GOVERNMENT OF KERALA

Copy of Govt. Lr. No.8735/D2/99/F&WLD dated 19-1-2000 from to Principal Secretary to Government to the Chief Conservator of Forests (P).

Sub:- Supply of raw materials to M/S Grassim Industries – Realization of Penalty - reg.

Ref:- Your Letter No.G1-13452/96 dated 28-5-1999.

I am directed to invite your attention to the letter cited and to inform you as follows:-

Clause 6 of the 5th supplemental agreement provides as follows: "The Company shall be allowed to cut, convert, collect and transport pulpwood from the allotted areas during the period of eight months from 1st September to 30th April. A penalty of Rs.50/-per MT (two st.M30) per month is payable to Government for transport of the raw materials (wood species) during June and August by the company".

As per letter No.7012/D2/95/F & WLD dated 16-6-95 the Government extended the period up to 31-8-1995 on the condition of realizing penalty of Rs.50/- per M.T. It is expected that the company removed the materials accepting the imposition of penalty at the rate of Rs.50/- MT. Now the Company is stopped from raising any objection in realizing the penalty amount. Moreover, the second proviso to clause 6 of the agreement lays down that no felling or collection of any raw materials will be allowed during the closure period, namely, June, July and August. It is also specified that transport during the above period of collected materials (wood species) will be at the discretion of the Chief Conservator of Forest. Thus it is clear that no collection of bamboo will be allowed during the month of June, July and August and only the collection of wood species is allowed during that period and that too at the discretion of the Chief Conservator of Forest. That is why it is specifically stated that a penalty of Rs.50/- per MT per month is payable to Government or the transport of wood species during the above period. Therefore the contention that no penalty is liable to be paid for the bamboo removed during the periods June, July and August is not sustainable. The company is liable to pay the penalty for the bamboos collected during the said period also as directed by the Government in the letter dated 16-6-1995.

Sd/-

T.C. Pappachan, Joint Secretary, For Prl. Secretary to Government.

Endt. on G1-13452/96 dated 4-2-2000.

Copy forwarded to all Conservator of Forests and all Divisional Forest Officers for information and necessary further action.

do- forward to the president M/s. Grassim Industries, Birlakootam Mavoor, Kozhikode.

-do- transmitted to Chief Conservator of Forests, (Social Forestry), Thiruvananthapuram.

-do- Chief Conservator of Forests (Wild life) & Chief Conservator of Forests (D) Thiruvananthapuram for information.