GOVERNMENT OF TELANGANA  
DEPARTMENT OF TECHNICAL EDUCATION  

OFFICE OF THE  
COMMISSIONER OF TECHNICAL EDUCATION  
TELANGANA STATE :: HYDERABAD  

CIRCULAR MEMO  

Dt. 02.02.2020  

Sub : Technical Education – GPTs - Selling Agency Agreement for disposal of scrap, obsolete materials, miscellaneous articles etc. - Communicated - Reg.  

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The copy of "Selling Agency Agreement" between M/s MSTC Limited (A Government of India Enterprise) and Department of Technical Education, Telangana, Hyderabad of online e-auction for the disposal of all categories of scrap materials, surplus/obsolete stores/materials, miscellaneous articles etc. is herewith communicated to all Govt. Polytechnics for further necessary action.

To:  

All the Principals of Government Polytechnics.
SELLING AGENCY AGREEMENT

1. This agreement made this 04th day of February, 2020 BETWEEN Office of the Commissioner of Technical Education, Telangana State, Hyderabad having its office at 2nd Floor, Prof. Jayashankar Bhavan, Nampally, Hyderabad hereinafter called the “Principal” (which expression shall unless excluded by or repugnant to the context be deemed to include its successors and assigns) on the ONE PART

AND

M/LL MSTC Limited (A Government of India Enterprise) under the Companies Act 1956 and having its Branch Office at No 5-9-13, 7th Floor, Taramandal Complex, Saltabad, Between Sahara Manzil And Samrat Complex, Hyderabad, Telangana 500004 and Registered Office at 225-C, Acharya Jagadish Bose Road, Kolkata – 700 020, hereinafter called “MSTC” (which expression shall unless excluded by or repugnant to the context be deemed to include its successors and assigns) on the OTHER PART.

[Signature] Joint Director
Government of Telangana, Hyderabad

[Signature] KONDA KAVITHA
Licensed Stamp Vendor
L.No: 16-04-06/2016
RL.No: 16-04-02/2019
H.No. 8-2-460/64, Road No.4
Sukdev Nagar, Banjara Hills, Hyderabad
Ph.No:9248325639

[Signature] Renu Purushottam
Branch Manager
549412/2020/SCHEMES SECTION

2.0 This Agreement covers disposal of all categories of scrap materials, secondary arisings, surplus / obsolete stores, Plants, Machineries and equipments, vehicles, miscellaneous articles, demolition of Buildings, etc., on behalf of the PRINCIPAL in the indigenous market. In addition to the above, any other items may be added under this Agreement as may be mutually agreed upon. This Contract shall be valid till terminated by either side. At the expiry of this Agreement, the Orders booked by MSTC will continue to operate as if this Agreement continues till the execution of those orders. This Agreement shall be subject to termination with clear 3 (Three) calendar months’ notice in writing from either side before the expiry of the contract. Any amendment to this Agreement would be enforceable only if made in writing and duly signed by authorized representatives of the Parties hereto.

3.0 QUANTUM OF BUSINESS:

The Contract by itself does not commit the PRINCIPAL as to the quantum of business to MSTC

4.0 NATURE & SCOPE OF SERVICE AND RESPONSIBILITY OF MSTC

4.1 MSTC shall directly arrange disposal of the materials through e-Auction on the Internet through MSTC’s Website www.mstccommerce.com. However, depending on requirement, materials may also be disposed of through any other manner as may be mutually agreed upon.

4.2 MSTC will offer guidance in regard to making of lots for the purpose of disposal and will act on receipt of list of disposable materials from the PRINCIPAL. The Sale Programme will be mutually finalized.

4.3 MSTC shall invite bids from all the Customers registered with MSTC on all India basis for the purpose of e-Auction and MSTC shall arrange publicity by MSTC’s Website and other Internet tools notifying date and time of e-Auction. Normally, no press advertisement will be given for any particular e-Auction and in case the Principal desires publicity for any particular e-Auction through a particular publication or media other than Internet / MSTC’s Website, the same would be arranged on receipt of written request and the cost shall be borne by the Principal. Since e-Auction is a Web based System, publicity of the sale will be made by MSTC through MSTC’s Website & other Internet tools.

