

916
16/11/20



GOVERNMENT OF KERALA

Abstract

Forest & Wildlife Department - The amount due to Government from Kerala Forest Development Corporation and the amount due to Kerala Forest Development Corporation from Government - Adjusting of - sanctioned - Orders issued.

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FOREST & WILDLIFE (D) DEPARTMENT

G.O.(Rt)No.4/2020/F&WLD

Dated,Thiruvananthapuram 05/01/2020

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- Read:-
- 1) G.O.(Rt) No.56/89/F&WLD dated 24/01/1989.
 - 2) G.O.(Rt) No.423/92/F&WLD dated 20/11/1992.
 - 3) G.O.(Rt) No. 438/94/F&WLD dated 27/10/1994.
 - 4) G.O.(Rt) No. 457/94/F&WLD dated 10/11/1994.
 - 5) G.O.(Rt) No. 292/95/F&WLD dated 03/08/199.
 - 6) G.O.(Rt) No. 44/97/F&WLD dated 02/07/1997.
 - 7) G.O.(Rt) No. 298/91/F&WLD dated 16/08/1991.
 - 8) G.O.(Rt) No. 20/96/F&WLD dated 16/01/1996.
 - 9) G.O.(MS)No.2/2002/F& WLD dated 05/01/2002.
 - 10) G.O.(MS)No.25/2003/F&WLD dated 15/05/2003.
 - 11) The 44th Annual report 2017-18 of the Kerala Forest Development Corporation.
 - 12) Government Letter No. 7311/C2/97/F&WLD dated 13/06/97.
 - 13) Pro(7) – 5529/2011 dated 20/10/2014, 13/08/2015, 13/06/2019 from the Principal Chief Conservator of Forests (FM).
 - 14) Letter No. C2-359/96 dated 31/03/1997, 26/11/2001, 24/04/2003, 08/11/2006, 08/01/2007 and 23/03/2019 from the Managing Director, KFDC.

ORDER

As per the 45th Report of Public Accounts Committee (2006–2008) on Para 16, it was recommended to settle the amount due from the Kerala Forest Development Corporation (KFDC). Moreover, the Audit Monitoring Committee Meetings held on 04/04/2016 and 5/12/2016 had directed the Forest Department to adjust the amount due in between KFDC and Government.

2. Accordingly, the Principal Chief Conservator of Forests (Forest Management) had collected the connected documents and audited statements of the corresponding years of the Kerala Forest Development Corporation and verified the accuracy of the amount involved. Then, as per the letter read as 13th paper above had prepared and submitted adjustment proposal as follows:-

A		AMOUNT DUE TO KERALA FOREST DEVELOPMENT CORPORATION FROM GOVERNMENT.
1.	Loss on account of sale of Eucalyptus to Grasim Industries and Hindustan News Print Limited as per direction of Government at rates less than the selling price.	Amount in Rs.
(a)	Grasim Industries during the period 1988 - 89 to 1996-97	3,95,89,620.90
(b)	Hindustan News Print Limited during the period 1992-93 to 1995-96	77,66,754.82
2.	Valuation of 252 ha of Plantations handed over to Agasthyavanam Biological Park during 1991-92	68,80,000.00
TOTAL		5,42,36,375.72
B		AMOUNT DUE TO GOVERNMENT FROM KERALA FOREST DEVELOPMENT CORPORATION
1	Amount of firewood as part of Firewood Supply Scheme	63,01,082.57
2	Coupe sale and plantations transferred to Kerala Forest Development Corporation from Forest Department	96,63,018.70
3	Sale of wind fallen trees by Kerala Forest Development Corporation	1,71,73,054.75
4	Sale of wind fallen Rosewood trees by Kerala Forest Development Corporation	24,59,489.00
5	Mathikettan Cardamom Sale	13,40,253.00
6	Arrears of lease rent payable upto 2009 -10	1,35,42,352.52
TOTAL		5,04,79,250.54
C	NET AMOUNT DUE TO KERALA FOREST DEVELOPMENT CORPORATION FROM GOVERNMENT (A - B)	37,57,125.18

