

FIFTEENTH KERALA LEGISLATIVE ASSEMBLY

COMMITTEE

ON

**PUBLIC UNDERTAKINGS
(2023-2026)**

.....SIXTY SEVENTH REPORT

(Presented on06.10.2025...)

**SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM**

2025

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**PUBLIC UNDERTAKINGS
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On

**The action taken by the Government on the Recommendations contained in the Fifty
Fifth Report of the Committee on Public Undertakings (2016-19) relating to Kerala
Forest Development Corporation Limited, based on the Report of the
Comptroller and Auditor General of India for
the year ended 31st March 2015**

(Presented on ...06.10.2025...)

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COMMITTEE ON PUBLIC UNDERTAKINGS (2023-2026)

COMPOSITION

Chairperson:

Shri. E. Chandrasekharan

Members:

Shri A.P.Anilkumar

Shri Anwar Sadath

Shri Ahammad Devarkovil

Shri T. V. Ibrahim

Shri P. Mammikutty

Shri K. P. Mohanan

Shri D. K. Murali

Shri P. Nandakumar

Shri Kadakampally Surendran

Shri P. Ubaidulla

Legislature Secretariat:

Dr. N. Krishna Kumar, Secretary

Smt Sheeba Varghese, Joint Secretary

Shri Anilkumar B., Deputy Secretary

Shri Mohanan O., Under Secretary

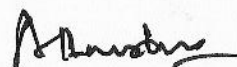
INTRODUCTION

I, the Chairperson, Committee on Public Undertakings (2023-2026) having been authorized by the Committee to present the Report on their behalf, present this ~~Sixty~~ ^{Sixty-Seventh} Report on the Action Taken by the Government on the Recommendations contained in the Fifty Fifth Report of the Committee on Public Undertakings (2016-19) relating to Kerala Forest Development Corporation Limited, based on the Report of the Comptroller and Auditor General of India for the year ended 31st March, 2015.

The Statement of Action Taken by the Government included in this Report was considered by the Committee in its meeting held on 30.06.2025.

This Report was considered and approved by the Committee in the meeting held on 29.09.2025

The Committee place on record their appreciation for the assistance rendered to them by the Accountant General (Audit), Kerala who was present during the examination of the Action Taken Statements included in this Report.



E. CHANDRASEKHARAN,
Chairperson,

Committee on Public Undertakings.

Thiruvananthapuram,

29.09.2025

REPORT

This Report deals with the action taken by the Government on the recommendations contained in the 55th Report of the Committee on Public Undertakings (2016-19) relating to Kerala Forest Development Corporation Limited based on the Report of the Comptroller and Auditor General of India for the year ended 31st March 2015.

The Fifty Fifth Report of the Committee on Public Undertakings (2016-19) was presented in the House on 24th January 2018. The Report contained Twenty five recommendations related to Forest & Wildlife Department. The Government furnished reply to all these recommendations.

The Committee examined the Statement of Action Taken on the recommendations contained in the Fifty Fifth Report of the Committee and accepted replies on recommendations of Paras 31 to 52, 54 and 55 without remarks in the meeting held on 30.06.2025. These recommendations and the replies furnished by the Government form Chapter I of this Report.

The Committee accepted the reply to the recommendations in Para No. 53 with remarks. This recommendation, the reply furnished by the Government and remarks of the Committee forms Chapter II of this Report.

CHAPTER – I

REPLIES FURNISHED BY THE GOVERNMENT ON THE RECOMMENDATIONS OF THE COMMITTEE WHICH HAVE BEEN ACCEPTED BY THE COMMITTEE WITHOUT REMARKS

<i>Sl. No.</i>	<i>Para No.</i>	<i>Recommendations</i>	<i>Action taken by Government</i>
1	31	<i>The Committee recommends that the State Government should fix the share of pulpwood, teak wood and cash crops to be supplied by the Corporation in future for the needs of the State and suggests that this share should be fixed on the basis of the nature and area of land allotted to the Corporation for cultivation.</i>	<i>The share of Pulpwood, teak wood and cash crops of KFDC on the basis of the nature and area of land allotted to the Corporation for cultivation is included in the "6th Management Plan of Kerala Forest Development Corporation (KFDC)" for the period 2020-21 to 2024-25. The 6th management plan was recommended and forwarded by CCF council chaired by PCCF & HoFF, Kerala Forest Department and approved by the Ministry of Environment, Forest and Climate Change, Government of India.</i>
2	32	<i>The Committee recommends that the Corporation should explore prospects of replanting the unutilised area and should examine the possibilities of cultivation of cash crops like rubber and cashew in the region and adopt</i>	<i>As per the recommendation, the Company started replanting the unfertilized area with high yielding varieties of Cardamom in consultation with ICRI. Replanting operations are carried out in a</i>

