

## **Special terms and conditions of e-auction of timber and other produce in Kerala Forest Department**

1. The e-auction sale is governed by the General Terms & Conditions (GTC), Buyer Specific Terms & Conditions (BSTC) and Special Terms & Conditions (STC) of the e-auction. In case of any conflict or differences among any provisions of GTC, BSTC & STC, the provisions of STC will supersede others in the particular e-auction. The terms & conditions, including the list of materials appearing on the date of e-auction is final and binding on the participant bidders.
2. KERALA FOREST DEPARTMENT, the owner/seller, will be hereinafter referred to as 'PRINCIPAL' and 'MSTC Ltd', the Selling Agent of KERALA FOREST DEPARTMENT will be hereinafter referred to as 'MSTC'. Wherever the word Buyer, Purchaser, Successful Bidder is indicated, it will be referred to as 'Successful Bidder'.
3. **VALIDITY OF BIDS :** All bids will be valid for acceptance by MSTC for a period of 7 (SEVEN) days from the date of closing of e-auction, excluding the date of closing. In case the 7th day falls on a holiday or remains closed for Principal/ MSTC, the validity of the bids will be deemed to be automatically extended up to the next working day of Principal/MSTC.
4. **INSPECTION :** The intending bidder or his authorized representative may inspect the materials as per the schedule mentioned above, between 10.00hrs and 17.00 hrs on any working day at the location specified with the prior intimation to the Depot Officer concerned. The detailed descriptions of all lots including annexure, if any, are available at the respective Divisional Forest Office also.
5. The description / quality indicated are furnished to enable bidders to quote their rates. Bidders are advised to quote their rates only after inspection of items at site. In case the bidders do not prefer to inspect, neither the sale could be invalidated nor the bidder can make any claim/ compensation whatsoever on account of any defect in description, deficiency in the quantity. Notwithstanding anything contained in the e-auction sale notice or advertisement issued as to description and particulars of material put up for sale, the sale is on " AS IS WHERE IS AND NO COMPLAINT BASIS" only. No plea or misunderstanding or ignorance or conditions put forth subsequent to any confirmation of sale shall be accepted. The Principle of "*CAVEAT EMPTOR*" ( let the buyer be aware) will apply.
6. Conditional offers will not be accepted / entertained.

7. LOT FORMATION :

The logs will be sold in lots having the same kind and class of logs. Each such lots should not be more than as detailed below :

- a) Export class teak and rose wood logs - Each lot will contain one log
- b) All other classes of teak logs - Each lot should not be more than 4 CUM
- c) All other classes of rose wood logs - Each lot should not be more than 4 CUM
- d) All other logs - Each lot should not be more than 8 CUM
- e) Poles, billets, firewood and other forest produces - As per convenience

The upper limit of lot size may vary depending on site condition in certain cases.

8. Earnest Money Deposit prior to start of the e-auction

(a) EMD amounts as mentioned below have to be deposited to participate in bidding against the following materials:

- A. For teak and rose wood : ₹ 50,000/-
- B. For any other kind of timber : ₹ 25,000/-
- C. Any other forest produce : ₹ 5,000/-
- D. Teak poles, firewood, billets in dumping depots. ₹ 20,000/-

(i) EMD can be remitted through e-treasury (<https://etreasury.kerala.gov.in/>) till 06.00 pm on the previous day of the auction. The buyer registration number has to be mentioned while paying the EMD. For the benefit of the bidders who are not well versed with online transactions, Divisional Forest Officers will accept EMD in the form of Demand Draft payable at any nationalized bank drawn in favour of Divisional Forest Officers concerned, as was done in the old system, by 02.00 PM on the previous day of auction. Only the registered customers who have remitted the EMD in time will be able to participate in the e-auction. If the sale value of bid material is not paid within the specified time period against any of the bid lot by the H1 bidder, the EMD will be forfeited.

(a) In case of unsuccessful bidders, the EMD will be returned to the bidders by the Divisional Forest Officer concerned on request.

(b) In case of successful bidders, EMD will be adjusted against the sale value and taxes of lots bid or for compensating any loss incurred to the Government as per conditions noted below in clause 14 & 15.

