

*[Khyber Pakhtunkhwa] FOREST DEVELOPMENT
CORPORATION (SALE OF TIMBER AND OTHER FOREST
PRODUCE) RULES, 1984

N O T I F I C A T I O N

Peshawar, dated the 6th March 1985

No.2710/Admn/FDC/2596 _____. In exercise of the powers conferred by Section 24 of the *[Khyber Pakhtunkhwa] Forest Development Corporation Ordinance, 1980, the *[Khyber Pakhtunkhwa] Forest Development Corporation, with the approval of the Government, is pleased to make the following rules, namely:

Short title and commencement

1. (1) These rules may be called the *[Khyber Pakhtunkhwa] Forest Development Corporation (Sale of Timber and Other Forest Produce) Rules, 1984.
- (2) They shall come into force at once.

Definitions:

2. In these rules, unless the context otherwise requires:
 - (a) "Market" means the place or premises reserved by the Corporation for the storage and sale of timber;
 - (b) "Ordinance" means the *[Khyber Pakhtunkhwa] Forest Development Corporation Ordinance, 1980 (*[Khyber Pakhtunkhwa] Ord. II of 1980); and
 - (c) "Timber" means the forest produce as defined in the Ordinance.

Timber Market:

3. The Corporation shall establish markets for the storage and sale of timber at such places as it may deem appropriate. The markets so established shall be properly fenced, so as to secure entry into or exit from the market of persons, goods and vehicles, etc., only through the gates provided for the purpose. No gates other than the side facing the main road shall be provided.

* Subs by Khyber Pakhtunkhwa Act No. IV of 2011.

Receipt of timber

4. (1) All timber received in the market shall be regulated in the following manner:
- (a) Each consignment of timber shall be checked with the accompanying challan and verified for:-
 - i) Species/kind of produce;
 - ii) Volume and quantity
 - iii) Size and number of pieces where practicable; and
 - iv) Carved figures and symbols/hammer mark,, if applicable.
 - (b) Receipt of each consignment of timber, in the manner specified in clause (a), shall be acknowledged and discrepancy, if any found, shall be henceforth reported on the extra copy of the challan.
 - (c) The timber so received shall then be taken on stock. For the purpose a General Register shall be maintained in which all the receipts during the day, irrespective of the forest or area the stocks are flowing from, shall be entered.
 - (d) In the evening, all the entries made in the General Register under clause(c) shall be transferred to the respective register to be maintained for each forest lot separately.
 - (e) All timber received in the Market shall be properly stacked, depending upon the availability of space and the market trends by:-
 - i) Forest lots
 - ii) Species/Form
 - iii) Sizes
 - iv) Grades
 - v) Ballies
 - vi) Phara stacks
 - viii) Other items, if any.
- (2) For stacking purposes, a gang of collies will be engaged in the Markets on piece work basis or as full time employees of the Corporation. In the former case, the collies will be at liberty to also charge from the purchasers for the loading of their stocks while in the later case, expenses on such services will be included in the bill of the purchaser to be paid to the Corporation.

- (3) Stacks may be re-arranged within the same lot, if required by market circumstances. Where necessary, such re-arranging of the stacks may also be allowed with the stocks of other forest lots; provided that no confusion is created in the maintenance of record.

Sizes of the sale lots

5. (1) In case of timber, the sizes of sale lots (to be called sub-lots) should range from small lots to one truck load, i.e., 500 cft to medium sub-lots of 5,000 to 10,000 cft and bigger sub-lots of more than 10,000 cft.
- (2) Firewood, pharas and ballies should be stacked in suitable dimensions.
- (3) The above specifications are only general and the actual size of sub-lots will be dictated by the financial interest of the Corporation depending upon the market demand.

Method of sale

6. (1) The sale of timber shall be conducted either:-
- (i) by open auction;
 - (ii) by tenders;
 - (iii) by negotiated sale;
 - (iv) fixed rates.

Open auction

- (2) Open auction shall be conducted under the following guide-lines:-
- (i) Sub-lots will be advertised in the newspapers, and through publicity by sending notices to the timber dealers as far as possible. Time schedule for advertisement should be the minimum possible depending upon the requirements of the situation.
 - (ii) Earnest money should be approximately calculated at 10% of the expected sale value and made known in the advertisement so as to facilitate its payment by the bidders in any one of the following form:
 - (a) Call deposit; or
 - (b) Bank draft; or
 - (c) Cash
 - (iii) Call deposit and bank draft will be prepared in favour of the Manager Marketing on any scheduled bank at Abbottabad or any other place(s) as specified by him.

- (iv) The terms and conditions of auction including the arrangement for delivery of timber and payment, etc. shall be such as given in auction notice annexed as Appendix-I.