	<p><i>scientific methods to increase production of Cardamom and other spices with the help of subject experts of Spices Board, Tea board and Coffee Board.</i></p>	<p><i>timely manner. An average of 10 ha. area is proposed to plant every year by engaging permanent workers of KFDC without incurring additional expenditure. Details are given below,</i></p> <p><i>Cardamom 2016-17- Gavi division -3 ha, 2017-18 - Gavi division - 9 ha, Munnar -4 ha.</i></p> <p><i>2018-19 Gavi-5 ha, Munnar -2 ha.</i></p> <p><i>2019-20 Munnar - 4 ha.</i></p> <p><u><i>Coffee</i></u></p> <p><i>2019-20 Munnar - Proposed for 10 ha and completed 6.84 ha.</i></p> <p><i>Kerala Forest Development Corporation had started replacing the old cardamom plantations in Gavi, Munnar and Thrissur Divisions using the plan fund. The replanting of an area of 50 Ha has been completed in Gavi Division, 10 Ha in Munnar Division and 2.50 Ha in Thrissur Division. The installation of irrigation facilities has been almost completed. The high yielding variety, Njallany is planted here. Yearly maintenance is carrying out for the protection of</i></p>
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			<p><i>the plants.</i></p> <p><i>1900 Nos. of pepper cuttings have been already inter planted with tea in the tea plantations in Mananthavadi Division in consultation with UPASI.</i></p> <p><i>Cashew cultivation has been incorporated in the Management Plan commencing from 2020. An area of 8.30 Ha in Thiruvananthapuram Division and 10.10 Ha in Thrissur Division has been planted with Cashew.</i></p>
3	33	<p><i>The Committee recommends that the Corporation should take time bound measures to harvest the 32 Ha area of reed patches within the unutilised plantations.</i></p>	<p><i>The 32 ha reed area is scattered under different divisions of KFDC. It is proposed to harvest the reeds to the local communities for ensuring traditional employments. As recommended the matured reed will be harvested in consultation with Bamboo Corporation.</i></p> <p><i>Kerala Forest Development Corporation have approached Bamboo Corporation several times for allotment sale of bamboo/reed, but they didn't accept the proposal as the selling price is too high. Reed patches are natural growth and not</i></p>

			<p><i>planted by KFDC. Therefore they cannot be included in plan and got approved. However it will include in next plan and ask permission of MoEF, based on Committee recommendation. Bamboo plantations of corporation are also unsold due to higher selling price and even Bamboo Corporation is not ready to take Bamboo from KFDC at present price. Therefore prospectus of reeds being sold is also very less.</i></p>
4	34	<p><i>The Committee recommends that effective steps should be taken for the construction of power fences around the unutilised areas in the plantations before replanting in order to protect the plantations from wildlife attack and convert them into plantation areas.</i></p>	<p><i>All the newly raised plantations, where the wild life threat is prevailing is protected with solar fence. Power fence protections were provided to all the newly raised cardamom plantations in Gavi and Munnar Division.</i></p>
5	35	<p><i>The Committee recommends that the Corporation should duly submit Management Plans for approval to the Ministry of Environment and Forests, Government of India before carrying out all plantation activities.</i></p>	<p><i>Management Plan for the period for 2015-16 to 2019-20 has already been approved by the Ministry of Environment, Forest & Climate Change, Government of India vide letter F(C) A/11.6/4/WP/KER/ 7588 dated 13.10.2015. Management</i></p>

			<i>Plan for the period 2020-21 to 2024-25 has been approved by the Ministry of Environment, Forest & Climate Change, Government of India vide letter F(C)/A/11.6/4/WP/KER/409 dated 18.08.2020.</i>
6	36	<i>The Committee demands an enquiry that the Corporation had resorted to harvesting its plantations without obtaining prior formal approval from Ministry of Environment & Forests (MoEF), Government of India in 2012-13.</i>	<i>When a regular management Plan is not in place MoEF allows felling and regeneration based on approved Annual Plan. Annual Plan for the periods 2012-13 and 2013-14 was approved by MoEF vide Letter No. F(C)/A/06/4/WP/KER/3727 dated 28.06.2013. The proposal was already with Ministry from July 2012. Also MoEF in its Letter dated 30.03.2014 has clearly clarified that activities for the period 2012-14 has already been approved. However, as per recommendation of the Committee, an enquiry against Corporation high officials will be conducted.</i>
7	37	<i>The Committee recommends that the Corporation should avoid undue delay in felling matured trees for harvesting and should adhere to the</i>	<i>All the efforts were taken to sell the matured plantations as schedule in the Management Plan. Even though Corporation informed the</i>

