

**Question No.1:** If the tenderer fails to get any lot of red sanders wood put for e-tender-cum-e-auction, how much time it will take to refund the pre-bid deposit.

**Reply:** In case your company is not successful in the auction, MSTC Ltd. will return the Pre-bid EMD within 3 working days from the date of closing of e-auction.

**Question No.2:** If the bidder is successful and the sale is confirmed by the appropriate authority, how soon the successful purchaser can get the material exported?

**Reply:** After remittance of 100% sale value, you will be allowed to lift the material within 90 days from the issuance of Acceptance Letter. Please refer clause no. 33 & 34 of Special Terms and Condition for complete detail of delivery.

**Question No.3:** If the prospective buyer has an account with Wells Fargo and if there is a branch at Hyderabad, should he get a bank guarantee letter for additional pre-deposit in Hyderabad or from U.S.A.?

**Reply:** The bank guarantee for additional Pre-bid deposit should be executed from the schedule bank having branch in Hyderabad. Please confirm whether Wells Fargo bank is coming under Schedule bank list as per Reserve Bank of India (RBI).

**Question No.4:** I tried to register as a buyer in your website, it showed that the server encountered an internal error.

**Reply:** Please use below link for registration:  
[http://www.mstcecommerce.com/auctionhome/mstc/buyer\\_reg\\_foreign.jsp](http://www.mstcecommerce.com/auctionhome/mstc/buyer_reg_foreign.jsp)

**Question No.5:** We need 500 MTs. only. Can you give us specific permission without participating in e-tender.

**Reply:** Entire notified quantity of 4,160 MTs. will be allotted to successful bidders in e-tender-cum-e-auction only. No allotment can be made without participating in e-tender-cum-e-auction.

**Question No.6:** Can we get ORIGIN CERTIFICATE and CITES Certificate?

**Reply:** A.P. Forest Department will issue Origin Certificate to the successful purchasers for the e-lots allotted to them. CITES certificate will be issued by the CITES Managing Authority and A.P.F.D.C. Ltd. will co-ordinate and assist in obtaining CITES certificate at the time of export.

**Question No.7:** Are the auctioned red sanders wood allowed to be exported to China and other countries?

**Reply:** CITES have given a onetime export of specimens of any type from 11,806 MTs. of red sanders wood from confiscated or seized source (Source "I") to India. Copy of CITES National Export Quota for the year 2014 is available on the Forest Department website as well as MSTC Ltd website. In India, exports and imports are regulated by the Exports and Imports Policy (EXIM Policy) of Government of India in the Ministry of Commerce and Industries. Director General of Foreign Trade, (DGFT), Minister of Commerce, Government of India, have issued Notification No.47 (Re-2013)/2009-2014, dated 24.10.2013, permitting Government of Andhra Pradesh to export 8584.1363 MTs. of red sanders wood in log form. Copy of said notification can be seen at the A.P. Forest Department / MSTC website. The Government of Andhra Pradesh have notified global tender for 4,159.693 MTs. of red sanders wood in log form in the first phase out of 8584.1363 MTs. permitted by the D.G.F.T. The Director General of Foreign Trade, New Delhi, on application for export license for the consignment to be exported will consider port of designation of export before issuing export license. Besides, the endangered species like red sanders wood also need to get the approval of CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) Managing Authority under the Ministry of Forest and Wildlife (M.O.E.F.), Government of India. As such, the red sanders wood as already permitted by CITES can be exported to those countries which are signatories to the said Convention. List of signatory countries to CITES can be seen at the CITES website: <http://www.cites.org/eng/disc/parties/chronolo.php>. China is signatory to the CITES.

**Question No.8:** Do we need to apply for Red Sanders Export Licence or the Andhra Pradesh Government will arrange them?

**Reply:** The DGFT vide notification no 47 (RE-2013)/2009-2014 dated 24.10.2013 has permitted to export 8584.1363 MTs RS Wood in log form by itself or through any entity/entities so authorised by them for the purpose. The Govt. of Andhra Pradesh vide G.O. Rt. No. 278, EFS&T (Section.II) Department, dt. 25.07.2014 have appointed Andhra Pradesh Forest Development Corporation Ltd., (APFDC) Hyderabad, a State Government enterprise, as export agency and sale proceeds realization agency (Order of the Government can be seen at A.P. Forest Department's website). APFDC Ltd. is registered as exporter and is having IEC Code (Importer - Exporter Code). Accordingly APFDC Ltd. will apply for issue of export licence for the Red sander Wood sold for each successful buyer as per buyer's requirement i.e., destination of export etc., to the DGFT and take up export on granting of licence by the DGFT and hence there is no need of application for export licence by the buyer.

**Question No.9:** What are the taxes applicable to the foreign bidders and domestic bidders and what taxes are exempted for foreign purchasers on the sale value of the successful lots i.e., VAT, Income Tax, Excise Fees, Customs Duty and other taxes and other duties.

**Reply:** The relevant taxes applicable depend on the status of the buyers (bidders).

**(1) For foreign bidders:**

(i) VAT & CST is exempted as it is exported directly by the APFDC under export licence granted by DGFT.

(ii) Income Tax shall be collected under Section 206 C at the following rates:

Non Resident Non Corporate Person		Non Domestic Company		
Rs. one crore or less	More than Rs. one crore	Rs. one crore or less	More than Rs. one crore but not more than Rs. ten crore	More than Rs. ten crore
2.575%	2.8325%	2.575%	2.6265%	2.70375%

**(2) For domestic bidders :**

(i) VAT / CST is to be collected @ 14.5%. For inter-state transactions, CST @ 2% is to be collected against the issue of 'C' Form.

(ii) Income Tax shall be collected under Section 206 C @ 2.5%.

With regard to Customs Duty and Excise Duty, it is informed that it was not levied for the exports of RS Wood carried out till date.

With regard to Access Benefit Sharing Fee payable under under Biological Diversity Act, 2002, kindly refer to Condition No.24 (iii) of STC and it has to be paid by the successful bidder before exporting as fixed by National Biodiversity Authority.

**Question No.10:** Whether bank L.C. will be accepted?

**Reply:** No, we cannot accept payment through L.C.

**Question No.11:** Then what about bank guarantee, for what purpose and what amount the bank guarantee (whether post- paid EMD or 75% of sale) explain?

**Reply:** The Additional Pre-bid deposit (EMD) can be submitted either through Bank Guarantee or wire transfer. The post BID EMD and balance 75% can be transferred only wire transfer (SWIFT).

**Question No.12:** In case of buyers from Telangana, whether CST will be levied or VAT will be levied?

**Reply:** (1) In case of buyers from Telangana State, CST will be levied @ 2% on production of "C" Form, otherwise @ 14.5% has to be paid. Income Tax under Section 206 (C) of Income Tax Act to be paid @ 2.5% and (2) In case of foreign buyers, there will be no CST / VAT for export of red sanders wood. However, Income Tax has to be paid, as clarified above.

**Question No.13:** The DGFT notification says that, the whole process of export has to be completed by 31.10.14, whether the time will be extended?

**Reply :** The state Government have already addressed to DGFT, Gol, to extend the time.

**Question No.14:** Is it necessary to register with MSTC before inspecting the lot in the depots?

**Reply:** The prospective domestic and international buyers can inspect the notified lot in the depots with (or) without registration with MSTC. Prior registration with MSTC is not compulsory for inspecting depots.

\*\*\*\*\*