

GOVERNMENT OF ANDHRA PRADESH

Reference. No. 6.5.2003/RSW/2016 dated December 14, 2016

**MINUTES OF
THE PRE-BID CONFERENCE ON SALE OF RED SANDERS WOOD**

**VENUE: CONFERENCE HALL OF 6TH FLOOR, ARANYA BHAVAN,
SAIFABAD, HYDERABAD – 500 004**

DATE & TIME: 4.00 PM on 12 December 2016

ATTENDEES

Representatives of Government of Andhra Pradesh / India

Dr. P.V. Ramesh IAS
Special Chief Secretary to the Government, Environment and Forests
Department, Government of Andhra Pradesh

Mr Ramesh G Kalaghatgi IFS
Principal Chief Conservator of Forests & Head of Forest Force
Government of Andhra Pradesh

Mr P.K. Sarangi IFS
Vice Chairman & Managing Director, AP Forest Development Corporation

Mr S.K. Chhotray IFS, Principal Chief Conservator of Forests - PCCF
(Vigilance), Government of Andhra Pradesh

Mr S.K. Kaushik IFS, Additional Principal CCF (Production)

Mr K. Gopinath IFS, Chief Conservator of Forests (Production)

Mr. Alan Teron IFS, Deputy Conservator of Forests (Production)

Sri A.N. Gurumurthy, General Manager (HRD), APFDC

Sri Satya Sai, Manager, MSTC Ltd., Visakhapatnam

Representatives of Firms / Companies

Sri Y. Srinivas Reddy,
M/s. Balaji Impex, Hyderabad

Sri K.B. Shanker
M/S BWC Unit, Hyderabad

Sri N. Sumanth,
M/s. CMR Impex, Tirupathi

Fiona Yang
M/S Founder Commodities

Mr. Li Ning,
M/S Zbong Shan Alba Imp & Exp Co., Ltd.
Zhong Shan, Guangzhou

Ms Sun,
M/S Shanghai Shenda Company
M/S Shanghai Senlian Company, Shanghai, China

Mr. P.V. Shashidhar,
M/S Shanghai Furen
Shanghai, China.

Mr. H. Koteswara Rao,
M/s. Srivalli Shipping Corporation, Visakhapatnam.

1. The Special Chief Secretary to Government of Andhra Pradesh welcomed the prospective buyers and their representatives to the pre-bid conference and invited suggestions and clarifications required by them on the E-Tender cum E-Auction sale of Red Sander Wood. The Principal Chief Conservator of Forests informed that based on the experience of earlier sales, the Special Terms and Conditions of the tender document was simplified so as to encourage transparency, competition and global participation. The prospective buyers were asked to give their suggestions to make the sale process transparent and simple.

2. The following queries / suggestions were made by the prospective buyers and the clarifications of the Government of Andhra Pradesh / Andhra Pradesh Forest Development Corporation are as follows:

Sl. No.	STC Clause No.	Suggestion / Query by the Prospective Buyers	Clarifications
1	11	Whether MSTC can accept	Yes. The Registration from any

		the Registration from any Foreign Firm / Foreign Company without obtaining clearance from the Local Chambers of Commerce or their Bankers or Letter of Introduction from Indian Embassy?	Foreign Buyers will be notionally accepted based on the registration document of the firm / company and receipt of EMD and submission of details to the specified e-mails as indicated in clause 19 (iii) of Standard Terms and Conditions (STC). However, after due verification by the Seller/ MSTC, if the Firm/Company is found to have furnished false information / documents, the EMD will be forfeited and Bid submitted will be treated as Null & Void. The Clause 11 of STC stands modified accordingly. MSTC will incorporate this condition in their Guidelines for Registration.
2	17 & 18	Whether EMD paid in the 1 st auction cycle of sale (19-12-16, 21-12-16 & 23-12-16) can be utilized for the 2 nd (27-12-16 & 29-12-16) and 3 rd auction cycle (03-01-17 & 05-01-17) also?	Yes. The EMD of USD 500,000/ INR 35,000,000 paid for the first cycle of auctions (December 19, 21, and 23) is valid for the second (December 27 & 29, 2016) and third (January 03 and 05, 2017) auction cycles. There is no need to pay an additional sum of USD 400,000 / INR 30,000,000 for the 2 nd and 3 rd auction cycles, if the firm pays the initial EMD of USD 500,000 USD / INR 35,000,000 for the first auction Cycle. However, those who have not participated in the first auction cycle are required to pay USD 400,000 / INR 30,000,000 for participation in the second and third auction cycles. Accordingly, the clause 17 & 18 of STC stands modified.
3	19(v) & (vii)	Whether EMD will be adjusted either against 25% or 75% of the sale amount?	Yes. The residual EMD amount (after deducting the forfeited EMD amount, if any) can be adjusted against the initial

			payment of 25% of the full sale value. Accordingly, the clause 19 (v) & (vii) stands modified.
4	23	How much time it will take for issue of Letter of Confirmation of sale?	As per clause 23, the highest bid (H1) will be notified within 24 hours of closure of the auction and intimation to H1 bidder will be sent. However, Letter of Acceptance / Confirmation will be issued after approval by the Competent Authority before inception of the next auction cycle.
5	21 (iii)	Shortage / Dryage limit on the notified weight of the Lot should be modified to 0% in lieu of 3%.	No change
6	30 (iv)	Whether the buyer has to pay interest @ 18% per annum from 30 days of issue of confirmation order till actual date of realisation of sale amount through Letter of Credit?	Yes. The clause no. 30 (iv) prevails.
7		Whether for the payment of balance 75% of sale value, Letter of Credit can be Accepted from any 3 rd party?	It is clarified that no 3 rd party payment of Part/ Full sale value is permitted either through online remittance or through Letter of Credit.
8		Whether start/ upset price for RS Wood sale will be published for all the 104 Lots?	The Start-Price for each lot will be notified at the inception of e-auction / e-bidding process.
9	Others	What are the Banks in China from which LC will be accepted?	Letter of Credit can be accepted from the Prime Banks of China, provided the advising Bank of the seller (APFDC) accepts the same.

3. It is informed that the clarifications and modifications as stated above will form part of the Special Terms and Conditions (STC) of Sale of Red Sanders Wood and the STC stands modified accordingly.

4. The Minutes of the Meeting are being placed on the Web portals of APFDC, APFD, MSTC and the Embassy of India in Beijing and the Consulate General of India of Shanghai and Guangzhou, China, for information of the buyers.

5. The above document forms integral part of the Special Terms and Conditions (STC) issued vide Ref. No. 6.5.2003/RSW/2016 dated December 01, 2016.

Vice-Chairman and Managing Director
Andhra Pradesh Forest Development Corporation