		<p>schedules fixed in the Management Plan for harvesting and replanting activities.</p>	<p>availability of pulpwood to bulk purchasers of KFDC namely M/s HNL, TNPL and other industries in the field but they refuse to take the allotment due to various reasons. Now KFDC started e-auction for the sale of matured plantation. Moreover it was decided to sale the Eucalyptus plantations as smaller bits. All efforts are being made to ensure the timely felling as per Management Plan. During 2021-22, KFDC auctioned 580.789 Ha Eucalyptus, 6 bits of Acacia & 2 bits of Mahogany. Out of this 5.06, 589 Ha Eucalyptus and one bit Acacia plantation (1.1 Ha) was sold.</p>
8	38	<p>The Committee recommends that in the case of inordinate delay in extraction/ harvesting, the Corporation should enhance the fine amounts realised from defaulting contractors/user companies from ₹2000/- per hectare to at least ₹10,000/- per hectare of unfelled area and not to renew the permit given to</p>	<p>As recommended KFDC has raised the fine for nu-felled areas gradually from Rs. 2,000/ha. to Rs 5,000/ha. and then to Rs 10,000/ha. At present the fine is fixed as Rs.15,000/ha.</p>

		<i>the user companies beyond the stipulated period for harvesting.</i>	
9	39	<i>The Committee recommends that the Corporation should appoint a consulting agency for providing expert technical advice regarding proper espacement between plants and timely weeding and other standard agronomic practices in its plantations.</i>	<i>As recommended Indian Cardamom Research Institute being consulted for technical advice regarding agronomic practices in Cardamom plantations. In tea plantations KFDC is strictly following the advice of UPASI for agronomic practices like weeding, pruning and fertilizer applications and in pulpwood plantations KFDC is following prescribed "Forest packages and practices". Also technical advise from KFRI is also sought for the well maintenance of plantations. Thus the technical advice from various agencies are used in raising all cash crop/pulpwood plantations.</i>
10	40	<i>The Committee recommends that the Corporation should ensure the adoption of prescribed espacement for all the species in its plantations.</i>	<i>Steps have been taken to ensure the espacement for all the species of wood crops as prescribed in the approved Management Plan in force. Prescribed "forest packages and practices" were followed. Technical advice from KFRI is also followed. For all the agricultural</i>

			<p>operations, instructions from ICRI, Agricultural Department and Cashew Research station, Kerala Agricultural University Thrissur are being followed.</p>
11	41	<p>The Committee blames the Corporation for planting species susceptible to wildlife attack in wildlife infested regions of Kottur and Arippa resulting in failure of the plantations and loss of Rs. 5.78 lakhs and recommends that the Corporation should take measures to plant suitable species not prone to wildlife attack in Kottur and Arippa and protect them from wildlife attacks by erecting electric fences and by digging trenches around its plantations.</p>	<p>Effective Steps were taken to ensure planting with suitable species not prone to wildlife attack in Arippa and Kottoor. KFDC has successfully raised Eucalyptus Pellitta plantations in Arippa and Kottoor for the past couple of years. It is also submitted that we have stopped planting of Acacia Manjium and Acacia auriculiformis species in wildlife prone areas. Erecting electric fence and digging trenches around the pulpwood plantations causes much financial commitments to the Corporation and is not financially viable. Acacia is not a wild life prone species. Therefore solar fencing is not needed. Currently as per Government policy only native species are planted and all are prone to wild life attack. For new plantations of browsable species like Media dubia, Teak,</p>

			<p><i>Gmelina etc solar fencing is being done for last two years. However this has reduced the profitability of the plantation and the long term viability is in question. Trenches are more costly, reduce effective planting area and cause erosion. They are financially unviable for plantation management. Trenches are permanent restrictions inside forest for movement of animals. KFDC plantations are inside forest and therefore, will increase human-wild life conflict and draw more animals into habitations.</i></p>
12	42	<p><i>The Committee recommends that the Corporation should resort to open tender system for the sale of pulp wood in order to find new buyers other than HNL and TNPL.</i></p>	<p><i>Corporation is now selling all the plantations of pulpwood and wood crops through public auction and e-tender system.</i></p>
13	43	<p><i>The Committee vehemently criticises the Corporation for its failure to realise pending dues from Grasim and HNL for the supply of softwood to these companies and recommends that legal steps including revenue recovery proceedings should be initiated against HNL and Grasim</i></p>	<p><u>Grasim Industries Ltd.</u></p> <p><i>Revenue recovery proceedings were already issued against Grasim Industries Ltd, and Special Duty Tahasildar, Kozhikode issued revenue recovery notice to Grassim industries Ltd on 23.04.2003. M/s Grassim Industries filed an OP No</i></p>

