



## **KERALA FOREST DEVELOPMENT CORPORATION LTD.**

(A Govt. of Kerala Undertaking)

REGISTERED OFFICE: 'AARANYAKOM', KARAPUZHA, KOTTAYAM- 686 003.

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No.C1-2381/17

Date: 27.07.2017

### **NOTICE INVITING TENDER CUM AUCTION SALE** **OF EUCALYPTUS WOOD AND LOPS & TOPS** **2017-18 SEASON**

1. Sealed tenders are invited from Industries/Firms /Individuals desirous of purchasing Eucalyptus Pulpwood to be harvested from the annexed list of 2006, 2007,2008 & 2009 plantations of Kerala Forest Development Corporation Ltd. in Trivandrum , Punalur & Thrissur Divisions during 2017-18 season. The details of the plantations with area and locations are given in the Schedule annexed.
2. **Indenting tenderers shall quote rate for one stacked tonne of Eucalyptus wood and lops & tops for a minimum of 1 plantation/plantation bit.** The rates shall be quoted for the following categories
  - a. Eucalyptus wood of and above 30cm girth over bark at thinner end in stacked tonne of 2M<sup>3</sup>.
  - b. Eucalyptus lops and tops of below 30 cm girth over bark at thicker end and 18 cm girth over bark at thinner end in stacked tonne of 2 M<sup>3</sup>.

In case, if the Purchaser wishes to transport the Eucalyptus wood and /or the Eucalyptus lops and tops without bark then a measurement of 3 cm each will be reduced from the above mentioned overbark girths to arrive at the corresponding underbark girth viz 30 cm girth overbark corresponds to 27 cm girth underbark and 18 cm girth overbark corresponds to 15 cm girth underbark. The quoted rates for stacked tonne of Eucalyptus wood and lops and tops with bark will be multiplied by 1.22 to arrive at the corresponding rates for stacked tonne without bark.

3. Cost of tender form for the individual plantation is shown in the Annexed List of Plantations. In case if the Purchaser intends to quote for more plantations, the cost of the tender form is the sum of the costs mentioned for the selected plantations in the Annexed List of Plantations subject to a maximum of Rs 25000/-+ 5% GST applicable.
4. Earnest Money Deposit (EMD) is to be furnished for the individual plantation is shown in the Annexed List.
5. Tender documents can be collected from the Head Office of Company on payment of cost of tender documents during offices hours on any day up to 12 Noon on 22.08.2017 or up to the same time of the alternate dates of 14.09.2017 and 20.09.2017 , as the case may be.
6. Tender documents can also be downloaded from the website of KFDC, [www.keralafdc.org](http://www.keralafdc.org) and completed documents together with cost of tender forms and EMD amount can be submitted up to 1.PM on 22.08.2017 or up to the same time of the alternate dates, as the case may be. The payment may be made in cash, or through bank draft drawn in favour of the Managing Director, Kerala Forest Development Corporation Ltd. Kottayam payable at Kottayam or by NEFT/RTGS to KFDC Bank A/c No. SBI SB A/c No. 67391586884, IFS code: SBIN0070102, Branch: Kottayam Town (70102).
7. The tender documents completed in all respects should be put in A4-size envelope bearing the following words and address.

**TENDER FOR PURCHASE OF EUCALYPTUS WOOD AND LOPS &TOPS 2017-18**

**SEASON**

From

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Name & Extent of Plantations Quoted :

To

The Managing Director,  
 Kerala Forest Development Corporation Ltd,  
 Karapuzha, Kottayam-3.

### **DEFINITIONS:**

1. “ Unit “ of plantation means a plantation/plantation bit of Eucalyptus planted in a particular year and having definite area and boundaries separated from other plantations/plantation bits. Units vary in extent from 3.00 ha to 21.00 ha.
2. The Purchasers shall quote the price for one stacked tonne with bark. One “stacked tonne” means a stack with volume of 2 M<sup>3</sup> and stack size of 1m billet length x 1M height x 2M stack length. One stacked tonne without bark shall be considered as 1.22 stacked tonne with bark, and the price for stacked tonne without bark shall be calculated accordingly.

#### **1. TERMS AND CONDITIONS OF TENDER CUM AUCTION :-**

**1.1** The intending tenderers are advised to inspect personally, the locations of Eucalyptus plantations/plantation bits from which the wood and lops & tops are proposed to be harvested, to know the quality of material, location and terrain, for which they intend to submit tenders and satisfy themselves.

**1.2** The act of submitting a tender is deemed to be completed with the unreserved acceptance of the terms and conditions of tender and the conditions of Agreement appended to the tender document.

#### **1.3 Tenderers are responsible to receive all communications:**

All Tenderers shall, at the time of submitting tenders, furnish their specific and full postal address to which all communications should be sent. The Corporation will not be responsible for the consequences, if any communication sent to the address given in the tender, does not reach the tenderer or is returned undelivered. The responsibility to receive promptly, all communications intended to the tenderer rests fully on the tenderer himself.

#### **1.4. Tender for the produce of each unit /all units**

In this tender a particular plantation in a sub unit of the KFDC Division is taken as a 'unit' . Units vary in area from 3.00 ha to 21.00 ha. Tenderers are free to quote for any number of plantation/s as per the annexed list of plantations. In the list of plantation appended to the tender document, Division, Sub Unit, Location, Year of plantation and Area are mentioned. Tenderers should choose the plantation/s such that a particular plantation/ plantation bit is taken up totally. The tenderer shall accept the actual quantity harvested from the plantations at the same tender rate, irrespective of the actual yield. Rate should be quoted for each plantation separately in the tender form.