9. **BID INCREMENT** : The minimum bid increment for various materials are as given below :

- a) For rosewood : Rs.500/- per cum or multiple of 500.
- b) For teak : Rs. 100/- per cum or multiple of 100.
- c) For other kinds of timber : Rs. 25/- per cum or multiple of 25.
- d) For first and second class poles of teak : Rs. 25/- per pole or multiple of 25.
- e) For third and fourth class pole of teak : Rs.5/- per pole or multiple of 5.
- f) For fifth class teak poles and Kappukal : Rs. 2/- per pole or multiple of 2.
- g) For teak and rose wood billets : Rs. 50/- per MT or multiple of 50.
- h) For firewood : Rs.10/- per MT or multiple of 10.
- i) For all other forest produce : Rs.10/- or multiple of 10. The materials can be bid only in these minimum increments or a multiple of it.

10. The safe keeping of the materials sold is the responsibility of the Department till the allowed time period as per the conditions of the e-auction. The Department is not responsible for any loss or damage of the materials kept at the depot after the allowed time period as per the conditions of the e-auction. Quality of delivered lots is subject to change due to vagaries of nature.

11. **KVAT, FDT, TCS AND OTHER TAXES** : KVAT/FDT and other taxes as per the prevailing tariff wherever applicable at the time of delivery on the sale of materials covered under this e-auction shall be payable by the successful bidders before taking delivery of materials.

12. **ISSUE OF SALE INTIMATION LETTER** :

Wherever the Highest Bid (H-1 Bid) is acceptable on confirmed basis or 'Subject to Approval' (STA) basis, depending upon the Reserve Price fixed by the PRINCIPAL immediately on closing of the e-auction, Sale Intimation Letter will be issued automatically by e-mail to the respective Highest Bidder informing him whether his bid has been accepted on confirmed basis or STA basis. Bidders must, therefore, keep a watch on their incoming e-mail in this regard. Principal has the power to accept or reject any highest bid, accepted on STA basis, without citing any reason. The decisions towards acceptance or rejection will be intimated by e-mail to the respective bidders by e-mail.

13. **ISSUANCE OF ACCEPTANCE LETTER:** Acceptance Letter will be issued for the accepted lots, for making balance payments by the successful bidders and the same will be communicated by e-mail.

14. **REMITTANCE OF BALANCE AMOUNT AND REMOVAL OF LOGS:**

a) The successful bidder should remit the payments as per the following manner:

(i) 35% of the bid value, after adjusting EMD already remitted, shall be paid within 7 working days of issuance of acceptance letter.

(ii) Balance value along with applicable VAT, FDT and other taxes if any is to be paid within 40 days in case of hard woods and within 15 days in case of softwood from the date of issuance of acceptance letter.

(iii) The mode of payment is through e-treasury of Government of Kerala or DD drawn from a Nationalized Bank payable at respective station in favour of Divisional Forest Officer or by cash in the respective treasury.

(iv) If any amount is charged by bank for clearing the DD, the same shall be borne by the bidder himself. If the DD is dishonoured by the bank, the bidder who remitted the DD will be treated as defaulter and necessary actions will be initiated against him as per the law and as per sale conditions.

b) If the successful bidder fails to remit the amount as prescribed in the Acceptance Letter within the prescribed time period including penalty period, the bid will be treated as cancelled and all remittance including EMD will be forfeited without giving any notice and the lots will be re-auctioned at the risk and loss of the successful bidder and all the loss incurred because of re-auction will be the responsibility of the defaulter. Loss as mentioned above will be realized from the defaulter as per Revenue Recovery Act, 1968 or any other relevant Rules in force.

c) If the last day prescribed for remittance happens to be a public holiday, the amount can be remitted without penalty on the next working day. On remittance of the balance sale value and the taxes applicable, the lots can be removed by the successful bidder as per the conditions of e-auction. The amount remitted within seven days from the date of Acceptance Letter will be adjusted only against the value of log which would be removed last. The successful bidder will be able to remove all the lots only after he had remitted all the required payments as per the conditions of e-auction.