	<p><i>Company in order to realise pending arrears due to the Corporation on account of supplying softwood to these Companies.</i></p>	<p><i>14455/2003 before the Hon'ble High Court against the Government and KFDC Ltd, with prayer to quash the revenue recovery proceedings and to issue interim stay against recovery of the above amount. In the Judgment dated 08.05.2005 the Hon'ble High Court quashed the recovery proceedings on the ground that the claim of KFDC was barred in law of limitations. Against this KFDC filed WA No. 1201 of 2005. In the Judgment dated 26.09.2006 in WA No. 1201/2005 clarified the Judgment of the learned single Judge that the revenue recovery steps, which were under challenge, alone, were interdicted and the right of the Government as well as the Corporation to claim and recover the dues from Grasim Industries and merits of such claims are to remain intact notwithstanding the disposal of the writ petitions, for them to appropriately resort to.</i></p> <p><i>The clause 16 of the parent Agreement dated 03.05.1958</i></p>
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		<p><i>entered into between Government and M/s Grassim Industries Ltd, specifies that "In case any breach of the Agreement by the Company that the grantor (the Government) may give a notice in writing to rectify the breach and after giving reasonable time. If the company fails to do so, the grantor shall entitled to have the matter referred as per clause 16 of the parent agreement for arbitration under the Indian Arbitration Act 1940.</i></p>
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As per Order date 19.04.2017 of the Hon'ble Supreme Court in civil appeal No 3180/2007 the Hon'ble Supreme Court appointed Hon'ble Mr. Justice [Retired] K. T. Thomas, former Judge of Supreme Court as the Sole Arbitrator to adjudicate the dispute between M/s. Grassim Industries Ltd and Government of Kerala. The claim of KFDC has also included in the arbitration. The Arbitral Tribunal has passed Award on 01.02.2021. In the award the tribunal observed that, KFDC is registered under Companies Act

even though fully financed by and absolute control of Government cannot be construed as 'State Government' and KFDC is a separate legal entity. In the light of the above observation as well, sole Arbitrator hold that the Government cannot make a claim of any amount allegedly due to KFDC, nor can it rely on the 30 year period prescribed under Article 112 of the Limitation Act and disposed of accordingly.

Against the above award, Government has prepared an application u/s 34 of the Arbitration and Conciliation Act 1996 and filed it before District Court, Kottayam.

Hindustan Newsprint Ltd

KFDC had allotted eucalyptus to Hindustan Newsprint Ltd for the period from 1992-93 to 2002-03 as per the rate fixed by the Government. Again during the period from 2003-04 to 2012-13 they purchased eucalyptus from KFDC at a rate above or equal to the selling price rate. For these

		<p><i>entire supplies an amount of Rs. 35,73,935.80 is due from M/s HNL during the period 1992-93 to 2012-13. KFDC had written various letters and remainders requesting M/s HNL to remit the balance amount due from them. But HNL have not settled the dues till date and they informed vide letter dated 17.09.2018 that "HNL is in advanced stage of disinvestment and is confronting financial crisis. Above all production has been stopped by HNL on the notice of Central Pollution Control Board. Once production is resumed, they will resolve the issue at the earliest". It was informed to Government vide letter dated 01.01.2019 requesting further action from that end. The meeting convened under the chairmanship of the Hon'ble Minister of Forest for discussing issues confronting KFDC, discussed about the amount due to KFDC from various companies like HNL, GRASIM etc. and directed to take up the issue at</i></p>
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			<p><i>the Government level and take necessary actions. In accordance with the Public Announcement in Form A to HNL's creditors as part of Insolvency Resolution Process for M/s HNL, KFDC submitted their claim application to the Interim Resolution Professional on 10.12.2019.</i></p>
14	44	<p><i>The Committee recommends that the dues to be paid by Grasim Company, should not be brought into the accounts of the Corporation since the supply of softwood to the companies was on the basis of Government Orders and that the dues once paid by Grasim, should be brought into accounts of the Government.</i></p>	<p><i>In the Government order sanctioning allotment of Eucalyptus to M/s Grasim Industries from the Kerala Forest Development Corporation (G. O. (Rt) No. 56/89/F&WLD dated 24.01.89), it is mentioned that "27340 tonnes of Eucalyptus be supplied to M/s Grasim Industries Ltd, Mavoor from the Kerala Forest Development Corporation during the year 1988-89 pending decision on the price payable to KFDC for the above forest produce" (Copy enclosed as Annexure-I). This shows that Grasim would pay the price of Eucalyptus to KFDC at the rate fixed by the Government.</i></p> <p><i>M/s Grasim Industries Ltd. as per</i></p>

			<p><i>the Government orders have given signed undertakings to the Managing Director, KFDC Ltd. agreeing to pay the price of the produce as may be fixed by the Government towards the supply of materials affected by KFDC. In the undertaking given by M/s Grasim Industries Ltd. Dated 18.04.94 to the Managing Director, KFDC, it is mentioned that "we also agree to pay the price of the produce as many as may be fixed by the Government as specified in the Government Order referred to above" (Copy enclosed as Annexure II). Thus it is clear that revenue has to be credited to KFDC account only and not to Government account.</i></p>
15	45	<p><i>The Committee expresses its strong displeasure on the Corporations non-utilisation and consequent refund of Rs. 0.11 crore out of the Rs. 1.69 crore allotted to it by the National Medicinal Plant Board (NMPB) for a project of raising medicinal plantations in an area of 150 Ha and</i></p>	<p><i>The Medical Plant Plantation project approved in 2009 is the first such project for medicinal plants implemented, approved by KFDC. None of these species had been planted before. So there was no previous experience with the growth, management practices,</i></p>

	<p><i>flays the Corporation for the serious lapse. The Committee recommends to take action against concerned officials responsible for the non-utilization of funds allotted by National Medicinal Plant Board for raising medicinal plants.</i></p>	<p><i>seedling production and success potential of these species. Although the project included Sandalwood, Jati Pathri, Vizhalari and Kudampuli in the list approved by NMPB, the above species had to be abandoned in the first year considering the above difficulties and the fact that some species fall under the ambit of cash crops. As per the directive of NMPB, such a scheme was tried to promote the cultivation of medicinal plant species naturally growing in the forest to avoid extinction due to excessive collection. Although the pilot project was not a complete failure, the Red Sandalwood trees planted during 2010-11 were found to be ineffective due to their slow growth and the Kumbil trees were severely affected by wild life attacks, and planting such varieties were discontinued.</i></p> <p><i>NMPB has sanctioned Rs. 1.69 crores, out of which only Rs. 11.34 lakhs was refunded. 97.76 ha out of 150 ha could be planted. There was</i></p>
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			<p><i>no misappropriation/ misutilisation of fund. Utilization certificate for the planted area was properly submitted. There was no deliberate mistake on the part of the officials as the project was a novel attempt and realising its unviable nature replanting was not done to avoid misappropriation of Government funds. So no investigation was done. Since it involves officials at field level to Managing Director, and all involved during 2009-11 are retired, no action can now be taken against them.</i></p>
16	46	<p><i>The Committee recommends to take steps to enhance production of cardamom and to achieve the expected target as stipulated by the Spices Board.</i></p>	<p><i>As per recommendation, replanting of high yielding varieties of Cardamom in consultation with ICRI will substantially increase the production of Cardamom in a short span. Cardamom areas of the Company lie various geo climatic tracts ranging from Nelliampathy hills in Nenmara Division to Mankulam, Kadalar and Koottakuzhy high ranges in Munnar, Pachakanam and Pampa</i></p>

		<p>are as in Gavi Division. Some of these areas give good yield where as other areas register a very low productivity.</p> <p>To improve the performance of the Cardamom plantations and to increase their productivity, following steps have been taken.</p> <ol style="list-style-type: none"> 1. Identification and Classification of areas. 2. Improving the Water storage and irrigation facilities. 3. Cultivation of high yielding varieties. 4. Plant protection. <p>A total area of 65 Ha has been replaced with high yielding variety of cardamom. Proper maintenance is being ensured by utilizing the workers in concerned divisions.</p> <p>An amount of Rs. 200 lakhs have been sanctioned to KFDC vide G. O. (MS) No. 59/2022/F&WLD dated 15.12.2022 for revitalisation of existing old cardamom plantations.</p>
17	47	<p>The Committee recommends that utmost care should be given to</p> <p>As per recommendation utmost care is given to Cardamom cultivation</p>

	<p>cardamom cultivation by proper manuring by using mild pesticides, pruning, weeding, and by replacing aged plants with high yielding varieties in the Corporation plantations.</p>	<p>and every operations are carried out as per directions of ICRI. Replanting with high yielding varieties are going on in a phased manner. Soil testing, manure application and fungicide applications are carrying out at required intervals. No pesticides were used in plantations. Owing to the organic cultivation controlled dose of fungicides are being applied and KFDC market their product as "Organic Cardamom" and getting attractive price over the years. KFDC approached NABARD and State Planning Board for getting finance assistance for replanting of cardamom in 300 Ha area in Thrissur, Gavi and Munnar. Planning Board directed to prepare a DPR for replanting Cardamom by NABARD to obtain financial assistance. As per the direction NABCONS agreed to prepare the DPR for the same. The Planning Board sanctioned Rs. 2 crores from its plan fund 2020-21 and 2021-22 to KFDC for replanting Cardamom.</p>
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18	48	<p><i>The Committee recommends that proper maintenance should be done in existing cashew plantations as per standard agricultural practices and concrete measures should be taken by the Corporation to expand the cashew cultivation by fully utilizing the unutilised areas.</i></p>	<p><i>Younger Cashew plantations are maintained as per the directions from Cashew Research Station, Kerala Agricultural University, Madakkathara, Thrissur. Older and failure plantations are to be replanted in a phased manner. Unutilized area also will be taken to raise Cashew plantations in a phased manner after getting permission from MoEF.</i></p>
19	49	<p><i>The Committee recommends that cashew plantations should be widened in more areas in order to uphold cashew nut industry and to increase labour days of cashew workers.</i></p>	<p><i>There are Cashew Plantations under PCK, Forest department and KFDC. Cashew is not profitably grown as pointed out by Committee itself. Effort of PCK to make cashew profitable by applying insecticides has landed it in huge loss and major environmental disaster, which is continuing. Also wild life attack is more nowadays, and Cashew is more susceptible in its younger ages to wildlife attack. Even recently raised cashew plantations of KFDC have not yielded expected results. Moreover cashew is a cash crop and increasing its area inside forest area given for timber production is</i></p>

			<p>not legal. However, based on recommendation of the Committee, replanting of Cashew will be taken up in future years despite chances of failure and loss to Corporation. Also permission from Ministry of EFCC for replanting cashew will be obtained in advance.</p>
20	50	<p>The Committee recommends that the Forest Department should examine the possibility of merging Forest Development Corporation, Plantation Corporation, Rehabilitation Plantation Limited and Farming Corporation and to take over the uncultivable land of these Corporations including KFDC in order to prevent encroachments and other malpractices.</p>	<p>1. KFDC is formulated as per the National Forest Policy, 1972 of Central Government. It is a policy of Central Government that every State should have Forest Development Corporations.</p> <p>2. Forestry and eco-tourism operations are carried out through Central Government (MoEF) approved 5 year Management plan.</p> <p>3. Central Government holds 10% shares in the paid up share capital and State Government holds 90% shares of KFDC.</p> <p>4. Technical Officers in KFDC are empowered as Forest Officers vide GO (P) No. 383/75/AD, dated 16.12.1975 as per the Kerala Forest Act Section 2(C) for the protection and conservation of forest land</p>

under the jurisdiction of KFDC.

5. Plantation Corporation Ltd, Rehabilitation Plantation Ltd and Farming Corporation Ltd are dealing with cash crops and not in forestry activities.

6. KFDC plantations are mostly surrounded by forest areas and shares boundary with Kerala Forest Department, hence the chances of encroachment are nil.

7. The boundary of forest area of KFDC is demarcated with jenda as in the Kerala Forest Department and hence the chances of encroachments are nil. Because of the above reasons KFDC is on a different footing than the other corporations and hence the proposal may not be advisable. 202nd Board of Directors meeting held on 28.11.2019 discussed the above matter in detail and decided to recommend the Government not to merge KFDC with the above Corporations as its working is different from the above corporations.

