

SOUTHERN RAILWAY
CHENNAI

AUCTION SALE

OF SCRAP MATERIALS

REVISED GENERAL CONDITIONS

EFFECTIVE FROM 1-10-2004

CONTROLLER OF STORES
SOUTHERN RAILWAY
AYANAVARAM
CHENNAI -600 023

**GENERAL CONDITIONS RELATING TO THE AUCTION
SALE OF RAILWAY MATERIALS**

I. GENERAL :

1. Every Purchaser who is interested in participating in the auction and offering bids for the purchase and removal of materials mentioned in the Auction Catalogue will be allowed in to the auction Area of the Railway's Stores Depot located at Perambur, Ponmalai (Golden rock), Podanur, Madurai or any other place mentioned in the respective catalogue's only on production of Entrance permit Ticket issued by the Depot officer concerned in exchange for crossed demand draft for Rs.10,000/- from any bank drawn in favour of the Chief Cashier, Southern Railway, Chennai-600 003. This Bank draft will be returned to the participant on the presentation of the Entry permit ticket at the completion of the auction. Each person interested to participate in the auction must furnish a letter of authority from the firm on its proper letterhead or authorizing him to attend the auction. A firm shall furnish authorization to only one person to attend the auction. This authorization/request for participation should necessarily be witnessed by two co-participant who have to identify the business of that person seeking active participation.
2. This Entry Fee (Bank draft of Rs.10,000/-) shall be liable for forfeiture in the event of any untoward conduct on the part of the participant during the course of auction proceedings.
3. Any person bidding in the auction shall be deemed to be aware of the terms and conditions of auction sale, as also the location and conditions of the material being sold and shall be deemed to have agreed to such terms and conditions which is furnished in the catalogue of each auction.
4. Goods in each lot are sold on "as is where is" basis and no warranty is given as regards size, quality, weight, description and the like. The description of any lot in the particulars of sale has been given by way of identification there of only and the use of such description shall not constitute the sale thereof to be sold by description and no sale shall be invalid by reason of any defect or fault in any lot or on account of any lot being incorrectly described and / or on account of the weight or approximate weight of any lot not sold by weight being in correctly stated and the Purchaser shall not be entitled to claim any damage or compensation what so ever on account of such fault, error of description, weight or the like.

5. It is not binding on the part of the officer supervising the sale that he should auction the lot in the serial order as per auction sale catalogue. The lot will be put up for auction at the discretion of the officer supervising the auction sale. The indenting bidders are, in their own interest, advised to stay from start to finish of the auction.
6. The officer supervising the auction shall have the right to withdraw up to the actual time of sale of any lot that has been sold through advertised tender, without assigning any reason.
7. The Railway administration shall have the right to cancel the sale at any stage or withhold delivery of the materials either in part or full if required by the Railway administration without any commitments on either side.
8. Any Bribe, commission, gift or advantage given, promised or offered by any Purchaser or on behalf of the Purchaser or his partner, agent or servant or any one on his behalf to any officer, servant or representative of the Railway Administration or any person in relation to the obtaining or to the execution of his or any other contract with the Government shall in addition to any criminal liability which he may incur, subject the Purchaser to the cancellation of his and other sales or contracts and also to pay costs of any loss or damages resulting from such cancellation. If any irregularity or malpractice is brought to light regarding the sale where the Purchaser is also held responsible as adjudged by the Controller of Stores/Chief Material Manager, the aforesaid penalty will equally apply.
9. No interest shall be paid to the Purchaser on the amount paid or deposited by him and subsequently found refundable to him under any circumstances.
10. Sales tax shall be collected along with the balance sale value as applicable in various states. Purchasers wishing to purchase lots valued over Rs. 5 lakhs have to furnish sales tax registration number at the time of collection the delivery order.
11. **INCOME TAX:-** 1% income tax to be computed on the gross proceeds of sales value and the surcharge at rate mentioned below also to be paid at the time of remittance of balance sale value. In case of any change in IT act, the same is applicable.

SURCHARGE :

- (a) In case of individual, Hindu undivided family, Association of Person and Body/ individuals whether incorporated or not, 10% of tax where the income on the aggregate of such income paid or likely to be paid and the subject to the deduction exceeds Rs.8, 50,000/- (Rupees Eight Lakhs Fifty Thousand only).
- (b) In case of every co-operative firm, local authority and Company, at the rate of two and one half percent.

- (c) In case of every artificial judicial person referred in sub clause (vii) of clause (31) of section 2 Income Tax Act at the rate of 10% or IT and surcharges as applicable.
 - (d) The Purchasers should furnish permanent Account Number.
 - (e) Those who are seeking exemption from payment of income tax or payment of less Income Tax should produce the relevant valid document issued by the Income tax Department.
10. For purchasing drained transformer oil waste oil, batteries and other non-ferrous items Purchaser should possess a valid registration certificate issued by Central Pollution Control Board (CPCB) where ever applicable. Before accepting the bid, they are required to produce the original certificate or attested copy of the same to the auction conducting authorities.

II. BIDDING OF LOTS :

1. The Railway Administration in the person of officer, supervising the auction reserves the right to withdraw any lot/lots before or during the auction sale or refuse to accept the bid made by any bidder without assigning any reason therefor.
2. If the highest bid of any particular lot is accepted subject to approval of the Controller of Stores/Chief Material Manager, the highest bidder shall keep his bid open for acceptance by the Railway Administration for a period of seven days excluding the date of auction. The Railway Administration, however reserves the right to reject such bids without assigning any reason therefor.
3. Minimum Bid should be Rs. 1/- for CST 9 Sleepers/CI Pots & ST Sleepers offered on numbers basis, Rs.5/ for Ferrous items sold on weight basis, and Rs.500/- for lot basis materials (eg., Redundantlines, Girders, Turn Tables, Tanks)

III. EARNEST MONEY DEPOSIT. (EMD)

1. The highest bidder shall, on the fall of the hammer, give his name and full address to the (Railway Administration) department and sign the bid sheet and collect the EMD statement. He shall pay the EMD amount as mentioned below for the due performance of the auction sale stipulation to keep the bid open.

	BID VALUE	EMD AMOUNT
A	Up to and including Rs.10,000/-	Full Amount of bid value
B	Rs.10,001 to 1,00,000	Rs.10,000 or 25% of bid value whichever is higher
C	Above Rs.1,00,001 to Rs.2,50,000	Rs.25,000
D	Above Rs.2,50,000/-	10% of the Bid value

2. The EMD value will be rounded off to the next higher hundred. It should however be noted that this earnest money will be adjusted only against the balance sale value. If the EMD amount is above Rupees One Lakh, the Purchaser can pay cash or pay order or Demand Draft & obtain separated Acknowledgement receipt. The Railway is not responsible for any delay in realization or non-realization of said Pay Order/Demand Draft. Extra time will not be granted by Railways towards such delay for any damages/Claim etc., the presiding officer is not responsible and will claim directly from the Purchaser.
3. In the case of bids accepted subject to approval of Controller of Stores/Chief Materials Manager and such bids are not accepted by the Railway Administration, the earnest money deposited by the concerned Bidder will be refunded to him without payment of any interest thereon.
4. If the Purchaser makes default in complying with any of the conditions aforesaid then the lot or lots in respect of which such default is made may if the administration think fit, be immediately put up again for sale and in such an event of a lower price thereof shall be debit due from the Purchaser in default to the Railway administration. In the alternative, the Railway administration will be entitled to sue the Purchaser in default for the price of said lot and the Purchaser shall have no right to claim that the said lot must be sold again and the difference between the offer made by him and resale price of the lot along be received from him.

IV. SALE ADVICE :

1. The Depot officer will issue individual Sale Advice for each lot duly indicating the balance sale value due to the Railway. The Purchasers in their own interest shall arrange to contact the depot Officer in time and obtain the sale advice and arrange for the remittance of the balance sale value as indicated therein. The Purchaser shall under no circumstances quote delayed receipt of sale advice from Depot, as the reason for not remitting the balance money within the time specified therein.
2. When a Purchaser has purchased more than one lot, individual sale advice will be issued for each lot.
3. All the above payment should be made to the Chief Cashier, Chennai-600 003, or the Divisional Pay Masters concerned as the case may be before 14-00 hours on any working day and cash receipt be obtained. The Purchaser in the event of getting extension of the period for the deposit of the balance bid money shall have to pay interest on such amount. The rates of interest would be 2% higher than normal lending rate of Nationalised Banks. The Railway Administration will fix the Rate of interest from time-to-time. At the expiry of the admissible time the sale will be cancelled without making any further reference to the Purchaser duly forfeiting the EMD.

4. Free time for payment of balance sale value and delivery

Sale Value Or bit	Free time for Payment of BSV from the date of auction)	No. of days for Extension to pay BSV with interest @ 13.25% (beyond free time)	No of Installments Permissible	Free time for delivery (from the date of auction)	
				Other than Rolling Stock	Rolling Stock
Up to & including Rs. 1 lakh	10 days	On the merits of case up to a Maximum of 30	1	25 Days	50 Days
Exceeding 1 lakh & upto Rs.2 lakhs	20 Days	Maximum of 30 Days beyond the Free time for payment	1	35 Days	50 Days
Exceeding	20 Days		2	50 Days	65 Days

The maximum time allowed for removal of rolling stock is 105 days and for others, it is 90 days from the date of auction.

5. If any Purchaser fails to pay the said balance of bid money in the manner and within the period originally stipulated in clause IV.4 or as extended by the Officer nominated by Railway Administration, the earnest money paid by him shall stand forfeited to the Railway Administration. The lot / lots in respect of which forfeiture has been made shall be deemed to have been abandoned by the Purchaser and may be re-auctioned at the discretion of the Railway administration at any subsequent sale without reference to the Purchaser and without any liability whatsoever in relation thereto.
6. The Purchasers should apply if required for extension for payment of the balance sale value with interest within the permissible time from the lapse of the free time as per Serial number 4 above. Other wise, the sale is liable to be cancelled duly forfeiting the Earnest Money Deposit.
7. Only one extension is allowed including installment payments spread over within the time limit.

V. DELIVERY ORDER :

1. Delivery order will be issued only for the quantities paid for. The Purchasers in their own interest shall arrange to contact the Depot Officer duly producing the Cash Receipt in proof of payment of balance sale value and arrange to obtain Delivery Order along with tax collection certificate. For the free time for delivery, please see clause 4 of IV.

VI. REMOVAL OF LOTS :

1. In cases where the Purchaser desires that the delivery of stores should be given to some of his representatives, he should execute a power of Attorney in the *Per-forma* appended below on a non-judicial stamp paper duly authenticated by a Notary Public/any law Court/ Judge/Magistrate, before the commencement of the delivery.

SPECIAL POWER OF ATTORNEY :

1(Name and address of bidder) being the highest bidder in auction sale of lot No held on at and having paid the full amount of Rs..... towards, the cost of material against the said lot hereby authorize, nominate and appoint Shri/M.s.....(name and address) to receive all the things, goods and articles either jointly or severally from the Controller of Stores/Chief Material Manager, Southern Railway purchased by me in the auction sale of said lot number held on at and pass receipt thereof on my behalf. And I hereby agree that all acts, deeds and things done by the said attorney/ Attorneys shall be construed as deeds and things done by me and I undertake to ratify and confirm all whatsoever that my said Attorney /Attorneys shall or cause to be done for me by virtues of the power hereby given.

IN WITNESS THEREOF, I have signed this deed on
This day of _____

(i) WITNESS

(ii) WITNESS

Signature.

2. The Purchaser should remove the materials in each lot purchased within the period specified in Clause 4 of IV. Irrespective of the number of lots that may be knocked down by the Purchaser.
3. It must be distinctly understood that delivery will be ex-site.
4. The Purchaser shall ascertain from the Depot Officer or the custodian, a suitable date within the above delivery period, from which they can take delivery of the materials purchased by them and complete such removal within the time specified in the delivery order. It should however, be noted that once a date for delivery has been fixed on mutual agreement, removal should be continued until the entire quantity is completely removed by the Purchaser within the delivery period mentioned in the Delivery Order. This is, however, without prejudice to the right of the depot officer to cancel/postpone delivery already fixed to a subsequent date.
5. No picking, sorting, cutting breaking up of materials sold will be permitted except in certain special circumstances where sanction for such permission has been accorded and specified in writing at the time of the auction by the auctioning supervisory official. Such permission will only be accorded on the distinct understanding that the delivery order of such lot or lots must be obtained for the full quantity before picking/ sorting/cutting breaking up commence.