d) If anybody fails to remit the payments within 40 days for hardwood and 15 days for softwood from the date of issue of acceptance letter as per the conditions of e-auction, he will be allowed by the Depot Officer / Range Officer to remit the

balance amount with an interest rate of 18% upto first one month (30 days). After that he will be allowed to remit the balance amount with an interest rate of 24% plus 2.5% surcharge on the interest for next one month (30 days). After that he will be allowed to remit the balance amount with an interest rate of 36% plus 5% surcharge on the interest for another one month (30 days). To summarize, in case of hardwood, the Depot officer will be able to give extension for a total period of three months (90 days) subject to realization of penal interest rates and surcharge as mentioned above.

e) In the case of softwood, if anybody fails to remit payments within 15 days, the Depot Officer / Range Officer can extent for another 15 days with an interest rate of 24% plus 2.5% surcharge on the interest. After these, further extension will not be allowed at any cost.

Above rates are summarized below for the sake of more clarity.

<b>Period</b>	<b>Interest rates</b>
Part value of 35% in first seven working days from the date of issue of acceptance letter	0%
Remaining part value within 40 days for hardwood and within 15 days for softwood, from the date of issue of acceptance letter	0%
Delayed payment for remaining part value for first one month (30 days) for hardwood	18%
Delayed payment for remaining part value for second one month (30 days) for hardwood	24% plus 2.5% surcharge on interest part.
Delayed payment for remaining part value for third one month (30 days) for hardwood	36% plus 5% surcharge on interest part.
Delayed payment for remaining part value for first 15 days for softwood	24% plus 2.5% surcharge on interest part.

f) While calculating interest as mentioned in clause (d) & (e), even for delay for one day interest for one month will be levied.

g) The material will be delivered only to the successful bidder or their authorized representatives against presentation of e-Auction Identity Card issued by MSTC. If the successful bidder desires to authorize a representative or an agent for delivery, in such case, the bidder shall produce suitable Power of Attorney or authorization letter duly attested by a Notary Public authorizing his representative or agent to lift the materials from PRINCIPAL.

15. Penalty for the defaulters in remitting the balance amount and removing the bids in the specified time.

a) If any successful bidder fails to remit all the dues within allowed/ extended time from the date of intimation of acceptance letter, all his bids will be cancelled and all remittance made so far including part value paid will be forfeited without giving any notice. Such lots will be re-auctioned at his risk and loss.

b) If the price fetched in the re-auction is less than the price fetched in the original auction, the difference of bid values in the two auctions, inclusive of all taxes and the expenses in conducting of re-auction and interest, surcharge and ground rent payable from the earlier auction will be realized from the defaulter as per Revenue Recovery Act 1968 or any other applicable Act/Rules.

c) The defaulter will not be entitled for any profit due to the re-auction. Any dispute arising out of the calculation of loss due to the re-auction at the risk and loss of the original bidder will be adjudicated by the Authority appointed for the purpose by Government of Kerala.

d) If the successful bidder clears all his dues he is allowed to remove logs without paying any ground rent within 40 days in case of hardwood and 40 days in case of softwood from the date of Acceptance Letter. He is allowed to remove the materials for another four months by paying ground rents at the rates noted below.

1.	Round logs (including softwood) and Sawn timbers	Rs.100/- per M <sup>3</sup> for first month
2.	First and second class teak poles	Rs.10/- per pole for first month
3.	Third and fourth class teak poles	Rs.5/- per pole for first month.
4.	Fifth class poles and Kappukal	Rs.3/- per pole / Kappukal for first month
5.	Teak and rosewood billets	Rs. 100/- per tonne for first month
6.	Firewood	Rs.50/- per tonne for first month
7.	Bamboo	Rs.2/- per bamboo for first month.
8.	Other forest produces	1% of the bid amount for that material for first month.

For the second month double the above rates, for the third month three times the above rate and for the fourth month four times the above rate, will be applicable. A period of less than a month will be treated as full month for the purpose of calculation of ground rent. After the lapse of the above said time period the defaulter is not allowed to remove the bid material at any cost.

e) If somebody did not remove the lot even after the above specified period, all the lots will be re-auctioned. The amount of re-auction will be treated as forest deposit after deducting the expense of re-auction and any dues of ground rent. Such amount will be refunded as and when the defaulter requests. But the defaulter is not entitled for any profit from the re-auction.