A. 1 (a) & (b)-As per Government Orders read as 1 to 5 above had been directed the Kerala Forest Development Corporation to supply raw materials to M/s. Grasim Industries Ltd and M/s. Hindustan Newsprint Ltd. Accordingly, Kerala Forest Development Corporation had been supplying Eucalyptus wood to the wood based industries viz. Hindustan Newsprint Limited and Grasim

Industries at subsidised rates for below the rates under the Kerala Price Fixation Act. The amount of subsidy is the difference between the rate as per the Price Fixation Act and the subsidized rates fixed by the Government. Also, as per Government Orders read as 6th paper above, it was categorically mentioned that the difference between the prices shall be given to KFDC as subsidy by the Forest Department. The subsidy declared by the Government from time to time to KFDC has been calculated. The calculation statement is given as Annexure I. The final claim figures on account of supplies to Grasim Industries is Rs.3,95,89,620.90 and to the Hindustan News Print Limited is Rs.77.66,754.82 (Total Rs.4,73,56,375.72).

A. 2 As per GO read as 7th paper above, an area of 252 hectares of Eucalyptus hybrid, Casuarina, Albizia and Cashew plantations raised by KFDC were handed over to the Kerala Forest Department during 1992. Later vide GO read as 8th paper above the G.O.(Rt) No. 298/91/F&WLD dated 16.8.1991 had cancelled. Subsequently, as per letter dated 31/03/1997 read as 14th paper above Managing Director, KFDC requested Government to return the above area if the area is not required by the Forest Department. Accordingly as per letter read 12th paper above, it was decided by the Government that, the above area not to be returned to Kerala Forest Development Corporation. Hence the Managing Director, KFDC as per letter 14th paper above had requested Government to allow the valuation of the plantations which handed over to the Kerala Forest Department. The total value of the plantations calculated by KFDC is Rs.68,80,000.00. The break up cost of valuation statement is given as Annexure II.

The total Amount due to Kerala Forest Development Corporation from Government on account of A.1(a)& (b) and A.2 is Rs. 5,42,36,375.72 as detailed above.

B.1, 2, 3, 4 & 5: The amounts are as per the Audited Accounts of Kerala Forest Development Corporation. These amounts are shown as the Amount Due to Government in the Audited Accounts read 11th paper above.

B. 6: The Kerala Forest Development Corporation was holding land since 1976, but the lease rent was fixed only during 2002 as per GO read as 9th paper above. As per the Audited Accounts of Kerala Forest Development Corporation read 11th paper above, under the item Other Liabilities – Lease Rent Payable an amount of Rs.1,35,42,352.52 is shown. Hence the lease rent liability is taken as Rs.1,35,42,352.52. The Kerala Forest Development Corporation had earlier reported the lease rent liability since inception in 1976 to 2001-02 as Rs.1,20,39,687.68. But Kerala Forest Development Corporation was not paying the lease rent for 1212.59 Ha of Revenue land in Kannan Devan Hills area at Silent Valley in Munnar during the period up to 08.10.2010 when the Kannan

Devan Reserve was notified as a proposed Reserve Forest under Sec.4 of the Kerala Forest Act vide G.O.(P) No.67/2010/F&WLD dated 08.10.2010 and S.R.O.No.965/2010. The exact calculation details of the amount of Rs.1,35,42,352.52 figuring in the Kerala Forest Development Corporation accounts is provided by the Managing Director. As such, Government adopted the figure of Rs.1,35,42,352.52 provided in the Audited Accounts of Kerala Forest Development Corporation for the year 2017-18 as the Lease Rent Payable, treating it as the correct figure.

The total amount due to the Government from Kerala Forest Development Corporation on account of B 1 to 6 is Rs.5,04,79,250.54. In the result the net amount due to Kerala Forest Development Corporation from Government is A - B above viz Rs.5,42,36,375.72 – Rs. 5,04,79,250.54 = Rs.37,57,125.18.