6. No delivery of said material sold will be given on Sundays and other holidays observed by the Railway administration. The delivery of the sold materials may be effected from the depot/location concerned only during the normal working hours. In order to complete the delivery within the working hours, all loading must close half-an-hour before the normal closing of the depot.
7. Necessary entry permit for the Purchaser or his representatives to enter the various depots for taking delivery of sold material should be obtained from the depot officer concerned on written application.
8. Where the Purchaser or his representatives have to visit the Depot frequently for taking delivery of materials and remain in the depot premises for long duration, say more than a month, should make available photo identity card with the Depot Officers for granting necessary permits.
9. Items of condemned Rolling Stock such as Wagons, Carriages, Locos, Boilers, girders etc., will be sold on "as is where is" basis subject to the following conditions.
10. The Purchaser will be permitted to employ his own labour for cutting up the sold materials and loading then in road/Rail transport.
11. The workers employed by the Purchaser will be permitted to enter and work in Railway premises during normal working hours after obtaining necessary entry permit from the depot Officer/ Controlling Officer. The normal working hours shall mean the usual daily working hours in the place where the sold materials are available.
12. After the charge of the lot is made over the Purchaser, the goods will remain in the Railway premises solely at the risk of the Purchaser and the Railway administration will not in any way be responsible for safe custody.
13. The presence of workmen employed by the Purchaser within the railway premises shall depend upon the satisfactory conducts and is subject to such conditions as the depot officer/ controlling officer considers it necessary.
14. If during the course of cutting and breaking any damage is done to any Railway property, the Purchaser shall be liable to compensate the Railway Administration to the extent of damages done. The amount of compensation to be paid will be assessed by the Railway administration, which shall be final, and legally binding on the Purchaser and the Railway administration reserves the right to recover the amount in cash prior to delivery of the goods.
15. List of reclaimable fittings such as wheel sets, draw bars with springs, shackles brake blocks etc., as mentioned in the respective delivery order will have to be carefully dismantled by the Purchaser without damage and returned to the Railway administration under acknowledgement.

16. It is the responsibility of the Purchaser to remove the debris if any, from the Railway premises after completion of the cutting of the condemned Rolling Stock at siding or yards shop premises and other station premises etc., where such condemned Rolling Stocks are stabled. The Purchasers should ensure that the debris is removed before the final delivery of the cut up part is effected.

VII. HANDLING AND LOADING :

1. Delivery of all lots sold will be made on ex-site basis. If the entire process of loading and weighment of the material being attended by the Railway at the cost of Purchaser loading and handling charges will be recovered in advance from the Purchaser by the depot officer concerned.
2. All weighments will be taken on the Government approved weighing machine or weighbridges in case Railway administration is not having its own.
3. The Purchaser or his Agent, Custodian, Stock verifiers/Ward- keepers and RPF staff should witness weighments. In case where the Purchasers or his accredited representatives fail to witness the weighments the actual weighment recorded by the above officials will be deemed to be the correct quantity and weight handed over to the Purchasers.

VIII. DELIVERY OF PERMANENT WAY MATERIAL :

1. Unbroken sleepers will be delivered on Number basis. Rails measuring more than one metre will be delivered on sectional weight basis. Rails measuring less than one metre will be delivered on actual weight basis. Bridge girder will be delivered on lot basis, Linked strung pots/ sleepers, broken sleepers and other item such as tongue rails, check rails, crossings, P.Way fitting etc., will be delivered on actual weighment basis. The decision of the auction supervisor is final in this regard.

IX. GROUND RENT AND FORFEITURE OF LOT :

1. The Purchaser shall remove the goods within the free time allowed under clause 4 of IV. If the materials are not removed they shall remain at the Purchaser's risk and the Railway administration shall be entitled to recover from the Purchaser ground rent in respect of such lot from the date following the date of expiry of free time at the rate of $\frac{1}{2}$ percent per day of the value of the un removed quantity subject to a minimum of Rs. 10/- per day per lot. Such ground rent as may have to be paid by the Purchaser to the Government shall be recovered from him by the Depot Officer before the goods are allowed to be removed. If all or any portion or the goods of materials remained un-removed from the Railway premises for more than the time schedule shown in the afore said para the same shall become Railway Property automatically and the Railway administration will be entitled to cancel the sale of lot for the quantity un-removed and forfeit its sale value.

