

FRIENDS OF TREES

(A Registered Charitable Society)

T.C. 15/1086, Cotton Hill, Thiruvananthapuram - 695 014, Kerala

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Mavoor M/S Gwalior Rayons (Grasim Industries)

It was the First EMS ministry (1957-59) with the object of starting a major industry in Kerala invited Birla for the pulp industry committing to supply required quantity of Bamboo at the rate of Rupee one per ton. All the facilities for the factory as per the demands were met with including location. Though the original contract area for supply of raw material was confined to Nilamboor Valley, it was subsequently extended to the whole state.

In 1960's the raw material was only bamboo and due to the mismanagement (unscientific felling) the production dwindles. After 1970's the Eucalyptus plantations became ripe for felling and requirement of raw material was fixed as 1,50,000 tones of Eucalyptus and 50,000 tones of bamboo/reeds etc. Though the agreement between the Govt. and the company recognised the total requirement of raw material as 2 lakh tones, the company used to utilise only about 1.2 to 1.5 lakh tones. In the agreement, there was clause for arbitration of disputes and the company and Govt. has the right to nominate one arbitrator each. Taking advantage of this provision, the company went for arbitration during 1985-86 claiming Rs.18 crores as compensation from the Govt. for the short supply of raw material. The company's nominee was Justice V.P. Narayanan Nambiar, Former Chief Justice who struck down the private forest Act of 1971 on a petition filed by the company. The Govt's nominee was Justice Janakiamma, who was judge in the High Court when V.P.N. Nambiar was Chief Justice.

There was neither adequate material nor forest personnel to defend the case on behalf of the Govt. Luckily, the then Conservator of Forests Shri C.K. Karunakaran boldly came forward and produced mahazar citing loss to the tune of more than a crore of rupees for the irregularities committed by the company during felling operations. More over he was the only witness to testify on behalf of the Govt. Realising that the company will not win the case, they manipulated a compromise and Govt. Continued with the supply

Chairman

P. N. SURENDRAN, IFS (Rtd)

Former Principal Chief Conservator of Forests

Vice Chairman

C. KESAVAN

Secretary

C. K. KARUNAKARAN, IFS (Rtd)

Former Chief Conservator of Forests

Treasurer

V. G. INDIRA

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The company extracts the bamboo and Eucalyptus in the most unscientific manner. For example, in the case of bamboo they never follow the selection felling rules spelt out in the agreement, but simply clearfell the bamboos standing near the road side to facilitate easy transport and reduce extraction charges.

In the case of Eucalyptus, the original rotation scientifically fixed by the dept was 10 years. But at the instance of the company, the rotation was periodically got reduced and lastly it was reduced to a very short period of 6 years, so much so the company gets larger areas for felling operations as well as younger plantations raised by original planting as well as in coppice fellings. On reduction of rotation from 10 to 6 years, the area of operation annually increases to $40000/6 = \text{nearly } 7000 \text{ hectares}$ from $4000/10 = 4000 \text{ hectares}$.

Few years back, even pine plantations were allotted to the Company at very Concessional rates.

The price paid by the company for the raw material is the lowest. During previous Narayanan's regime, the Govt. fixed the price as Rs: 250/- per tone, though the market value was much above Rs: 1000/- per tone. Presently, the rate is only Rs: 438/- per tone for Eucalyptus and Rs: 426/- tone for Bamboo which is very much below the market value. The profit made by the company is huge and hence does not merit for any concessional supply of raw material.

The company does not utilise the pulp made from the raw material for manufacture of end products in Kerala, but takes it to Gwalior etc. depriving Kerala of the retarded industrial development and large number of jobs.

The company has managed to get things done in their own way by stooping to heinous means such as -

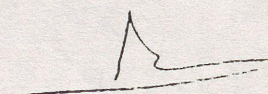
- mustering good will of forest officers by offering certain jobs to their sons or near relatives
- by providing jobs to certain retired officials including forest
- by mustering the political higher ups through oblique manner
- by keeping the union leader in good humour (It is because of this they could declare lock out in the guise of labour trouble, when ever they wanted a gestation period to utilise the excess pulp produced)
- by engaging influential persons/groups, for works connected with the factory so as to murn their voice to perpetuate vested interest etc

Denudation of forest

The bamboo wealth was eroded and the bamboo growing forest has degraded due to violation of felling rules prescribed in the contract documents. They even set fire to the felling area to make the extraction easy and cheap.

At their instance, Govt. has forced the dept. to raise bamboo plantation even in leaf areas, an unscientific management practice. Naturally bamboo regenerates in abundance when not unscientifically tampered with and therefore, there is no necessity to go for artificial plantation. So is the case of reeds as well.

The maximum volume production of Eucalyptus is from 5 to 10 years of age and by felling it at the age of 6 years, the best growth period is lost leaving the Govt. to loose huge amount of revenue. By felling at 6 years rotation, the cycle of felling gets closer, thereby rendering the site liable for faster degradation.


C K KARUNAKARAN

Former senior forest officials who had/are working for GRASIM

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|-------------------|-----|------------------------------------|
| 1. M.P. George | - - | Retd. Chief Conservator of Forests |
| 2. Narayanan Nair | - - | - do - |
| 3. G. Mani | - - | Addl. Chief Conservator of Forests |
| 4. Nanu Nair | - - | DFO etc. etc. |