

**Minutes of meeting (MoM) of the Pre Bid meeting held on 19.4.2018 at 3.00 PM in 6<sup>th</sup> Floor, Aranya Bhavan, Hyderabad and on 21.4.2018 at 11.00 AM in Vanyaprani Bhavan, Kapila Teertham, Tirupati in connection with Global e-tender cum e-auction for sale of Red Sanders Wood Phase -X.**

The Vice Chairman and Managing Director, APFDC, the Additional Principal Chief Conservator Forests (Prod.), Principal Chief Conservator Forests & MS,AP State Biodiversity Board(Special Invitee)and the members of the Auction Team constituted by the Govt., representatives from APFD & APFDC Ltd, representatives of MSTC Ltd, the Foreign/Indian prospective buyers, representatives of the Foreign/Indian prospective buyers and officials attended the pre-bid meetings 19.4.2018 and 21.4.2018.

At the outset, the Vice Chairman and Managing Director, APFDC welcomed the prospective Purchasers and their representatives to the pre-bid meeting. The Addl.PCCF (Prod.) & Chairman of Auction team made a detailed presentation on the Special Terms and Conditions (STC) of sale and informed the prospective buyers about the quantity notified for the sale grade wise, dates of auction and the terms and conditions of the tender document to encourage wider participation and also explained the procedure/steps for export of RS Wood.

The Branch/Senior Manager from MSTC, Visakhapatnam has given the presentation/demonstration on the process of registration, payment of pre-bid amount, e- tender and e-auction Bidding, Auto bid, Auto extension, demo on bidding procedure and bid increment. etc.,

The prospective buyers were informed that, all the Government orders and information along with photographs and videos of each lot pertaining to the sale are posted in the websites of APFDC, AP Forest department and MSTC. They may also visit the depot for the inspection of the lots notified for sale. The buyers were asked to interact for any clarification and also give suggestions to make the sale process more simple, understandable and implementable.

Further, the prospective buyers/representatives of the prospective buyers requested the Government to issue clarifications on the following queries:

1. **Query:-** Some of the Chinese Buyers have expressed that a lot of time is taken for weighing at the CWC godown for the export consignment of VIII phase sale, because each log is reweighed and marked and enquired whether same will be continued for the current sale also. The buyer informed to sort out issue as considerable time is lost on this work alone.

**Clarification:** The Committee examined the request of the buyers and has informed that the issue will be sorted out by the time of delivery of the lots sold.

2. **Query:** - Some of the Chinese Buyers have informed that there is one problem that there is only one hammer for each Forest Range officer and it is also consuming a lot of time for each log to be marked with 'hammer mark'.

**Clarification:** The suggestion of the prospective buyers is noted. The prospective buyers are informed that more 'hammers' will be made available by the concerned authorities.

3. **Query:** - Whether the DGFT will permit the export only Log form and in VAP form also ?.

**Clarification:** The material being sold in the present auctions will be permitted to be exported in log form only.

4. **Query:** - Can the 'C' grade material be further graded into 'C' and 'D' grades, as there is very inferior material in the C grade?

**Clarification:** 'NO'. The grading is done as per the existing grading rules and further grading will not be taken up to avoid confusion among the buyers and sale process.

5. **Query:** - Whether the foreign buyer can authorize the Indian buyer to participate in sale and make payment in US dollars?

**Clarification:** 'NO'. The foreign buyers shall register with MSTC and can participate in the sale directly and make payment in approved foreign currency. They can authorize their Indian agents to enter into agreements and take up follow up action for getting the material exported to them.

6. **Query:** - Whether the APFDC can export material bought by an Indian Buyer?

**Clarification:** 'NO'. The Indian buyer is only local buyer and for local buyers export cannot be done. The Indian buyers intending to export, shall have purchase order from their foreign buyers and enter into an agreement with them prior to the sale. They can export the material purchased by them on their 'Importer and Exporter code' and the Govt of AP will declare them as entity as DGFT notification. The APFDC will facilitate their exports duly addressing all the concerned authorities for according requisite permissions.

7. **Query:** - Whether the buyers are permitted to participate in e- auction, if the EMD paid is not received in time?

**Clarification:** 'NO'. The prospective bidders are advised to pay the EMD at least two working days in advance, as it will take 48 hours to the bank to receive and confirm the EMD payment. The MSTC can activate the buyer account only after confirmation of EMD payment only.

8. **Query:-** The Chinese Buyers have requested to permit payment of 25% of sale amount within ten working days from the date of confirmation in lieu of 10 days at present, as some times the sale confirmation orders are issued on Friday evening, resulting in loss of four bank working days within the 10 days period and facing difficulty in timely remittances of 25% of the sale amounts as per demand notice issued by APFDC.

**Clarification:** The Committee examined the request of the buyers and has agreed to the suggestion, to mitigate the difficulty of the buyers in remittance of 25% of the sale amounts. However the overall time limit for payment of total sale amounts i.e 25% and 75% of the sale amounts shall be within 30 days from the date of confirmation. As such the STC condition no 26(i) be read as ***“The Successful Bidder of the respective e-auction Lot shall pay Post bid Deposit equivalent to 25 per cent of the Sale amount within 10 working days from the date of issue of Confirmation order, to the APFDC Ltd”***

9. **Query:** - Is permission from the DRI is required for export?

**Clarification:** 'NO'. The DRI may inspect the consignments on specific information.

The APFD and APFDC will take necessary steps to ensure that the material is exported as per the existing rules and with all required permissions. The Indian buyers are also advised to follow the rules and get all the required permissions and there may not be any problem.

10. **Query:** - Is the same material which is unsold in the IX phase put for sale in the X phase?

**Clarification:** 'NO' . There are 19 New lots of 'A' Grade put for sale besides some old lots which were excluded are also included duly limiting to the permissible quota for sale.

The Addl. Principal Chief Conservator of Forests (Prod.) thanked the prospective buyers / representatives of the prospective buyers, members of auction team and MSTC Ltd. for attending the pre-bid meeting and requested the prospective buyers to go through the Special Terms & Conditions in detail for clarity and also requested them to keep watching the websites of APFDCL, AP Forest Department & MSTC for further clarifications.

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