#### **1.5. Tender form, its cost and availability: -**

(i) Tender documents can be collected from the Head Office of KFDC on payment of cost of tender documents during office hours on any day up to 12 Noon on 22.08.2017 or up to the sametime of the alternate dates, as the case may be. The payment may be made in cash, or through bank draft drawn in favour of the Managing Director, Kerala Forest Development Corporation Ltd. Kottayam payable at Kottayam or by NEFT/RTGS to KFDC Bank A/c No. SBI SB A/c No. 67391586884, IFS code: SBIN0070102, Branch: Kottayam Town (70102).

(ii) Tender documents can also be downloaded from the website of KFDC, [www.keralafdc.org](http://www.keralafdc.org) and completed documents together with cost of tender form and EMD can be forwarded in time so that the same is received in KFDC Head Office at Kottayam prior to 1 P.M. on the tender date/s.

(iii). Cost of tender form plus Tax is not refundable under any circumstances.

**1.6. Tender by defaulter or minor or insolvent or black listed person.**

Tenders submitted by an Industry / Firm/Individual, who owes dues to the Kerala Forest Development Corporation Ltd., or who is a minor or who is declared as an insolvent by any Government agency or who has been convicted by a Court of law for offences involving moral turpitude or who has been black listed, shall be treated as invalid and Earnest Money Deposit submitted along with such tender shall be forfeited to the Corporation.

**1.7. (a) Presentation of only one tender**

Only one tender shall be submitted by a tenderer for all the Eucalyptus plantation in the list included in the tender documents.

**1.7. (b) Difference between the amount given in figures and amount given in words.**

In case of difference between the amounts given in figures and that given in words in any tender, the amount given in words will be taken as final.

**1.8. Sale Value of Eucalyptus wood and lops & tops to be tendered.**

**The tenderer shall quote/offer the purchase rates in rupees per one stacked tonne for Eucalyptus wood and Lops and Tops (Standing Trees)(with bark), at the plantation site. The rate per stacked tonne offered shall be both in figures and words.**

**1.9. (a). Goods and Service Tax (GST) :-**

GST and other taxes as applicable or modified from time to time shall be paid by the purchaser. This amount shall be remitted by the purchaser along with the sale value for the quantities measured out by the Corporation as per the payment conditions.

**1.9. (b). Income tax: (TCS) -**

- i)** If the Purchaser is a manufacturer, he can claim the exemption from paying Income Tax under the provisions of Income Tax Act, 1961 and the rules made there under and amendments made from time to time, by furnishing a self declaration in 'Form-27 C' to the concerned Divisional Manager, before lifting the allotted produce.
- ii)** If the Purchaser is other than a manufacturer, he shall pay Income Tax as provided in section 206 -C of the Income Tax Act along with the sales price.

**1.10. Earnest Money Deposit**

- a)** Earnest Money Deposit (EMD) is to be furnished as shown in the Annexed List.
- b)** The payment may be made in cash, or through bank draft drawn in favour of the Managing Director, Kerala Forest Development Corporation Ltd. Kottayam payable at Kottayam or by NEFT/RTGS to KFDC Bank A/c No. SBI SB A/c No. 67391586884, IFS code: SBIN0070102, Branch: Kottayam Town (70102).
- c)** Tenders not accompanied by EMD will be summarily rejected
- d)** The EMD of the highest successful tenderer and the second highest tenderer for each unit will be retained. The EMD of the other tenderers will be returned as soon as the sale is finalized.
- e)** No interest shall be payable, on the EMD amount.

**1.11. Signing of tender: -**

- (a)** The tender form shall be signed by the tenderer.
- (b)** Person or persons signing the tender shall state in what capacity he/she or they are signing the tender eg., as Sole Proprietor of the Firm concerned or as Managing Director or Director or Secretary or Manager of a Limited Company. In the case of partnership firm, the names of all the partners

should be recorded and the tender shall be signed by all the partners or their duly constituted attorney, having authority to bind all the partners in all matters pertaining to the contract as accorded in the deed of Power of Attorney or in the partnership deed. In such a case, a registered copy of the "Partnership Deed" should be furnished along with the tender. It shall be obligatory on the part of every partner of the firm, which enters into agreement, to fulfill the conditions of agreement during the currency thereof, notwithstanding the dissolution of the partnership in the meantime. In the case of a Limited Company, the tender shall be signed by a person mentioned supra empowered to do so by the company. A copy of the Memorandum of Association and Articles of Association of the Company and the letter empowering the person mentioned supra shall be attached to the tender. In the case of Hindu Undivided Family, the name of all the family members should be recorded in the tender form and "Karta" who can bind the family should sign the form and indicate his status below his signature.

**(c)** The person signing the tender form on behalf of another or on behalf of a firm, shall enclose to the tender, a Power of Attorney or the said deed duly executed in his favour or the partnership deed giving him such power showing that, he has the authority to bind such other persons or the firm, as the case may be, in all matters pertaining to the contracts. If the person so signing the tender, fails to enclose the said Power of Attorney, his tender shall be liable for being summarily rejected. The Power of Attorney shall be signed by all partners in the case of partnership concern, by the Proprietor in the case of a proprietary concern, and by the person who by his signature can bind the company in the case of a Limited Company. In the case of Hindu Undivided Family, the Powers of Attorney should be signed by the "Karta" who by his signature can bind the family.

### **1.12. Tender should be sealed:**

The Tender complete in all respects, shall be put in an envelope of A4 size bearing the names/s and extent/s of the plantation/s or plantation bit/s and the address of the tenderer.

### **1.13 Submission of the Tenders:**

Tenders completed in all respects in respect of all sale units shall be put in a closed and sealed envelope as prescribed in the notice inviting tender and may be presented or sent by registered post to the Managing Director, Kerala Forest Development Corporation Ltd Kottayam-3 so as to reach the office on or before 1.00 pm on 22.08.2017 or up to the same time of the alternate dates, as the case may be. When submitted in person, an acknowledgement for the same shall be obtained from the office of the Managing Director.