			<i>Merging KFDC with Forest Department or entrusting extraction works of Forest Department through KFDC as done in other states may please be considered.</i>
21	51	<i>The Committee recommends that the Corporation should explore the possibility of increasing tourist inflows into the Gavi region without causing any ecological disturbances in the region and restrictions imposed on tourists with regard to the daily permissible number of tourists should be relaxed by improving the facilities.</i>	<i>Gavi eco-tourism is in the buffer zone of Periyar Tiger Reserve and KFDC is conducting ecotourism without making any ecological disturbances in the region. KFDC has extended its programme to Pampa also and presently KFDC is providing boating, trekking and food to the guests coming for day programme. KFDC intend to provide tented accommodation to guests there also. Thus by improving facilities the number of visitors can be increased. Service of travel agencies are used for increasing the inflow of tourists. Tourist inflow is high only on special occasions. KFDC has entered into agreements with Forest Department for conducting eco-tourism in which number of visitors are prescribed. Possible steps will be taken to relax the daily</i>

			<i>permissible number of visitors by improving the facilities and by revising the Agreements accordingly.</i>
22	52	<i>The Committee opines that the increasing number of eco-tourism projects in the State pose serious threat to the existence of forests in the State and hence recommends that the concerned authorities should consider conducting detailed environmental studies before starting new eco-tourism centres in forest areas.</i>	<i>As per recommendation, new eco-tourism centres will be opened after conducting proper EIA studies. All the eco tourism programme of KFDC are being conducted by strictly adhering to the principles of eco-tourism and as per the prescription of sanctioned Management Plan.</i>
23	54	<i>The Committee recommends that the Corporation should update its website with the attractive features of the Eco-tourism Centres and facilities for online reservation and should adopt suitable promotion strategies to enhance the popularity of these Eco-tourism centres.</i>	<i>KFDC has revamped/upgraded the ecotourism website using modern web development technologies. The reservation in their major eco-tourism centres Gavi, Munnar, Arippa and Nelliampathy is presently through online. It will be in effect in a short period. KFDC adopts suitable promotion strategies via Digital marketing and Social media marketing.</i>

24	55	<p><i>The Committee recommends that the Corporation should introduce a flexible tariff by reducing tariffs during off-season in order to attract more tourists during off-season periods.</i></p>	<p><i>KFDC has introduced Monsoon offers to the guests of Gavi by giving 20% reduction in rate in the stay programme and it will be extended in other eco-tourism centres also in future.</i></p>
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CHAPTER – II

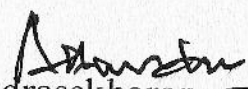
REPLY FURNISHED BY THE GOVERNMENT OF THE **RECOMMENDATION OF THE COMMITTEE WHICH HAS BEEN** **ACCEPTED BY THE COMMITTEE WITH REMARKS**

<i>Sl. No.</i>	<i>Para No.</i>	<i>Department Concerned</i>	<i>Recommendations</i>	<i>Action taken by Government</i>
<i>1</i>	<i>53</i>	<i>Forest & Wildlife Department</i>	<i>The Committee recommends that the Corporation should take measures to improve the accommodation facilities provided at its eco-tourism centres and provide basic facilities such as pure drinking water and safari vehicles in its centres.</i>	<i>High class facilities are provided in eco-tourism centres and water from own sources, boiled and served in steel flasks are provided for drinking purpose. Improvement of accommodation facilities of eco-tourism centres are going on. Eco friendly building and facilities were provided for the stay guests. Safari vehicles are available in Gavi and will be available in other ecotourism centres also at the earliest.</i>

Remarks

The Committee having considered the replies received on audit para 53 regarding eco-tourism centres and the facilities provided to tourists, decided to visit the eco-tourism centre at Gavi to see and understand them first hand.

Thiruvananthapuram
29.09.2025.


E. Chandrasekharan
Chairperson

Committee on Public Undertakings

GOVERNMENT OF KERALA

A b s t r a c t

Forests-Supply of raw materials to M/s. Grasim Industries Ltd.,
Mavoor, Kozhikode for the year 1988-89 - allotment from Kerala
Forest Development Corporation - Orders Issued.

=====

FOREST & WILD LIFE (D) DEPARTMENT

G.O. (RT) 56/89/F&WLD.

Trivandrum dated, 24-1-1989.

- Read:-
1. G.O.MS 87/88/FWL dated 27-10-1988.
 2. D.O. letter No. G3-46360/88 dated 10-11-1988 from
Shri.G.Mukundan, Chief Conservator of Forests
(Protection).
 3. D.O. letter No.G3-46360/88 dated 23-12-1988 from
G. Harikumar, Deputy Conservator of Forests.

O R D E R

In the circumstances explained by the Chief Conservator of
Forests (Protection) in his letter read above, Government Order
that 27,340 (Twenty seven thousand three hundred and fourty only)
tonnes of Eucalyptus be supplied to M/s. Grasim Industries
Limited, Mavoor from the Kerala Forest Development Corporation
during the year 1988-89 pending decision on the price payable to
Kerala Forest Development Corporation for the above forest
produce.

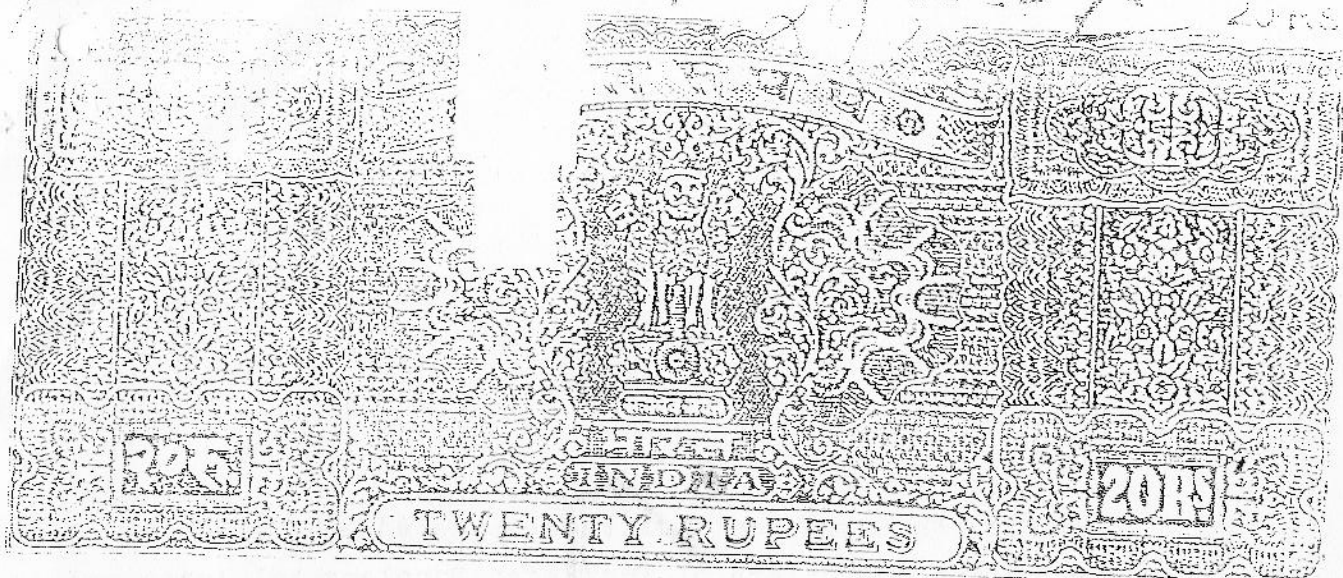
By Order of the Governor,

R. Divakaran Nair.
UNDER SECRETARY.

To

The Chief Conservator of Forests (Protection)
The Managing Director, Kerala Forest Development
Corporation, Kottayam.
The Forest (B) Department.

Forwarded /By Order
Sd/-
SECTION OFFICER.



GRASIM INDUSTRIES LIMITED
(Pulp Division)
Birlakootam - Mavoor
Kozhikode - 673 661

Dated: 18th November 1994

To

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

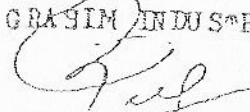
Sir,

Sub: Supply of Raw Materials to the Company
for the allotment year 1994-95

Ref: 1. GO(Rt) No.457/94/F&WLD dt. 10.11.94
2. Your letter No. CI-2300/94 dt. 19.11.94

As desired by you in your above cited reference, we hereby undertake to abide by the terms and conditions of the Parent Agreement dated 3.5.1958; First Supplemental Agreement dated 6.9.1962; Second Supplemental Agreement dated 10.7.1974; Third Supplemental Agreement dated 20.11.1976;

For GRASIM INDUSTRIES LIMITED


(K.P. RAMADAS)
Manager (Raw Materials)

...2/-

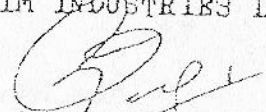


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and Fourth Supplemental Agreement dated 27.10.1988 and also the terms and conditions of the Fifth Supplemental Agreement to be mutually agreed and executed between the Company and the Government with regard to the supply of raw materials to the Company for the allotment year 1994-95. We also agree to pay the price of the produce as may be fixed by the Govt. as specified in the Govt. referred to above.

Yours faithfully
For GRASIM INDUSTRIES LIMITED


(K.P. RAMADAS)
Manager (Raw Materials)