

GOVERNMENT OF KERALA

Abstract

Forest - supply of timber to Forest Industries (Travancore) Limited , Always - Realisation of value
- parties board - Orders issued

FOREST ENVIRONMENT AND WILD LIFE (B) DEPARTMENT

G.O.Rt. 494/86/FE&WLD

Dated, Trivandrum, 3rd September, 1986

- Read:-
1. G.O.Rt. 3192/84/AD dated 28-12-1984.
 2. Correspondence resting with the letter No.FU (1) 61800/77 dated 20-5-1986 from the Chief Conservator of Forests.
 3. Letter No.190/ dated 22-5-1986 from the Managing Director, Forest Industries (Travancore) Limited, Always.

O R D E R

In the G.O. read as 1st paper above, necessary clarification were issued on the applicability of ceiling imposed on the quantity which was supplied to Forest Industries (Travancore) Limited (3000 tonnes) and the rate at which value to be realized from the company for the timber supplied to them. On the basis of this order final bill was prepared and forwarded the basis of this order final bill was prepared and forwarded to the Forest Industries (Travancore) Limited by the Divisional Forest Officer, Chalakudy, But the Forest Industries (Travancore) Limited in their letter No. 713 dated 19-8-1985 raised certain objection on the final bill mentioned above. Some of them related to calculation mistake which can be corrected by the Department and others are of substantive nature requiring policy decisions by Government.

2. The matter was discussed by the Chief Conservator of Forests with the concerned officers of the Department and also with the representatives of the Company on 29-10-1985 and decided to place the matter before Government for consideration and orders since the Chief Conservator of Forests came to the conclusion that the issues require policy decision.

3. The matter was discussed by the Joint Secretary to Government on 20-5-1986 with the Conservator of Forests, Trichur Forest Utilisation Officer, Office of the Chief Conservator of Forests, Divisional Forest Officer, Chalakudy, Managing Director, Forest Industries (Travancore) Limited, Always and Special Officer, Forest Industries (Travancore) Limited, Always.

4. During the discussion, the Department Officers informed that the rates were calculated strictly in accordance with the formulas fixed in the G.O. dated 28-12-1984 and the defects if any, in regard to the calculation can be corrected by the Department. But, the Managing Director of the Company pointed out that all the conditions contained in the original agreement other than the formula for royalty raise finally modified by G.O. dated 28-12-1984 are applicable for the timber supplies even after the expiry of the original contract period. that is, for the supply and after 27.7.1967 which is the expiry date of the original agreement. The Managing Director not modified any of the conditions of the original agreement other than the formula for the royalty payable for the period 2-7-1967 and hence the Managing Director contended that the Department should not have calculated the amount in violation of the conditions of the original agreement. This objection if stressed again by the Company in the latter read as 3rd paper above.

5. Since there is no agreement covering the supply of timber after 2.7.1967 (ie. after the date of expiry of original agreement) and there is no mention in the G.O. that the supply will be made on the same terms and conditions in the original agreement, the Department has calculated the amount only base the formula fixed by the Government and not based on the original agreement now claimed by the Company. The company agree to pay the enhanced rate as per the modified formula, but the classification regarding girth of timber should be made only based on the original agreement. But the Forest Department is again giving the concessions contained in the previous agreement in force upto 2-7-1967 on the ground that it is now in existence after 2-7-1967.

6. In regard to the supply of 5th class timber the department has claimed seignior age rate which is the minimum the department should get for the timber supplied. But the company representatives argued that no revision of price was made for this class of timber in any of the Government Orders. Hence, what is prescribed in the original agreement should be continued to be paid for the remaining period also. After 2-7-1967, since there is not subsisting agreement and the supplied was made without any agreement and that the saignioragn rate was in force from 1965 onwards, the departmental officers were prohibited in selling the timber less than the price find under the rules.

7. Government have examined the case in detail and they fell that this is a settled issue by the issue of G.O. dated 28-12-1984. Hence they are pleased to issued the follow orders.

i) Since there is no agreement covering the supply of timber after 2.7.1967 and since there is no mention in the g.o. that the supply will be made on the name terms and conditions in the original agreement, the company has to pay the amounts calculated by the Forest Department on the formulas fixed by Government.

- ii) Clause v Timber not be supplied to the Company at a price issue than seignior age rate.
- iii) Mistakes, if any, committed by the Department in the solution of the amount based on the formula fixed by Government should be rectified.
- iv) The orders issued in G.O.Rt. 3192/84/AD dated 28-12-1984 will stand, and the Chief Conservator of Forests will take further station immediately.

By Order of the Governor

N. KALESSWARAN
Agriculture Production Commission & Secretary (Forest)

To
The Chief Conservator of Forests,
The Conservator of Forests, Trichur

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for Conservator of Forests, Trichur.