2. Provided that the Railway administration does not guarantee to deliver the goods or materials sold within any specified time and if due to any default in this respect on the part of the Railway administration, the Purchaser is unable to remove the goods or materials within the specified period, then the Railway administration shall extend the period thereof and in such an event of the sold materials are removed by the Purchaser within the extended period, then he will not be liable to pay any ground rent or any other charges and the Railway Administration will not be entitled to order the sale of the goods or forfeit the sale value paid by the Purchaser.
3. If the Purchaser is making slow progress with his contract or if the Railway administration consider that he will fail to fulfill his contract within the time specified in the conditions of sale, it will be lawful for the Railway administration to cancel the whole contract or such portion thereof as may not have been completed and the Railway administration shall be at liberty to cancel the sale and forfeit the sale value paid by the Purchaser.

X. ARBITRATION :

1. In the event of any question, dispute or difference arising under these conditions or in connection with this contract, the same shall be referred to the sole arbitration of an arbitrator appointed by the General Manager of the Administration. It will be no objection that the arbitrator is government servant and that in the course of his duties a government servant can express views on all or any of the matters in dispute or difference. In the event of such an arbitrator to whom the matter is originally referred being transferred or vacating his office by resignation or otherwise or becoming unable to act for any reason, the General Manager aforesaid at the time of such transfer, vacation of office or inability to act shall appoint another person to act as arbitrator in accordance with terms of this agreement. Such person shall be entitled to proceed from the stage of which it was left by his predecessor. The award of the arbitrator shall be final and binding on the parties of this agreement.
2. Further it is a term of this contract that no person other than the persons appointed by the General Manager of the administration as aforesaid should act as arbitrator and that if for any reason that is not possible, the matter is not to be referred to arbitration at all. The arbitrator may from time-to-time with the consent of all the parties to the contract enlarge the time for making award. The venue of the arbitration shall be as decided by the arbitrator as aforesaid. The Indian arbitration and conciliation Act 1996 or the latest and the rules there under and any statutory modification thereof shall apply to the arbitration proceedings in this clause.
3. The Government will not recognize any resale made by the first Purchaser and accept responsibility for any claim arising therefore.

XI. WORKMEN'S COMPENSATION ACT :

1. The Purchaser shall be bound to observe and act as per the provisions of workmen compensation act and shall be liable to pay all such sum or sums, that may become payable as compensation. Penalty otherwise under the provision of the workmen's compensation act for personal injury caused to workmen by accident arising out of and in the course of his employment by the Purchaser in connection with the sale and shall indemnify the Government from and against all payment by way of compensation. Penalty or otherwise which the Government may be called upon to make under provision of the said act or on behalf of any such workman as aforesaid and any cost incurred by the Government in connection with any claim preferred by or on behalf of such workman against the government and from and against all action, loss injury or damages whatsoever in respect thereof or in respect of any loss, injury or damages etc. To any third person arising out of or occasioned by the negligent, imperfect or improper performance in connection with the sale by the Purchasers, his workmen servants or agents any amount which may become payable by the Government as aforesaid shall be deemed to be the amount payable to the Government by the Purchaser and so on failure by the Purchaser to repay the government and money paid by the Purchaser by it as aforesaid within seven days after the same shall have been demanded, the Government shall be entitled to recover the same from any amount then due or to become due by government to the Purchaser under or by virtue of the sale or otherwise or by instituting legal proceedings against the Purchaser.
2. The Purchaser shall indemnify and save harmless the Railways against all actions, suits proceedings, losses, costs, damages, charges claim and demands of every nature and description brought or recovered against the Railways by reason of any act or omission of the Purchaser, his agents or employees in the delivery or in the guarding of the same. All sums payable by way of compensation under any of these conditions shall be considered as reasonable compensation to be applied to the use of the Railway without reference to the actual loss or damage sustained, and whether or not any damage shall have been sustained.
3. The Purchaser shall have to accept liability for compensation in accordance with the provision of any statute for the time being in force for any injuries to any third party and damage to property of any third party arising out of and in execution of work under this contract and the Purchaser shall indemnify the Railway administration from and against all payments by way of compensation or other, which the Railway administration may be called upon to make under the provision of said statute to anyone as aforesaid. Railway administration shall be entitled to recover any money due to Purchaser, money paid by him by way of compensation, damages as aforesaid.

N O T E: Wherever difference is noted between the contents of
General Conditions of Sales and that available in the Instructions
/ Terms and Conditions, the terms and conditions available
along with the Auction Catalogue will prevail.
