders, for lots on SOLD/STA basis, on their email Ids already registered with MSTC portal. The mail states that EMD is to be submitted within seven days of closure of the auction.
8. On receipt of the EMD, sale order is issued by MSTC, and a copy of the sale order along with the EMD is forwarded to you through Speed Post. The customer is required to make the balance payment within 15 days or as per the e-auction terms and conditions. On receipt of balance payment, Delivery Order is issued and payment is forwarded to the unit with a copy of the delivery order. Delivery is to be given on encashment/realization of full payment including the Sale Tax & TCS and after proper verification of the bidder's MSTC e-auction I-card.
9. On closure of the auction, the final result of the e-auction held can be viewed by downloading the BIDSHEET after logging on to the site www.mstcecommerce.com and clicking on the link BIDSHEET.
10. We would request you to register on the site immediately, so that we can serve you with the best, most efficient and prompt mode of disposal.

In case of any further quires, you may contact MSTC Ltd, New Delhi on:

- Regional Manager Shri S K Kaul --- 011-23220578 (skkaul@mstcindia.co.in)
- Sr Manager Shri B S Saini ---- 011-23211679 (bssaini@mstcindia.co.in)
- Dy Manager Smt Shalini Bhatti --- 011-32084151 (snbhatti@mstcindia.co.in)

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Regarding: STA (Subject to Approval)

STA (Subject to Approval): In e-Auction once a lot is rejected out rightly that cannot be sold in that particular e-auction and the procedure for advertisement and publicity has to be undertaken again. Hence, there is an option for STA%.

STA% is basically a bracket that can be put in the system prior to e-auction commencement. The system will calculate at what variation, below the Reserve Price, the material can be considered for sale by the principal, even after the closure of e-auction.

For example, if a reserve price of an item is Rs. 100/- and the STA% is given as 30, system will automatically accept the H1 rate of Rs. 100/- or above. If the H1 is below the reserve price but within the range of 30%, i.e. Rs. 70/-, the material will fall under STA category. The STA rate has to be approved/rejected by the Principal.

If the STA% is not uploaded in the system, the rate will be out-rightly rejected by the system be it even Re.1/- below the Reserve Price.

The STA% option is provided to Principal for the situation where the rate received is marginally below the Reserve Price. The unit would like to sell the material due to various reasons:

1. There is depreciation or deteriorating in the condition of the material.
2. Large space is occupied by the material, hence requires immediate disposal.
3. Rate of material may fall due to volatile market and thereby chances of getting better price are bleak.

So selling at lower price means immediate revenue generation and further delay may lead to occupation of space and uncertainty of sale in the next e-auction.

The reserve price to be fixed by the respective units, should be kept confidential and uploaded in the system through the password of the Authorized persons. It may be in tune with the market conditions.

ANNEXURE-III

STANDARD TERMS AND CONDITIONS FOR E-AUCTION THROUGH MSTC LTD. NEW DELHI

- 1) MSTC Ltd. Shall hereinafter be referred to as MSTC and Govt of N.C.T of Delhi as owners.
- 2) All the offers shall be valid for a period of 60 days from the date of closing of e-auction.
- 3) All the materials are offered for sale on AS IS WHERE IS basis and where they are stacked. Material are sold on the assumption that bidders have inspected the same and know what they are buying, irrespective of whether they have first inspected the materials or not. No complaint shall be entertained in this regard. The material offered for sale can be inspected prior to due date of e-auction. For inspection of material & other related matters, bidders may contact _____.
- 4) The successful bidders shall submit Earnest Money Deposit by Bank Draft/ Pay order of any scheduled bank payable at New Delhi in favour of _____ within seven days of confirmation of bid i.e. close of e-auction, whether on SOLD/STA basis. The EMD must be @ 10% of the net sale value quoted (excluding all taxes & duties) against each lot. Upon issue of sale order the EMD shall automatically be converted into security deposit. The security Deposit as specified in Sale order shall be adjusted only at the time of final payment.
- 5) The period of contract shall be sixty (60) days from the date of last delivery order by MSTC against full payment made by the party. The contracts shall be deemed to be complete as soon as the area is cleared of the entire material allotted or on completion of the period of contract as mentioned above, whichever is earlier.
- 6) All the materials are offered for sale on AS IS WHERE IS basis Ex-works owners. The rates must be offered ON UNIT BASIS FOR EACH LOT SEPARATELY NOT PART THEREOF i.e. in Rupees per unit only.
- 6.1) The quantities indicated against the lot are purely indicative subject to a variation of (+) or (-) 20%. In the event of quantity turning out to be more than the estimated quantity and within the range of (+) 20% variation, the buyer has to lift the entire material and clear the site after making the required payment. In the event of actual quantity turning out to be less than the estimated quantity, the buyer shall not be entitled to claim any damages, loss of interest or compensation on this ground except the refund of material value for that much quantity from the Govt of NCT of Delhi. The amount of VAT & TCS pertaining to such undelivered material shall not be refunded and required to be claimed by the buyer from the respective departments only.