3. As per letter dated 13/06/2019 read as 13th paper above, the Principal Chief Conservator of Forests (FM) informed that, the Kerala Forest Development Corporation has been paying the annual lease rents from 2010-11 to 2017-18 regularly, but did not pay the lease rent for the year 2018-19 owing to financial constraints. The annual lease rent payable is Rs.7,18,954.00. As such, he is recommended that the net amount due to Kerala Forest Development Corporation from Government viz Rs.37,57,125.00 can be adjusted against the lease rent payable since the year 2018-19.

4. Government have examined the adjustment proposal in detail, the accuracy of the figures are confirmed with the verification of the connected/corroborating documents/audit reports/Government Orders/report of Principal Chief Conservator of Forests(ForestManagement)/Managing Director, KFDC etc. The Kerala Forest Development Corporation is a fully Government owned company with 90% shares to Government of Kerala and 10% shares to Government of India. The accounts of Kerala Forest Development Corporation are audited by the Statutory Auditors appointed by Comptroller & Auditor General. The Accountant General, Kerala conducts supplementary Accounts Audits of the Company. The Annual Accounts are scrutinized and commended by the State Finance Department also. As such, the figures provided in the Audited Accounts of the Company is taken as accurate figures.

Even though the Kerala Forest Development Corporation was holding land since 1976, the lease rent was fixed only during 2002 vide GO read as 9th paper above, there is no mention of a penal interest on the arrears of lease rent. In the subsequent Government order read 10th paper above is also no mention of a penal interest on the arrears of lease rent. In this regard, no interest need to be levied from Kerala Forest Development Corporation on the arrears of lease rent payable viz Rs.1,35,42,352.52.

In the above circumstances, Government are pleased to accord sanction to adjust the amount of Rs.5,04,79,250.54 (Rupees Five Crore Four Lakhs Seventy Nine Thousand Two Hundred and Fifty) due from Kerala Forest Development Corporation to Government with the amount of Rs. 5,42,36,375.72 (Rupees Five Crore Fourty Two Lakhs Thirty Six Thousand Three Hundred and Seventy Five) due to the Kerala Forest Development Corporation from Government as recommended by PAC. Government also sanctioned that, the amount over and above the dues can be adjusted from lease rent payable from 2018-2019.

(By order of the Governor)

DR.ASHA THOMAS IAS

ADDITIONAL CHIEF SECRETARY

To

The Principal Chief Conservator of Forests & Head of Forest Forces,
Thiruvananthapuram.

The Principal Chief Conservator of Forests (FM), Thiruvananthapuram.

The Additional Principal Chief Conservator of Forests (FB&A),
Thiruvananthapuram.

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

The Principal Accountant General (A&E/Audit), Kerala,
Thiruvananthapuram.

The Finance (Agri-B) Department (Vide No. 405371/PU-B3/16 /2017-Fin).

The Forest & Wildlife (C) Department (Vide No. 7311/C2/97/F&WLD
dated 13/06/97).

The Forest & Wildlife (PS) Department (Vide No. 4644/PS/15/F&WLD
dated 25/02/17).

Information and Public Relations (Web & New Media) Department (for
uploading in Government website).

Stock File / Office Copy.

Forwarded/by order



Section Officer

ANNEXURE - I

GRASIM INDUSTRIES LTD.