### **1.14 Invalid Tenders:**

Conditional tender or tenders sent by Telegram or tenders sent otherwise than as laid down herein shall be treated as invalid and will not be considered

### **1.15 Tender form improperly filled in :**

Tender not properly filled in or not signed will be treated as invalid. The decision of Managing Director, KFDC Ltd; in this regard will be final.

### **1.16 Tender cum Auction.**

Prior to opening of the tenders, auction will be done at 2.30 PM on 22.08.2017 or at the same time of the alternate days, as the case may be, for each plantation /unit among all the intending buyers present who have submitted the tender for that plantation/unit. Only those who have submitted tenders are eligible to participate in the auction for the respective **plantation/unit.**

### **1.17. Opening of Tenders.**

On completion of the Auctions, tenders will be opened by Managing Director or his Authorized Representative in the presence of those tenderers who choose to be present at the time of opening of the tenders.

### **1.18 Presiding Officer's decision to be final:**

In case of any dispute that may arise in the context of opening of tenders, the decision of the Managing Director, Kerala Forest Development Corporation Ltd. or his Authorized Representative who is opening the tenders shall be final.

### **1.19 Jurisdiction of the Courts:**

Only the competent Court at Kottayam will have the jurisdiction over all matters of dispute that may arise out of the aforesaid sale and no such matter shall be initiated in the Courts at any other place.

### **1.20 Arriving at the highest bid and procedure for Equal amounts:**

For arriving at the highest bid it is considered that 85% of the produce is in the Wood category, and 15% of the produce is in the Lops & Tops category. Accordingly, the rate per stacked tonne with bark quoted for the wood category will be multiplied by 0.85 and the rate per stacked tonne with bark quoted for the Lops & Tops category will be multiplied by 0.15. The above 2 figures will be added and the highest amount thus arrived at will be considered as the highest bid. If equal acceptable rates per stacked tonne are offered by more than one tenderer for one and the same unit, the matter will be decided by negotiations or by drawing the lots, in the presence of such tenderers as decided by the Managing Director or his Authorised Representative.

### **1.21 Acceptance of Tender Notice/Agreement Conditions:**

All the prospective and present Tenderers at the time of opening of tenders shall sign the undertaking in token of having read and accepted the conditions of the tender notice/agreement conditions before opening of the tenders. However the act of signing on the “Form of tender for sale of Eucalyptus wood and lops & tops for 2017-18” (i.e., on the tender form) entails that the tenderers have read and accepted the conditions of the tender notice/agreement conditions at the time of submitting of the tenders.

### **1.22 Negotiation with the highest tenderer/bidder:**

The Managing Director, if found necessary, may carry out a negotiation with the highest tenderer/bidder. If higher rate is arrived at during the negotiation, such higher rate will be considered for further actions.

### **1.23 Acceptance or otherwise of tenders /auctions:**

The acceptance of tender is subject to confirmation by the Managing Director, Kerala Forest Development Corporation Ltd., who may confirm or reject any tender, including the highest tender, without assigning any reasons thereof. His decision in this respect shall be final. More opening of tenders by the officer cannot be deemed as acceptance of the tender, unless it is confirmed by the competent authority.

### **1.24 Tenderer/Bidder bound by the tender:**

**(a)** The tenderers/bidders who have submitted their tenders shall be bound by their offers and by these terms and conditions for a period of not less than 90 days from the date of opening of the tenders or till the date of execution of Agreement for that particular Unit, whichever is earlier.

**(b)** However, any period of stay granted by any competent Court shall not be counted towards this period.

**(c)** In the case of breach of this condition, the Earnest Money Deposit (EMD) remitted as per Condition **1.10** above shall be forfeited. In addition to this, the tenderer/bidder who has failed to honour his offer shall bear the loss, if any, suffered by the Corporation in the subsequent disposal of that sale unit at his risk. The loss unless made good within thirty (30) days from the date of dispatch of notice of demand by registered post, may be recovered from him as arrears of Land Revenue under RR Act or provision of any law for the time being in force. The tenderer/bidder however shall not be entitled to any profit that may accrue to the Corporation on such subsequent disposal. The loss shall be calculated as per the following formula:

$$L = \text{OTA} - \text{TAR}$$

Where 'L' is loss, OTA is Original Tendered /Bid Amount and TAR is Tendered/Bid Amount in Re-sale or Re- allotment to next highest tenderer.

#### **1.25. Disqualification of Tenderers/Bidders.**

Canvassing of any type by or for the tenderer will result in invalidation of the tender and disqualification of the tenderer from participation in the sales of the Forest Development Corporation Ltd for a period of 1 year besides any other criminal liability.

#### **1.26. Acceptance of the Tender/Bid.**

**(a)** The successful Tenderer/Bidder hereinafter referred to as "Purchaser", shall be given an order of confirmation within a reasonable time from the date of opening of tenders.

**(b)** The Order of Confirmation will be dispatched by Registered Post with Acknowledgement Due to the address furnished by the purchaser. If the Confirmation Orders are received back unserved or undelivered, it will be deemed that such orders have been served on the Purchaser. Hence, the

Purchaser shall furnish his correct postal address for dispatch of communications at the time of tender.

**(c)** The Confirmation Orders will also be sent by email to the email address, if furnished by the Purchaser.

**1.27. Automatic Cancellation of Sale .**

If the Purchaser fails to complete the formalities prescribed and execute the Agreement within 15 days of receipt of the Order of Confirmation, the Sale shall stand cancelled automatically.

**1.28. Consequences on automatic cancellation of Sale to the Purchaser.**

Upon the automatic Cancellation of the sale, the EMD will be forfeited and the Unit shall be put to re-sale or allotted to the next highest tenderer/bidder at the discretion of the Managing Director, at the risk and loss of the Purchaser. The loss shall be recovered from the Purchaser as arrears of Land Revenue under RR Act or provision of any law for the time being in force. On such re-sale if there is surplus, KFDC shall be entitled to retain the full amount and the Purchaser shall have no right or claim thereto.