4.4 In case the PRINCIPAL desires publicity through a particular publication or media, the same would be arranged on receipt of written request and the additional cost shall be borne by the PRINCIPAL.

4.5 The PRINCIPAL will receive a system generated e-mail indicating the status and result of the e-Auction interalia showing details of the Lots Sold and the highest bids received etc. for PRINCIPAL’s record. The PRINCIPAL shall have the option to visit the Website in order to obtain a full report of any particular e-Action which will normally depict the replica of the bid sheet of a particular e-Auction.

[Signature]
Department of Technical Education
Government of Telangana, Hyderabad

[Signature]
For MSTC LIMITED
Renu Purushottam
Branch Manager
4.6 Reserve Price must be fixed and entered by the Principal in the website, which will be only accessible by the Principal and none else, for the disposale materials. In case the Reserve Price is not entered by the Principal prior to commencement of the Auction, the lots for which the Reserve Price have not been entered, shall stand automatically withdrawn by the system.

4.7 MSTC shall enter into sale contracts with the successful bidders/buyers/customers by issuing Sale Orders/Acceptance Letters on behalf of the Principal through the system for the sold lots.

4.8 All Payments will be remitted by the highest bidder to the account of Seller/Principal. Confirmation regarding receipt of EMD/Balance payment will be given by Seller/Principal to MSTC, pursuant to which Sale Order/Delivery Order as the case may be will be issued by MSTC.

4.9 As the PRINCIPAL is not registered under the appropriate GST Act, the Principal/Seller being a Govt. Unit does not require to have GST Registration Number but it is required to issue "Invoice" duly mentioning the Buyer's GST Number with a declaration "GST and Cess, if any, will be deposited by Buyer under Reverse Charge" and also it is mandatory to collect the self attested true copy of final GST certificate from buyer before delivering the material. An undertaking to this effect is desired for further action.

4.10 MSTC on behalf of the Principal is responsible for collecting the Income Tax at source, if any, from the successful customers Under Section 206C against the sale of scrap material as per the provision of Income Tax Act 1961. The same will be forwarded to the Principal for onward submission to the appropriate authority.

4.11 MSTC shall prepare and issue Delivery Orders after receipt of due payments from the Buyers, on production of which the PRINCIPAL will deliver the materials subject to compliance of all formalities by the Buyers as per contract. If required for statutory reasons, invoices will be issued by the PRINCIPAL to the Buyers. Any dispute arising while effecting deliveries to successful bidders/buyers shall be dealt with by the Principal.

4.12 MSTC shall also be responsible for follow-up of Sale Orders booked.

4.13 Wherever Security Deposit is retained by MSTC from the Customers as per terms of sale, MSTC shall refund the same to the Buyers on receipt of Delivery Completion Certificate/NOC (No Objection Certificate) from the PRINCIPAL within 15 days of completion of delivery. The PRINCIPAL shall give copies of invoices and monthly Despatch Statement to MSTC within 10th of each succeeding month to enable MSTC to reconcile the Sale and delivery.
5.0 SERVICE CHARGE:

5.1 MSTC shall be entitled to a Service Charge @ 10% for sale through e-Auction which will be calculated on the basis of actual / final Sale Value realized excluding Duties and Taxes. The Service Charge at the agreed rate on the Sale Value shall also be recoverable from the forfeited EMD / Security Deposit, if any.

5.2 Service Charge payable to MSTC shall be recovered by MSTC from the sale proceeds realized from the Buyer and the balance Sale Value will be forwarded to the PRINCIPAL. The details of Service Charges deducted shall be forwarded along with signed bill and receipt within seven days of receipt of payment from Buyers.

5.3 Any element for tax other than GST, viz., Turnover Tax, Addl. Tax etc., if applicable, which are essentially payable as per statutory requirement shall be reimbursed to MSTC by the PRINCIPAL.