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- 7) The rates must be quoted exclusive of all taxes, duties and other levies etc. The present rates of VAT (Value Added Tax) for various lots are indicated in the list of items. However, the rate of VAT prevailing at the time of making payment shall be applicable. "C form" or any other declaration forms for availing concessional rate of Sales Tax/VAT shall be accepted. In case Central/Delhi Government imposes any other levy/ duties etc., the same shall have to be borne by the buyer.
- 8) Bidder shall submit his/their Income Tax clearance certificate (latest), partnership deed of organizations and when demanded by MSTC/ owners.
- 9) The Bidders/customers' workmen shall have to abide by the rules & regulation including safety & security regulation of the relevant statutory acts. Entry inside the works/stores should only be against Gate Pass for the men and equipment for which purchaser will have to apply well in advance before lifting commences.
- 10) The purchaser shall ensure that his workmen do not loiter around within the stores area of Govt. NCT of Delhi. They shall not touch any material except the material shown to them. If any of his workmen is even found violating these restrictions, the purchaser shall be responsible for making good the loss to the owners on which their decision shall be final and binding.

11.1) Payment Terms:

- i) The cost of each lot of material along with all taxes and duties must be paid at MSTC by the buyer in equal installments as per table given below:

Net sale value (excluding of taxes/ Duties) for each lot	No. of installments	Payment period counted from date of letter of acceptance (including date of issue)
Up to & including Rs. 25 lacs.	1	15 days
Over Rs. 25 lacs and up to Rs. 50 lacs.	2	Total 30 days
Above Rs. 50 lacs.	3	Total 45 days



- ii) First Installment must be paid within 15 days from the date of acceptance letter by MSTC (including the date of issue) and subsequent installments, if any, to be paid as per table above or as specified in Sale order. The bidder will have to deposit the Net sale value (excluding taxes/duties) for each lot through Bank draft/ pay order in favour of the _____. The payment of Taxes and duties for each lot shall be paid by the bidder through Bank draft/ pay order in favour of the concerned Accounting Authority for the respective Store In-charge of Govt. of NCT of Delhi. The payment of Taxes and duties can also be deposited with the concerned Officer of Govt. of NCT of Delhi.

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- iii) For any delay in making payment within the time limit specified, the due payment be made together with late penalty @ 1% per week or part thereof on the due amount for the period of delay within 14 days from the due date. However, Principal or MSTC (in consultation with principal) reserves the right not to accept the payment with or without the late penalty after expiry of the above mentioned time limits or even within the aforesaid additional period of 14 days, at Principal /MSTC's (in consultation with principal) sole discretion and in such an event the sale of the lot will be automatically cancelled and the Earnest Money / Security Deposit (as the case may be) will automatically stand forfeited.
- 11.2) Lifting Period: Material to be lifted by the buyer by employing their own labour and transport at their own cost within 30 days from the date of Delivery Order including date of issue.
- 11.3) Ground Rent: If the successful Bidder is unable to lift the material within stipulated period as specified in the delivery order/ SRO, he can request the concerned Store In charge, in writing, to allow him to lift the material, as a special case, after paying ground rent in advance up to 14 days @ 1% per week or part thereof on the balance unlifted material value. Tax amount once deposited with the Government Exchequer/VAT Authorities will not be refunded.
- 11.4) Customers are required to lift the material completely on clean sweep basis as to clear site failing which ground rent as applicable will be charged. Quantity indicated in the catalogue is only estimated quantity and Govt. of NCT of Delhi/MSTC shall not compensate for any loss & damages if the actual quantity is less than estimated quantity.
- 11.5) The delivery will be given by a delivery committee to be constituted as per Govt. of NCT of Delhi's procedure. The Delivery shall be made in the joint presence of the Purchaser and the Delivery Committee of the Govt. of NCT of Delhi.
12. The provisions of section 206C of Income Tax Act, 1961 will apply to the sale. As per present rate of Income Tax the buyers are required to deposit Income Tax @ 1% of sale Value including VAT and 10% surcharge thereon. Apart from this an educational cess @ 3% of total amount of Income Tax and Surcharge shall also be payable. Any revision in Tax shall be to the buyer's accounts. Govt. of NCT of Delhi shall accept no declaration towards rebate/exemption from payment of Income Tax. In case of the buyers are having exemption from payment of Income Tax, they are advised to claim refund/adjustment of the same through their annual Income Tax return. However, the concerned Accounting unit shall issue a certificate regarding payment of Income Tax by the buyer.