**1.29. Tender cum Auction on the alternate dates.**

In case if any of the plantations/units are not successfully sold on the original date of 22.08.2017, such plantations/units will be tried for tender cum auctions on the alternate dates of 14.09.2017 and 20.09.2017, as the case may be.

**II. ENTERING INTO AGREEMENT.**

**2.1.** The Kerala Forest Development Corporation Ltd. reserves the right to refrain from permitting harvesting and removal of Eucalyptus pulpwood from any particular "unit" fully or partly thereof, depending upon the Administrative and Operational exigencies and in the interest of the Corporation notwithstanding such unit put up for sale has already been confirmed and agreed to supply the materials to the Purchaser.

2.2 The Purchaser will execute an Agreement together for all the units confirmed in his name. The currency of the Agreement will be for a period of 6 months from the date of entering in to agreement between the Managing Director , KFDC Ltd, or up to 31.03.2018 whichever is earlier. In case the transaction extends beyond the above period , the agreement shall be extended till such a time as decided by Managing Director, for valid reasons and after imposition of penalty as per agreement conditions.

### **2.3. Security Deposit.**

(i) **At the time of entering in to Agreement the successful Purchaser shall deposit an amount @ Rs 25000/per ha of plantation area for all plantations/units, in favour of the Managing Director, KFDC Ltd. towards Security Deposit.** The Security Deposit amount will be released to the Purchaser only after discharge of the liabilities, if any , after completion of the extraction and transport or on culmination of the contract as per terms of this Agreement, as the case may be.

(ii) Failure to pay the Security Deposit at the time of Agreement will entail cancellation of the Confirmation Orders and forfeiture of the EMD already paid. Re-tenders will be called for such units or the unit will be allotted to the next highest tenderer at the discretion of the Managing Director, at the risk and loss of the Purchaser. The loss to the Corporation will be recovered as arrears of Land Revenue under the existing Rules. If any excess amount is received at the re-tender, the defaulting Purchaser will have no claim over the same. Also he will not be allowed to participate in such a re-tender.

### **2.4. Intimation of Final Destination/Intermediate Depots:**

The Purchaser shall at the time of entering into the Agreement inform the final destination/s where he intends to transport the produce. In case he wants to stock the same at intermediate depot/s he shall furnish the details of the same to the KFDC.

## **2.5 .Execution of Agreement:**

**(a)** The Purchaser shall execute an Agreement in the form given along with the tender notice, completing the formalities specified in the Conditions **2.3, & 2.4** within 15(fifteen) days from the date of receipt of order of confirmation of tender, sent by Registered Post. No extension of time will be allowed for executing the Agreement, and the sale shall stand cancelled automatically on the expiry of the above said period of 15 days. On such automatic cancellation of the Sale, the EMD will be forfeited and the Unit will be re-allotted to the next highest tenderer/bidder or disposed otherwise at the risk and loss of the purchaser. When the Unit is so re-allotted or disposed, whatever best amount is offered may be accepted irrespective of the original value of the Unit allotted. The balance amount due to Kerala Forest Development Corporation Ltd., if any, will be recovered from the Purchaser but who will not be entitled to any excess amount if obtained by such disposal.

**(b)** The terms and conditions of appointment of Purchaser shall be as specified in the “Terms and Conditions of Agreement” set out separately hereunder. The Managing Director / the Divisional Manager of the Division concerned shall be the authority competent to enter into Agreement with the Purchaser on behalf of the Kerala Forest Development Corporation Ltd.

**(c)** The agreement shall be executed on a non-judicial stamp paper of a value of Rs.200/- or at the value of the higher rate, if any, stipulated under the Kerala Stamp Act. All the costs of stamp etc., necessary for execution of agreement shall be borne by the Purchaser. Deficit payment of stamp value if any, found at a later date is liable for recovery from the Purchaser. The Kerala Forest Development Corporation Ltd. shall not be the party in whatsoever manner with regard to the deficit payment of stamp duty if any, occasioned and the Purchaser is solely liable for payment of differential amount/value thereof.

## 2.6 Terms and Conditions of Agreement

1. PURCHASER shall extract all Eucalyptus trees from plantations allotted and retain all other trees. The cost of extraction are to be borne by the Purchaser.
- 2.a. This contract shall be in force till 31.03.2018 or six months from the date of the Agreement whichever is earlier or such other extended period as per terms of this Agreement.
- b. The price of Eucalyptus wood and lops & tops payable by PURCHASER shall be as follows.

| Price of Eucalyptus Wood and Lops & Tops per stacked tonne  |   |
|---|---|
| With Bark   | Without Bark  |
| Bid amount + Additional Price Rs 38.52+ 18 %GST + 5% Regeneration Charges + 2.5 % TCS (If applicable) | Bid amount for stacked tonne with bark x 1.22+ Additional Price Rs 47+ 18% GST +5% Regeneration Charges +2.5% TCS (If applicable) |

3. The KFDC reserves the right to refrain from permitting harvesting and removal of pulpwood from any particular plantation or unit, fully or party thereof, depending upon the Administrative and Operational exigencies and in the interest of the Corporation not withstanding such unit is allotted and agreed to be supplied to the Purchaser

### 4. Security Deposit:

The Security Deposit under 2.3 above is to be retained as Security Deposit for fulfilment of the contract entered.

### 5. Payment of Advance Sale Amount.

- a) The EMD deposited at the time of the Tender cum Auction is treated as Advance Sale Amount.
- b) Further demands for advance payments will be delivered to the local agent of the Purchaser.
- c) Transportation of the produce will be permitted only after receipt of the full Sale Value and all taxes for the produce to be transported.

d) All payments in respect of this contract shall be made by Demand Draft/Multicity Cheque favouring the Managing Director, KFDC, payable at any Nationalized Bank in Kottayam or through RTGS / NEFT to KFDC Head Office Account or the Managing Director's Accounts in the respective Division Offices.

e) No interest is payable on these amounts by KFDC .

**6. Recovery of Dues from Security Deposit and Advance Sale Amount.**

All amounts due, if not paid on the due date shall be adjusted from the Security Deposit and the Advance Sale Amount paid by the Purchaser. The Security Deposit and such other amounts remaining with KFDC is liable to be forfeited if the Purchaser fails to abide by the terms of the Agreement.

**7. Refund of Security Deposit and the balance of Advance Sale Amount.**

The Security Deposit and the balance of the Advance Sale Amount, as the case may be, will be refunded to the PURCHASER at the end of the transaction only after the Corporation is satisfied that all the obligations and formalities under the Agreement have been duly complied with by the Purchaser, and that no amount is due from the Purchaser.

**8. Intimation of Final Destination - Intermediate Depots:**

The Purchaser shall declare the Final destination of the Produce extracted under this Agreement. In case of any deviation or if the Purchaser wants to stock the same at intermediate depot/s he shall furnish the details of the same to the KFDC.

**9. Transfer of Agreement:**

The Purchaser will not assign and / or transfer the allotted plantations to any other person or party.

**10. Minimum girth of the produce to be extracted :-**

The Purchaser shall extract the lops & tops down to 15 cms. girth under bark (18 cm girth over bark) at thinner end.

## **11. General Rules to be observed during extraction**

- a)** Purchaser shall not enter or send their men into the area assigned for extraction of Produce without obtaining a license from the Divisional Manager of KFDC having jurisdiction over the area (hereinafter referred to as Divisional Manager) and without duly taking over the area from the Manager of KFDC having jurisdiction over the area (hereinafter referred to as the Manager) with a surveyed sketch, showing blocks & sub blocks therein.
- b)** Purchaser shall be fully responsible for all the acts or commissions & omissions of themselves, their agents and of all the persons authorized or employed by them to cut, collect, store & transport the Produce under this contract.
- c)** The Purchaser shall keep the boundaries of the contract area well cleared of undergrowth and shrub to a width of 2 meters and keep the cairns and boundary stones intact. If the Purchaser fails to do so, the work of clearing the boundaries will be done by KFDC and the cost thereof recovered from Purchaser in addition to any loss or damages as assessed by the Manager, KFDC and approved by the Divisional Manager after giving notice to the Purchaser.
- d)** A duly authorized agent of the Purchaser shall be present at all times in the contract area. Purchaser may employ an agent or agents to assist them in the work but no such agent shall be considered as duly authorized agent unless his name, residence and a specimen of his signature have been submitted to Divisional Manager and approved by him. Divisional Manager Reserves to himself the power to object to any of those men appointed as such, by the Purchaser on sufficient grounds. Purchaser shall not engage as their agent or workmen any person blacklisted by KFDC or by Kerala Forest Department or Government.
- e)** Purchaser shall provide each of their agents and workmen with a written authorization which should show his name, age, present residential address and period for which it is valid. This authorization must always be produced in the contract area, when demanded by any officer of KFDC, or forest officer or police officer.
- f)** Purchaser, their agent and workmen shall comply with the orders and instructions issued by the authorized officers including Field Officer, Manager, Divisional Manager,

Asst. General Manager or Managing Director of KFDC, from time to time in the matter of collection and removal of the produce under this contract.

- g)** Purchaser, their agents and workmen employed by them in the contract area are bound to fire protect the entire contract area specified in the schedule and to ensure that no fire escapes from the contract area to the adjoining areas.
- h)** Should any fire occur in the adjacent forest area, Purchaser, their agents and workmen shall render every assistance and use their best efforts to extinguish the fire and they shall in all cases give immediate notice of the occurrence of the fire to the nearest Forest, Police or Revenue Officer and to the nearest officer of Kerala Forest Development Corporation.
- i)** Purchaser shall be liable for any loss caused to the produce collected by them by way of fire, theft or any other means, caused due to any action or omission by Purchaser's officials or their agents. Purchaser may insure the produce collected by them from the allotted area against fire, theft or any other loss as per the rules governing the insurance of goods, and shall pay to KFDC value of any produce lost due to fire, theft or any other means.
- j)** Purchaser, their agent & workmen shall abide by the provisions of Kerala Forest Act, Wildlife Protection Act and other enactments relating to Protection & Conservation of Forests and Wild life therein as well as rules made there under and shall assist officers of KFDC, Forest Officers and Police Officers in preventing commission of any offence, or in detecting such offences within or in the vicinity of the contract area. Purchaser or their authorized agents or their workmen shall not indulge in felling or causing damage to any other trees other than Eucalyptus species from the working area allotted to them. If any such actions are committed, the contract shall be liable to be cancelled and suitable compensation, as assessed by the competent authority, shall be recovered from them. Further they shall be dealt with as per the provisions under Kerala Forest Act and Rules. They shall not knowingly give any shelter within the contract area to any person who has committed any criminal offence.
- k)** Purchaser shall within the contract period collect all the produce available in the contract area allotted to them for working unless otherwise specified by the Divisional

Manager concerned in writing. If Purchaser fails to do so, the value of the produce felled but left uncollected will be recovered from Purchaser at the rate as per this Agreement.