5.4 As per the existing enactment a GST of 18% on Service Charges has been levied by Government of India which has to be borne by the PRINCIPAL. However, if any subsequent changes made by the Union Government the same will be effected.

6.0 NATURE & SCOPE OF RESPONSIBILITY OF THE PRINCIPAL:

6.1 The disposal List to be provided by the PRINCIPAL to MSTC shall include detailed Description, specification, location, quantity, quality, UOM (Unit of Measurement), applicable rate of GST, rate of Excise duty and special remarks, if any, for disposal and the quantity or venue of the Lot will not be changed after the e-Auction has been announced / publicised. Any amendment to the Disposal List shall be made by the PRINCIPAL prior to holding e-Auction and intimated to MSTC in writing for notifying the Bidders sufficiently in advance.

6.2 The Principal shall cause to effect deliveries to the buyers/ customers as per Delivery Orders issued by MSTC and as per directions given by MSTC from time to time. Any disputes arising while effecting deliveries to successful bidders/ buyers shall be dealt with by the Principal.

6.3 The Principal shall be responsible for raising invoices as per the terms and Sale Orders/ Delivery Orders issued by MSTC.

6.4 The Principal may monitor the auction and will be able to view the bid history etc., during the continuation of the e-Auction.

6.5 MSTC shall provide its standard terms and conditions of sale of materials to the Principal. The Principal will not insist on MSTC for any deviation from standard terms of sale of MSTC.

[Signatures]
7.0 HANDLING OF SUITS:

Since MSTC will only act as Selling Agent/Service Provider to the Principal who is the Owner/ Seller of the materials, all litigations including arbitration, if any invoked by the Bidders/Buyers shall be exclusively dealt with by the Principal irrespective of whether MSTC is joined in such proceedings as party or not. It shall be responsibility of the Principal to handle all suits/legal proceedings including arbitration that may be initiated by or against any buyer/bidder and to defend itself in all such proceedings at its own costs and expenses. The competent officials of the Principal shall be also required to appoint the Sole Arbitration in case of request for such appointment is made by Bidder/Customer in terms of the relevant e-Auction Clauses. If court case arises on the fault of MSTC, then responsibility will be of MSTC.

8.0 FORCE MAJEURE

If the performance of any obligation under this Agreement, in whole or in part by either Party, be prevented or delayed by reason of any war, civil commotion, sabotage, fires, floods, explosions, epidemics, strikes, lock-outs, etc., or acts of God (hereinafter referred to as "events") provided notice of happening of any such eventuality is given by the affected Party to the other within 21 (twenty one) days from the date of occurrence thereof, neither Party shall by reason of such events have an claim for damages against the other in respect of such non-performance or delay in performance.

9.0 ARBITRATION / APPLICABILITY OF LAWS:

In the event of any dispute or difference relating to the interpretation and application of the provisions of the commercial contract(s) between Central Public Sector Enterprises (CPSEs)/Port Trusts inter se and also between CPSEs and Government Departments/Organizations (excluding disputes concerning Railways, Income Tax, Customs & Excise Departments), such dispute or difference shall be taken up by either party for resolution through AMRCD as mentioned in DPE OM No. 4(1)/2013-DPE(GM)/FTS-1835 dated 22-05-2018.

10.0 INTEGRITY PACT:

In order to bring out absolute transparency, both the Principal and MSTC hereby commits to ensure full compliance of all the provisions of the "Integrity Pact" as circulated by Ministry of Steel, Govt. of India, which is available on the website of MSTC ltd. The said Integrity Pact will form part and parcel of this agreement.
IN WITNESS WHEREOF the Parties hereto have subscribed their respective hands on the day, month and year first above written.

Signed and delivered
For and on behalf of
Office of the Commissioner of
Technical Education, Telangana,
Hyderabad

WITNESS:

Signed and delivered
For and on behalf of MSTC Limited

WITNESS: