

Special terms and conditions of e-auction of sandalwood at Marayoor Sandal Depot of Kerala Forest Department

1. The e-auction sale is governed by the General Terms & Conditions (GTC) and Buyer Specific Terms & Conditions (BSTC), already published in the Kerala Gazette No. 36 dated, 16th September 2014. The Special Terms & Conditions (STC) of the e-auction of sandalwood is described in following paragraphs. 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, between 10.00 hrs and 17.00 hrs on any working day at the Marayoor Sandal Depot with the prior intimation to the Range Office, Marayoor. 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 Sandal wood will be sold in lots having the same kind and class. The sandalwood lots are classified into fourteen classes starting from Class I to Class XIV. Apart from these classes, there may be materials like hardwood chips, softwood chips, sandalwood dust/powder, hardwood theyal, sandalwood handicrafts, etc. which may come up for auction time to time. The class description is published on the website **www.mstcecommerce.com**. All the lots will be sold in units of weight (kilograms).

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

a) EMD amount of Rs.50,000/- have to be deposited to participate in Sandal auction.

THE EMD AMOUNT HAS TO BE PAID, AT LEAST ONE DAY BEFORE THE DATE OF E-AUCTION, THROUGH THE 'e-PAYMENT' LINK PROVIDED AT THE BUYER'S HOMEPAGE (AFTER LOGGING IN) IN MSTC's e-COMMERCE SITE. After making the e-payment the transaction details have to be intimated to MSTC for verification and subsequent activation to participate in the e-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, for some initial period, Range Forest Officer, Marayoor will entertain receipt of EMD in the form of Demand Draft payable at SBT, Munnar Branch drawn in favour of Range Forest Officer, Marayoor, as was done in the old system, by 02.00 PM on the previous day of auction. Only the registered customers who will submit the EMD will be able to participate against the eligible lots 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.

b) In case of unsuccessful bidders, the EMD will be returned to the bidders by MSTC/Range Officer, Marayoor if bidder does not intend to participate in upcoming auctions further.

c) In case of successful bidders, EMD will be remitted to Government Treasury or SBT, Munnar Branch by MSTC on the next working day. This EMD will be adjusted against the sale value and taxes of bid lots or for compensating any loss incurred to the Government as per conditions noted in clause 14 & 15.

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

- 1) Class I – Class XIII - Rs. 10/kg or Multiple of 10
- 2) Class XIV - Rs. 5/kg or Multiple of 5

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 and quantity 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 to the respective bidders by e-mail.

13. ISSUANCE OF ACCEPTANCE LETTER : Acceptance Letter will be and the same will be communicated by e-mail.

14. REMITTANCE OF BALANCE AMOUNT AND REMOVAL OF SANDAL WOOD :

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 from the date of issuance of acceptance letter.

(iii) The mode of payment is through e-treasury of Government of Kerala or Demand Draft (DD) drawn in favour of Range Forest Officer, Marayoor payable at State Bank of Travancore, Munnar or by cash in Sub Treasury, Devikulam.

(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 action will be initiated against him as per the law and as per sale conditions.

(v) Prevalent rate of KVAT (at present 14.5%) will be applicable to all successful bidders irrespective of destination of transportation of materials and purpose. Value Added Tax, Forest Development Tax, Income Tax and other dues as per rules in force at the time of acceptance of the sale should be remitted along with the first remittance of balance value.

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 recoverable from 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 issuance of Acceptance Letter will be adjusted only against the value of sandalwood which would be removed last. The successful bidder will be able to remove all the bid sandalwood 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 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 the Depot officer/Range 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 below:

Period	Interest rates
35% of sale value in first seven working days from the date of issue of acceptance letter	0%
Remaining sale value within 40 days from the date of issuance of acceptance letter	0%
Delayed payment for remaining part value for first one month (30 days)	18%
Delayed payment for remaining part value for second one month (30 days)	24% plus 2.5% surcharge on interest part.
Delayed payment for remaining part value for third one month (30 days)	36% plus 5% surcharge on interest part.

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

f) 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 cases, 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 bid material in the specified time.

a) If any successful bidder fails to remit all the dues within allowed/ extended time from the date of issuance 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 from the date of issue of Acceptance Letter. He is allowed to remove the materials for another four months by paying ground rents at the rates noted below.

Sl. No.	Period	Rate of Ground Rent
1.	1 st month	1% of the total bid amount
2.	2 nd month	Double the rate of first month
3.	3 rd month	Three times the rate of first month
4.	4 th month	Four times the rate of first month

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 on account 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, Marayoor.

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 the 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 at 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 to any of the employees of PRINCIPAL/MSTC.
26. Conditions specific to sandalwood e-auction
 - a) The quantity shown against each lot is approximate.
 - b) The delivery will be in the full lots at a time and no lot will be delivered in portions.
 - c) Delivery of the sold produce will be allowed only on realization of value, VAT, FDT and other dues if any. Removal shall be completed within 40 (Forty) days from the date of dispatch of

the confirmation order to the successful bidder. On realization of the full sale value of the lots/entire quantity, the wood purchased will be weighed in the presence of the purchaser or his duly authorized agent and the quantity handed over to him at the depot. The purchaser should take delivery of the good so weighed and hand over an acknowledgement receipt of the same at the Depot. Removal will be done under the cover of permit in the prescribed form issued by the Department. Refund of excess value if any remitted by the purchaser will be done by the Department as per rules. Department will not be responsible for any shortage in weight due to dryage after the grace period of 40 days, for this purpose. On the 40th day the weight will be taken and accounted and this weight will be final irrespective of further dryage and payment will be against such weights. Department is responsible for dryage loss for maximum period of 40 days.

- d) No further cleaning and classification of Sandalwood will be under taken by the Forest Department nor will the purchasers be allowed to clean any wood previous to weighment. The classification, cleaning and weighment as determined by the Forest Department should be accepted by the bidders.
- e) The person/firms in whose name the sale is confirmed is forbidden to resell the wood in turn or to make negotiation with any other persons for such sale till all dues are paid to the Government and sandalwood taken delivery of and removed from the sandalwood depot premises.
- f) Department is not responsible for any loss or difference in weight due to fire, flood or any other calamity after sale.
- g) No sandalwood shall be removed from the depot till a transit pass/license to remove is issued by the officer of the Forest Department and till every piece of sandalwood that can be stamped bears the Departmental seal hammer marked at the both ends.
- h) The purchaser should give at least 7 days notice of his intention to take delivery to the Range Officer, Marayoor supported by receipted chalans in token of payment. No delivery will be made on holiday.
- i) Any supplementary conditions or modifications that may be found necessary will be intimated to the bidder before the e-auction.
- j) Further particulars can be had from the Divisional Forest Officer, Marayoor, Marayoor.P.O, Idukki District, Kerala State

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or to Range Officer, Marayoor, Marayoor.P.O, Idukki District,
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