**12. Felling rules:**

- i.** The contract area shall be divided into blocks of approximately 10 Ha. in extent to confine felling operations to one block at a time. Transport of material from one block is to be started only when felling therein is completed. When transport of material from one block is going on, felling may be permitted in another block except in the one adjacent to where the transport is going on.
- ii.** The felling shall be done in such a manner that no damage is caused to other forest growth standing in the contract area. When felling trees standing near public roads or thoroughfares, red flags with warning notice shall be put up at places on either side of such roads at least one hectometre away from the felling point. Trees falling across the roads must be removed and obstruction cleared immediately.
- iii.** Purchaser shall cut, collect, and remove the Produce from the contract area in accordance with the following felling rules.
  - a)** Felling shall be commenced from the top of the slope or areas farthest from the extraction path and shall proceed in a systematic fashion.
  - b)** Felling shall be done with a sharp instrument and trees shall be cut as near to the ground as possible, stumps being not more than 15 cm in height on uphill side. The cut shall be slanting to prevent water getting collected on the surface of the stumps.
  - c)** Billeting should be done by saws.
  - d)** Material down to a girth of 15 cm under bark (18 cm over bark) at thinner end shall be collected.
  - e)** Materials collected should be stacked in such a manner in consultation with the Divisional Manager concerned for ensuring the accuracy of the measurement.
  - f)** Stumps shall not be dressed or trimmed after felling.
  - g)** The debris and bark shall be removed to and dumped in sites as directed by the Manager or Divisional Manager. No debris shall be heaped on stumps.

h) While felling the Eucalyptus trees all precautions and arrangements shall be taken to prevent possible damages to other species of trees.

**13. Method of measurement of the Produce:-**

The Eucalyptus wood shall be converted into billets of 1M length and stacked at convenient places within the contract area or places outside the contract area allotted by the Divisional Manager concerned in stacks of 1 meter height. In case the Purchaser wants to convert the Eucalyptus wood to any other length, permission shall be obtained from the concerned Divisional Manager of KFDC to ensure uniformity of size in the entire contract area. The lops & tops can be converted in to appropriate length as mutually agreed by the Purchaser and the Divisional Manager concerned, and also in such a manner to ensure accuracy of the measurement. **One stacked tonne referred in this agreement means a stack with volume of 2M<sup>3</sup> and stack size of 1M (billet length) x 1M (height) x 2M (stack length) and this will be used as the unit of measurement, for assessment of value to be paid by the Purchaser. Conversion of one stacked tonne with bark to that of without bark, the conversion factor 'One stacked tonne without bark shall be considered as 2.44 m<sup>3</sup> with bark' will be applied.**

Purchaser shall serially number the stacks in paint and prepare a list of such stacks which shall be given to the Field Officer. After recording the measurements of the stacks by the Field Officer of KFDC, in the Stock Register issued for the purpose, he will submit the same to the Manager who in turn will inform the Supervisor of Purchaser for a convenient time for joint inspection and the Manager, KFDC and the Supervisor of Purchaser or any other officer deputed by him shall conduct a joint check measurement of all the stacks. Upon receipt of the list of stacks check-measured jointly by concerned Manager, KFDC and Purchaser/Authorized Agent, the Divisional Manager will check-measure at least 25% of such stacks, before raising the bills and issue of transit permit.

**14. Procedure for payment of Sale Value**

Based on the list of stacks prepared after check-measurement the Divisional Manager, will raise invoice for the quantity thus stacked and checked and the same

will be delivered to the Purchaser by Registered Post or Special Messenger. The Purchaser on receipt of the invoice will arrange to remit the payment as per the invoice within 18 days.

- a) The demand for payment can also be delivered to the local agent of the Purchaser.
- b) The amount so arrived as per the invoice shall be remitted by the Purchaser within eighteen (18) days from the date of receipt of Invoice. In case of non receipt of sale amount as demanded by the Divisional Manager, within eighteen (18) days of delivery of Invoice, penal interest @ 15% per annum on the due amount outstanding shall be levied. While calculating such interest, any overdue period of fifteen (15) days and below will be treated as half-month and any period above fifteen days but less than one month will be treated as one month and so on. Under no circumstances the delay for payment beyond Thirty (30) days will be permitted and the Managing Director shall suspend the Agreement and encash the Security Deposit to the extent of sale amount, taxes and the penal interest due from the Purchaser.
- c) The action so taken will be informed to the Purchaser through Registered Post with Acknowledgement / Special Messenger under proper acknowledgement.

In such an event, the Purchaser shall replenish within (18) eighteen days of dispatch of intimation by registered post or in person under acknowledgement, all such amounts, failing which the Agreement will be terminated at the risk and loss of the Purchaser and the Security Deposit and balance advance available will be forfeited without giving any further notice.

#### **15. Transportation of the Produce**

The Purchaser would transport the Produce to the destination of the Purchaser at his own cost and arrangements. **The lops & tops shall be transported in separate lorries. Transportation of lops & tops along with Eucalyptus wood category will not be permitted under any circumstances. Similarly, transportation of any category of the Produce with bark will not be permitted in the same lorry along with the without bark wood or lops & tops.** The produce shall be transported by Purchaser or their duly approved agent only under the cover of passes issued by KFDC

as stipulated in Kerala Forest Produce Transit Rules. Passes will be issued by KFDC. Purchaser shall transport the produce only along the routes approved by the Divisional Manager in accordance with KFPT Rules as well as provisions of Motor Vehicles Act and Rules made there under.

**16. Issue of transit permit.**

After delivery of Invoice to the Purchaser/Agent, transit passes will be issued for removal of the material provided that the entire sale value and all taxes have been already deposited by the Purchaser.

- a) After invoice is raised the concerned Divisional Manager in whose jurisdiction the produce is delivered shall arrange for the issue of transit permit for transport of the produce to the Purchaser's specified final destination in Form - III white / III Red as the case may be on payment of the cost of passes as per Rules.
- b) Where the Produce is to be transported to intermediate dumping sites within the plantation area itself the concerned Manager/Divisional Manager will issue the required Form - V permits to the Purchaser for transportation of the produce from collection site to dumping site on payment of cost of passes.
- c) If the quantity of Produce coming under the Eucalyptus Wood category released after check measurement could not be transported by the Purchaser to final destination within the state in a single consignment then necessary Form VI (Yellow) Subsidiary Passes will be issued on demand by the Purchaser after realizing the cost of passes thereof. No subsidiary passes will be issued for the transport of produce coming under the Eucalyptus Lops & Tops category.
- d) The account for use of such permits shall be maintained by the purchasers and shall be produced to the concerned Divisional Manager on monthly basis.
- e) In case if the produce transported are weighed in Way Bridges, the purchasers shall produce copy of the weighing slips (weight recordings ) directly by postage or other means to the Office of the Managing Director, Kottayam on monthly basis.