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- 13) Cutting allowance: While lifting of sold materials if it is felt necessary by the buyer to cut some of the materials of the lot by Gas cutting/welding for ease of handling of material, loading in trucks/ transportation etc. then a cutting allowance (wastage) @ 2% of the weight of the material which was cut shall be deducted i.e. 98% of the quantity will be delivered to the buyer or the buyer has to deposit additional value of this 2% quantity as cutting allowance with the concerned Store In-charge. In this regard decision of the In-charge of Store shall be final and acceptance to the buyer. However, cutting allowance shall not be applicable if the materials are broken/cut by chisel and hammer or hacksaw. This condition shall be applicable for the lots sold on unit weight basis.
- 14) Hazardous waste: The scrap materials/ items which comes under the category of Hazardous Waste as per Hazardous waste (Management & Handling) Act 1989 and Amendment Rule 2002 & 2003 shall be sold only to those buyers who are Registered with Ministry of Environment & Forest, GOI/Central Pollution & Control Board.
- 15) Payment towards materials value and other dues is to be made as stipulated in Sale Order-cum-acceptance letter. If there is a default in payment as per Terms of the Sale order-cum-Acceptance letter, the Security deposit mentioned their in will stand forfeited automatically without any further notice.
- 16) The material of the lots will be delivered by Govt. of NCT of Delhi on actual weight/quantity/Number(s) as stated in the lot description.
- 17) MSTC/Govt. of NCT of Delhi reserves the right to call all the eligible bidder (s) for revised bid along with requisite EMD for any lot.
- 18) **NOTE: BUYERS HAVE TO INSPECT THE MATERIAL THOROUGHLY AND SATISFY THEMSELVES ABOUT THE NATURE, HAZARDOUS/EXPLOSIVE PROPERTIES, IF ANY, BEFORE SUBMITTING THE BID. IN CASE THEY COME ACROSS ANY MATERIAL BEYOND THE SCOPE OF THE DESCRIPTION OF MATERIAL, IT SHOULD BE INFORMED TO SELLER/MSTC LTD. MSTC WILL NOT BE RESPONSIBLE FOR ANY COMPLAINT IN THE REGARD.**
- 19) **NOTE: PAYMENT CLAUSE: In case the date of submission of payment happens to fall on a Public Holiday, the next day shall be considered as the date of submission of payment.**
- 20) **THE e-AUCTION CATALOGUE ON THE LIVE E-AUCTION FLOOR SHOULD BE TREATED AS FINAL AND BINDING.**

 MSTC LIMITED (A GOVT. OF INDIA ENTERPRISE)		
Home		About us
www.mstcindia.co.in		Contact us
		Help
		Catalogue
		Logout
		
Seller's Registration Form (All * fields are mandatory)		
Company*	<input type="text"/>	
Address		
Street*	<input type="text"/>	
City*	<input type="text"/>	
Pin*	<input type="text"/>	
State/Union Ter.*	<input type="text" value="=====select state====="/>	
Country*	<input type="text" value="INDIA"/>	
Location*	<input type="text"/>	
E Mail*	<input type="text"/>	
Phone*	<input type="text"/>	
Fax	<input type="text"/>	
Preferred User ID*	<input type="text"/>	<input type="button" value="Click to check UserID"/>
Password*	<input type="text"/>	
Confirm Password*	<input type="text"/>	
Sales Tax Registered	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Sales Tax Reg. No.	<input type="text"/>	
Payment in	<input type="text"/>	

Administrative Contact Address:	
Contact Person*	<input type="text"/>
Designation*	<input type="text"/>
Department*	<input type="text"/>
Street*	<input type="text"/>
City*	<input type="text"/>
Pin*	<input type="text"/>
Country*	<input type="text" value="INDIA"/>
Billing Contact Address	
<input type="checkbox"/> If Billing Contact same as Administrative Contact Check Here	
Billing Contact*	<input type="text"/>
Designation*	<input type="text"/>
Department*	<input type="text"/>
Street*	<input type="text"/>
City*	<input type="text"/>
Pin*	<input type="text"/>
Country*	<input type="text" value="INDIA"/>
Comments	<div style="border: 1px solid #ccc; height: 60px; width: 100%;"></div>
Register As*	<input checked="" type="radio"/> Independent <input type="radio"/> Multi User
<input type="button" value="Reset"/>	