Tenders

- (3) Sales through tenders shall be regulated in the following manner:-
 - (i) Sub-lots will be advertised as in the case of open auction.
 - (ii) Earnest money will be approximately calculated at 10% of the expected sale value and made known to the prospective purchasers. It should, however, be only in the form of call deposit or bank draft drawable on any scheduled bank at Abbottabad or any other place(s) as specified by the Manager Marketing.
 - (iii) The terms and conditions of tender including the arrangements for delivery of timber and payment, etc. shall be such as given in the tender notice and tender form annexed respectively as Appendix-2A and Appendix-2B.

Reserved rates

- (4) Reserve rates will be necessary both in open auction and tenders and will be sanctioned by a committee comprising of General Manager (Operations), General Manager (Finance and Admn.) and Manager Finance.

Negotiated rates

- (5) Negotiated sales shall be regulated in the following manner:-
 - (i) The need for negotiated sales may arise in two forms:
 - (a) where such a quality or size is already available at the stocks of the Corporation; or
 - (b) where it has to be specially converted into such quality and sizes, e.g. Railway sleepers or the demand of the Ship Industry.
 - (ii) In the case of (b) above, the conversion of timber, into such quality and sizes which are not in demand of market, shall not be undertaken unless the purchaser furnishes sufficient guarantee with respect thereto.
 - (iii) In any case, the guiding principles for sale based on the negotiated rates will be:
 - (a) Negotiated sales may be made to a government department, autonomous or semi autonomous government organizations or, in special cases, to private parties.
 - (b) Rates will be decided on the basis of the highest rates obtained in the last auction or the average of the last three auctions whichever may be higher.

- (c) In case of converted material, advance payment of full sale proceeds must be made before lifting the stock. In case of bargain from standing trees for a party, guarantee in the form of cash deposit, call deposit or bank guarantee must be obtained that the party will accept and purchase the stock at the negotiated rates and will make full payment before lifting of such stocks.
- (d) The power of sanction of negotiated sales to government departments, autonomous or semi autonomous government organizations shall lie with the Managing Director. The Manager Marketing can, however, suggest possible rates to an interested party, in advance, subject to prior approval of the Managing Director.
- (e) Negotiated sales made to private parties, if any, shall be sanctioned by the Board

Fixed rates

- (6) The Board may authorise sales on fixed rates, if and when deemed appropriate.

Period of lifting of stocks and payments

- (7) (1) The period for lifting of stocks will be 60 days. This will be made known to the prospective purchasers and given in the auction/tender notice.
- (2) The Deputy Manager Marketing will have the powers to grant extension in the period of lifting of stocks upto 15 days and the Manager Marketing upto 30 days, on payment of rent of land to be determined by them in their discretion keeping in view the merits of each case. Further extension, in exceptional cases, can be granted by the General Manager (Operation) upto 45 days and by the Managing Director upto 120 days. The rental fee charged will be as follows:-

Particulars	Extension after the expiry of original period				
	15 days (Rs.)	16-30 days (Rs.)	31-60 days (Rs.)	61-120 days (Rs.)	121 days and above (Rs.)
Logs(BAV)/100 cft/day	5.00	8.00	10.00	12.00	15.00
Scants/100 cft/day	2.50	4.00	5.00	6.00	7.50
Side planks/firewood(stacked volume)/100 cft/day	2.00	3.00	4.00	5.00	6.00
Ballies/100 NOs/day	1.00	1.50	2.00	2.50	3.00

- (3) Extension in the period of payment of dues can be granted by Manager Marketing upto 15 days and by the General Manager Operations upto 30 days, on payment of interest at bank rates. Managing Director can extend such periods upto 90 days on payment of interest at 2% above bank rates. This concession should be used as sparingly as possible and normally the Manager Marketing will initiate the process of forfeiture of the earnest money of the purchaser(s) on the expiry of the original period as given in the auction/tender notice.
- (4) The Managing Director FDC will have the powers to condone the rental fee for unavoidable delay beyond the control of purchasers or FDC subject to the condition that all such cases will be brought in the notice of Board alongwith justification for condonation.
- (5) Where the extension in the period of payment is beyond his own powers, the Manager Marketing can receive from the purchasers, the dues along-with the interest as mentioned above, but will not release the stocks until the authority competent to sanction the extension actually grants such extension. In case of such authority not agreeing to the grant of extension, the dues received by the Manager Marketing will be returned to the purchaser(s) but the earnest money deposited by him shall be forfeited.
- (6) The Board may relax any of the conditions of the period as given above, in any special case, on merit.

Method of payment

8. (1) Payment for earnest money shall be accepted in the manner as outlined under sub-rules 6 (2) and (3) of these rules. Payment of sale proceeds will be normally accepted in bank drafts and cash. Charges of unstacking, measurement, re-stacking and loading when done by the labour of the Corporation, can be accepted from the purchaser(s) in cash.
- (2) All cash shall be remitted into bank as expeditiously as possible.

Interpretation

9. In case of doubts regarding the interpretation of these rules, the decision of the Corporation, shall be final.

Relaxation

10. The Board may relax one or more of these rules under special circumstances.

Amendments

11. The Board may amend these rules and such amended rules shall take effect from the date of such amendment.

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