- f) The stocks of Produce under the custody of the Purchaser in transit is liable to be checked at any time by any officer, not below the rank of a Divisional Manager of the Corporation or any officer authorized by the Kerala Forest Department.
- g) The transportation shall be done on the route or routes prescribed by the Divisional Manager concerned, or the Divisional Forest Officer concerned the up to the intermediate depot or final destination as the case may be.
- h) No transportation will be allowed from the contract area during night time between 6 P.M & 6 A.M.

**17. Delay in Transportation - Extension of transit passes - Fine: -**

Purchaser shall transport the produce within 30 days from the date of issue of transit passes or within the expiry of contract period whichever is earlier. Divisional Manager may grant extension of currency of transit passes at his discretion till the expiry of the contract period subject to realization of penalty at the rate of Rs.10/Stacked Tonne per month or part thereof. Extension of currency of passes for one month beyond the contract period may be granted by Assistant General Manager at his discretion, on realization of penalty at the rate of Rs.20/ Stacked Tonne per month. Further extension may be granted by the Managing Director of KFDC at his discretion on realization of penalty @ Rs.30/ Stacked Tonne per month.

**18 .Counterfoils of Used Passes and Unused Passes: -**

The counterfoils of the used up passes together with all unused passes shall be returned by Purchaser to the Divisional Manager within 15 days from the date of expiry of the contract period or extension period, if any granted. In the event of termination of contract also Purchaser shall return all the unused pass forms and counterfoils of used passes to the Divisional Manager. If Purchaser fails to return the unused pass forms within the stipulated time, penalty shall be levied to the Purchaser at a rate of Rs.1000/- per unused pass forms.

**19. Keeping of Records: -**

Purchaser shall maintain a correct and detailed record of the felling, collection and transport of the produce and shall submit monthly progress report to the Divisional

Manager and Managing Director or as laid down by the latter from time to time. The accounts so maintained by Purchaser shall be open for inspection to the Officers of KFDC not below the rank of Manager.

## **20. Delay in Extraction / Transportation :**

**Imposing Ground Rent & Fine:** Purchaser shall complete felling and transportation on or before 31.03.2018 or within 6 months from the date of entering in to the Agreement. Whichever is earlier. However the works after the original contract period will be permitted by the Divisional Manager for one month on realization of ground rent @ Rs.25/-per Stacked Tonne per month. Further extension if any can be granted by the Assistant General Manager for 15 days on realization of penalty @ Rs.50/- per Stacked Tonne per month and ground rent @ Rs.50/-per Stacked Tonne per month. Further extension if any can be granted by Managing Director at his discretion on realization of ground rent @ Rs.75/- Stacked Tonne per month & penalty at the rate of Rs.75/-per Stacked Tonne per month. Transport of stacked material shall be allowed during the above period only subject to the conditions that such activities will in no way affect the regeneration works and at the discretion of the Managing Director.

## **21. Handing Over of Contract area back.**

On expiry of the contract period or on completion of work whichever is earlier, Purchaser shall hand over the contract area back to KFDC after drawing up a joint mahazar by the Manager and the authorized agent of Purchaser. In case agent of the Purchaser is not available on the day of expiry of the contract period, ex-party mahazar will be prepared by the Manager and the contract area will be retrieved. The loss if any assessed by the Manager and approved by the Divisional Manager shall be binding on Purchaser.

As per this Agreement, if the Purchaser fails to clear the area and to return the contract area on expiry of the contract period for replanting operations, the purchaser shall be liable to pay the cost of seedlings, raised for replanting the contract area, @ Rs. 10/- per Seedling x 2500 Nos. per Ha.

## 22. Other penalties for violation of Agreement conditions

If Purchaser violates all or any of the conditions laid down in this Agreement, they shall pay penalty as assessed by the Divisional Manager, Assistant General Manager or the Managing Director as the case may be at the following rates:

|   |   |   |
|---|---|---|
| a | For leaving produce of and above 18 cm. in girth (over bark) uncollected in the contract area | Value of the produce as assessed by the Manager and approved by the Divisional Manager. |
| b | For leaving the produce un felled in the contract area at the end of the contract period.     | Rs.25000/- per ha.  |

## 23. Of GST and Payment there of: -

The Purchaser shall pay the GST and or other taxes as applicable or modified from time to time, on the Sales amount, as per the Invoice. The sales amount or part thereof as the case may be shall not be deemed to have been paid unless the taxes payable along with it has also been fully paid.

The Purchaser shall be responsible for subsequent liabilities if any, including payment of additional sums by way of penalties imposed by the Sales Tax Department or any other Competent Authority at a later date in respect of the produce sold to him under this agreement.

## 24. Of Income Tax and Payment thereon: -

- i. In order to claim exemption from paying Income Tax under the provisions of Income Tax Act, 1961 and the rules made there under and amendments made from time to time, the purchaser shall furnish a self declaration in 'Form - 27 C' to the concerned Divisional Manager, before raising the Invoice for allotted Produce quantities.
- ii. If the Purchaser does not furnish the above declaration, he shall pay income tax as provided in section 206 - C of the Income Tax Act along with the sale price.

## **25 . PURCHASER responsible for receiving notices for payment:**

The Purchaser shall make his own arrangements to receive the notice/Invoices for payments and other communications in person or through his authorized agent and shall furnish the correct postal address at which notices and other communications can be sent. If the same are received back un-served or undelivered, it will be construed that such notices or communications are deemed to have been served on the purchaser.