#### 16. Other conditions

a) If the successful bidder fails to pay his dues as per conditions of e-auction, the default amount will be treated as land tax dues and will be realized from the defaulter as per the existing laws. The Divisional Forest Officer can realize the amount in any other legal method he deems fit.

b) If the successful bidder fails to pay any dues, all materials/money due to the bidder in any other depot will be withheld. Principal is not responsible for any loss incurred in this regard.

c) Blacklisted bidders will not be allowed to participate in any e-auctions.

d) The successful bidders are bound to abide by changes in terms & conditions of e-auction consequent upon any amendments in the existing Kerala Forest Act, 1961 or extant Rules.

e) All the litigations related to e-auction will be entertained only in the Courts within the jurisdiction of the Divisional Forest Officer concerned.

17. PRINCIPAL/MSTC reserves the right to accept/reject and cancel any bid, amend the quantity under any lot or withdraw any lot at any stage under this e-auction sale after acceptance of bid/issue of sale order/deposit of full sale value by the bidder, without assigning any reason thereof and the value of such material paid for, shall be refundable. PRINCIPAL/MSTC shall not be responsible for any damages/ loss whatsoever to bidders on account of such withdrawal, at any stage from the e-auction sale.

18. PRINCIPAL/MSTC will not be in any way responsible for failure to deliver the materials due to cause beyond their control such as strike, lockout cessation of work by labourers, shortened hours, act of god or other causes of other contingencies whatsoever. The buyer shall not be entitled to cancel the contract and the period of delivery shall automatically get extended proportionately.

19. CONDUCT DURING DELIVERY: Buyers shall solely be responsible for movement and proper behaviour of their deputies, agents, and labourers within

PRINCIPAL premises. If any damage is caused to the Government property, the buyer is responsible to make good such damage to the satisfaction of PRINCIPAL, and the decision of PRINCIPAL in this regard shall be final and binding.

20. ACCIDENTS ETC. TO BUYER'S LABOURER : PRINCIPAL/MSTC will not any point of time be responsible for any injuries caused due to accident within the premises or at the place of work and the bidder will make proper arrangement for medical attention and treatment to his labour representative. The buyer will be solely responsible for any claim arising out of the employment, injuries to labourers in the course of the employment under any statute. It is the responsibility of the buyer to provide necessary safety appliances ( like hand gloves, tools, helmet, safety goggles, boots etc.) to the labourers who are engaged for handling of the goods.

21. BLACK LISTING : If it is found that the bidder is not following the terms and conditions of payment, delivery or other conditions of the e-auction and also indulging in any malpractices either by himself or by his agents, deputies or observer, such bidder are liable to be blacklisted and appropriate action will be taken as deemed fit by PRINCIPAL.

22. In the event of any dispute in connection with this sale, the decision of PRINCIPAL/MSTC shall be final and binding on the parties to the e-auction sale. Further any such dispute, doubts or differences of opinion arising at the time of payment or Delivery, bidders shall agree and abide by the decision of PRINCIPAL.

23. No interest will be paid to the purchaser on the amount paid or deposited by him and on the amount refundable to him, if any.

24. The terms and conditions are supplementary to the remedy available under the law.

25. Any auctioned materials shall not be sold or parted with any of the employees of PRINCIPAL/MSTC.

26. Complaints/grievances from bidders regarding e-auction shall be addressed to the Grievance Redressal Committee constituted for the purpose. The Grievance Redressal Committee is authorized to take decisions relating to the grievance or complaints which include cancellation/confirmation of the bid, imposing of any penalty and forfeiture of EMD and matters related thereto. Complaints of bidders in case of mistakes committed due to erroneous entry during bidding by bidders will be disposed by confirming the lot in question to the complainant by levying the maximum price fetched for the same class of timber during the very same auction +10% penalty on the maximum price fetched + taxes applicable in case of one time buyers. If the same class of timber is not available during that auction, maximum price fetched for that particular class in any of the depots of the same division,



during last three months from the date of auction, shall be taken as benchmark. If that is not available the maximum price fetched for that particular class in any of the depots of other timber sales division of the same circle, during the last three months from the date of auction, shall be taken as benchmark. In case of timber merchants, the penalty to be levied shall be 20% above the maximum price as calculated above.