Sl. No	Yr of allotment	Yr of supply	GO No Allotment	Qty Allotted in MT	Quantity supplied in 2M ³ stack (ST)	GO fixing the price for supply	Price as per Govt. Order	GO as per selling price fixation Act.	Price as per selling price fixation Act. (with bark)	Price as per selling price fixation Act. (without bark)	Rate of subsidy due from Govt.	Subsidy Due from Govt.	Remarks
1	1988-89	1989-90	G.O.(Rt) No. 56/89/F&WLD dated 24/01/1989	27340	17425.435		224.09	G.O.(Ms) No. 56/89/F&WLD dated 24/01/1989	425	518.50	294.41	5130222.32	
2	1990-91	1990-91	CCFs Lr G3-29158/90 dated 25.06.90	30000	23356.527	G.O.(Ms) No. 87/88/F&WLD dated 27/10/88 (Rs.250 / tonne inclusive of additional price, FDT, ST & AST)	224.09	G.O.(Ms) No. 32/90/F&WLD dated 30/03/1990	446	544.12	320.03	7474789.34	
3	1991-92	1991-92	CCFs Lr G3-25690/91 dated 29.06.91	30000	*49125.367		224.09	G.O.(Ms) No. 25/91/F&WLD dated 27/03/1991	550	671.00	446.1	21954617.76	*30052.557* 1.8/1.1
		1992-93			6057.085		220.46	G.O.(Ms) No. 22/92/F&WLD dated 31/03/1992	720	878.40	657.94	3985198.5	
4	1994-95	1994-95	G.O.(Rt) No. 457/94/F&WLD dated 10/11/1994	10000 @50% MC	10000.060	G.O.(Rt) No. 225/98/F&WLD dated 16/05/98 (Rs.832 for 94-95 and Rs.910 for 95-96 / staked tonne (2M ³ stack without bark))	832	G.O.(Ms) No. 12/94/F&WLD dated 25/03/1994	720	878.80	46.8	468002.80	
		1995-96											
5	1995-96	1995-96	G.O.(Rt) No. 292/95/F&WLD dated 03/08/1995	10000 @50% MC	8739.245		910	G.O.(Ms) No. 14/95/F&WLD dated 28/03/1994	800	976.00	66	576790.17	
		1996-97											
Sub Total												39589620.9	


Section Officer

HINDUSTAN NEWSPRINT LTD.

Sl. No	Yr of allotment	Yr of supply	GO No Allotment	Qty Allotted in MT	Quantity supplied in 2M ³ stack (without bark)	GO fixing the price for supply	Price as per Govt. Order	GO as per selling price fixation Act.	Price as per selling price fixation Act. (with bark)	Price as per selling price fixation Act. (without bark)	Rate of subsidy due from Govt.	Subsidy Due from Govt.	Remarks
1	1992-93	1992-93	G.O.(Rt) No. 423/92/F&WLD dated 20/11/1992	25000 tonnes	369.370	Govt. letter No. 9398/D2/89/ F&WLD dated 10/02/92 & 467/92/F&WD dated 19/12/92	543.19	G.O.(Ms) No. 12/94/F&WLD dated 25/03/94	720.00	878.40	335.21	123815.8	
2		1993-94		10000 MT	19018.535		516.59				361.81	6881096.14	
3	1994-95	1994-95	G.O.(Rt) No. 438/94/F&WLD dated 27/10/1994		3680.500	Govt. letter No. 41/2001/ F&WLD dated 03/02/01 & Govt. letter No. 8564/D2/05/ F&WLD dated 06/02/06	*798.15	G.O.(Ms) No. 12/94/F&WLD dated ated 25/03/94	720.00	878.40	80.25	295360.126	*832+34.4 +FDT 5% = 899 - 111.57 = 798.15 (703320/63 03.4 = 111.57)
4		1995-96		100000 MT	2622.900		*798.15				G.O.(Ms) No. 14/95/F&WLD dated 28/03/95	800.00	
Sub Total											7766754.826		
GRAND TOTAL											Rs. 47356375.72		



Section Officer

ANNEXURE - II

Break up of cost of plantation Agasthyavanam Area of Trivandrum Division transferred to
Forest Department

Valuation of Area transferred to Forest Department during 1991-92
(Agasthyavanam Biological Park 252 Ha.)

Year	Area	Nature of Plantation	Valuation Ha	Total Value
1978	28	Eucalyptus Hybrid	70 2M ³ stack @ 550 / stack 38500 / ha.	1078000.00
1983	102.00	Eucalyptus Hybrid	50 2M ³ stack @ 550 / stack 27500 / ha.	2805000.00
1986	49.00	Albizzia	Rs.30000/ha	1470000.00
1988	13.25	Cashew	Rs.25000/ha	331250.00
1990	12.00	Eucalyptus Hybrid	Rs.20000/ha	240000.00
1990	10.50	Casurina	Rs.20000/ha	210000.00
1990	37.25	Albizzia	Rs.20000/ha	745000.00
Total	252.00			6879250.00
		Rounded to	Rs.68.80 lakhs	



Section Officer