## **26. Events leading to cancellation of Agreement:**

- a) In the event of failure on the part of the Purchaser to fulfil the conditions in the Agreement within the time limit prescribed, the Managing Director may cancel the allotment and forfeit all the amounts paid by the Purchaser including the Security Deposit, duly reverting / confiscating the material released from the Plantations/Units at site. This will be informed to the Purchaser through Registered letter under Acknowledgment.
- b) Purchaser shall be responsible for any illicit felling or removal of trees or other produce or hunting of any wild animal within 200 meter of the contract area. Unless otherwise proved, to the satisfaction of the Divisional Manager, such illicit felling or hunting may render this contract liable to be cancelled in addition to forfeiture of all amounts paid by the Purchaser and all stock of produce collected under this contract but not removed from the area.
- c). On cancellation of Agreement the Unit will be re-allotted to the next highest tenderer/bidder or disposed otherwise at the risk and loss of the purchaser. When the Unit is so re-allotted or disposed whatever best amount is offered may be accepted irrespective of the original value of the unit allotted. The balance amount due to Kerala Forest Development Corporation Ltd., if any, will be recovered from the Purchaser but who will not be entitled to any excess amount if obtained by such disposal. In such a case, the decrease in the Volume/weight ratio of the material already extracted, if any, will also be treated as a loss to KFDC and is recoverable from the Purchaser.

**27. Indemnity for any loss or damage:**

- a) The Purchaser shall not be entitled to claim any compensation whatsoever in case the Kerala Forest Development Corporation Ltd., is not able to allot the pulpwood from the said unit due to unforeseen circumstances like floods, cyclone, tempest, disease, pest, drought or any other natural calamities or by reason of any wrongful acts committed by any third party or any other reason whatsoever.
- b) The Kerala Forest Development Corporation Ltd., will not be responsible for any loss or damage that may be caused to the produce sold to the Purchaser as a result of fire, floods, theft or any other calamity from the date of delivery of the material till receipt at the purchaser's final destination.
- c) Where the material is stocked in the plantation site / temporary dumping yard, the Purchaser shall make his own arrangements to safeguard the produce in an appropriate manner besides insuring the same against any calamities. The Kerala Forest Development Corporation Ltd. will not be responsible for any loss or damage at such a temporary intermediate depot.

**28. Observance of Acts & Rules:**

- a) The Purchaser shall at all times abide by the provisions of Kerala Forest Act 1952 as amended from time to time and the Rules made there under.
- b) The provisions of the GST Rules as amended from time to time shall apply to this sale on confirmation and the Purchaser shall abide by the provisions of the said Act.
- c) The provisions of the Indian Income Tax and other Central/State Acts as applicable to the sale shall apply to the sale on confirmation and the Purchaser shall abide by the provisions of these Acts/Rules.
- d) Liabilities under the Workmen's Compensation Act and other Acts and Rules relating to the workers engaged by the Purchaser / his Contractors shall be borne by the Purchaser or his Contractors.
- e) Any infringement of agreement conditions and provisions of Relevant acts and rules made there under as amended from time to time will entail cancellation of allotment,

termination of the Agreement - and forfeiture of the amounts already paid and confiscation of the produce in the Unit.

**29. Force – majeure:**

The Kerala Forest Development Corporation Ltd., may revoke the Agreement and withdraw from the compliance of the same in the event of circumstances beyond its control and in such an event it shall not be liable for any damage or loss, if any, caused to the Purchaser.

**30. Jurisdiction of Courts**

All disputes arising out of or in any way connected with this Agreement shall be deemed to have arisen in Kottayam and within the jurisdiction of the Court of District of Kottayam.

**31. KFDC shall be** the authority to interpret all or any of the conditions laid down in this Agreement and their decision shall be final and binding on Purchaser.

**32. The terms of contract** cannot be added to, varied or rescinded by any verbal Agreement subsequent to its execution. Any such verbal agreement will be repudiated by either party unless such agreement has been mutually confirmed in writing and form part of this agreement for all purposes.

Sd/-  
MANAGING DIRECTOR

## **Appendix of the Terms & Conditions of Tender cum Auction Sale of Eucalyptus wood and Lops & Tops and Agreement 2017-18 Season**

### **Rule regarding the performance of Contract in to with Forest Officers.**

S.R.O. No 267/76- In exercise of the powers conferred by clause (8) of section 76 of the Kerala Forest Act, 1961 (4 of 1962), the Government of Kerala hereby make the following rule regarding the performance of contract entered in to with Forest Officers, namely:-

#### **RULE**

Persons entering into contract with Forest Officers shall execute written agreement for the due performance of the contract and to reimburse damages and loss in case of breach. Whoever enter into any such contract with any Forest Officer acting on behalf of the Governor of Kerala shall, if so required by such Forest Officer, binds himself by a written instrument to perform such contract and to pay to such Forest Officer on behalf of the Governor of Kerala the expenses necessary for or incurred in the execution of any work or thing to be done which he had bound himself but has failed to do.

Explanation : A person, who makes a written tender for a contract, or who signs the conditions of an auction sale at which he is a bidder such tender or conditions of sale being on or in a form furnished by a Forest Officer for that purpose, whereby he.

- a) binds himself to perform the contract for which he tenders or bids, in the event of his tender or bid being accepted, or
- b) binds himself not to withdraw his tender or bid during the time that may lapse before its acceptance or refusal is communicated to him, shall be deemed to have been required by such Forest Officer to bind himself as aforesaid, and in case-
- c) on the acceptance of his tender or.
- d) on the making of his tender or bid to have bound himself accordingly, within the meaning of this rule; and any such person need not enter in to a separate written instrument for the purpose, unless specially so required by the Forest Officer with whom he contracts.

#### **Explanatory Note.**

(This note does not form part of the notification, but is intended to indicate its general purport)

In the Forest Department there are instances wherein contraction are backing out from contracts before the conformation of the contract by the competent authority. It is considered essential that the contractors are prevented from such backing out. This rule is intended to achieve the above object.

(Notification No. G.O.(P) 62/76/AD dated 23.02.1976, published in K.G.No.10 dated 09.13.1976).