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## The Orissa Forest Contract Rules, 1966

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## THE ORISSA FOREST CONTRACT RULES, 1966\*

**Notification No. 16727—12-F-(M/2)-27/65-C.F., dated 3rd September, 1966.**  
The Orissa Forest Contract Rules with up-to-date amendments are hereby published for general information :

**Preamble.** Whereas it is expedient to frame a comprehensive set of rules for the guidance of Forest Officer and forest contractors in making contracts for the sale and purchase of forest produce, for the simplification of the forms of forest contracts and for the protection of the rights of private persons in Government forests, the following rules are made by the Government of Orissa in supercession of all previous orders and rules on the subject. These rules shall come into force with effect from the 15<sup>th</sup> October, 1958.

### Preliminary

**1. Short Title.** These rules may be cited as the Orissa Forest Contract Rules.

**2. All forest contracts to be subject to these rules.** All contracts whereby Government sell forest produce to a purchaser shall be subject to the following rules in so far as they are applicable, shall be deemed to be binding on every forest contractor:

Provided that the Forest Officer executing a forest contract shall have power to vary these rules by express provision shall prevail:

Provided further that no contract containing unusual conditions and no material alterations in contracts already entered into should be made without the previous sanctions of the State Government.

**3. Definitions.** In these rules unless the contract otherwise requires-

(1) a 'forest contract' means a contract whereby Government agrees to sell and the purchaser agrees to buy forest produce;

(2) 'forest contractor' means the person who purchases produce under a forest contract;

(3) 'contract area' means the area covered by a forest contract;

(4) 'Forest Act' means in respect of the area transferred from the Presidency of Madras to the Province of Orissa, the Madras Forest Act, 1882, and in respect of the rest of Orissa, Indian Forest Act, 1927.

The words and expressions used in the Indian Forest Act, 1927 and the Madras Forest Act, 1882, and not defined in these rules shall have the meanings assigned to them therein in regard to the areas to which the said Acts respectively apply.

### Rules limiting the materials purchased under a forest contract

**4. Forest contractor entitled only to the forest produce he purchases.** A forest contractor shall not be entitled to appropriate or use any forest produce purchased by him under his contract, unless he has been given permission by an express provision in such contract, or in these rules.

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\* Published in the Orissa Gazette, Part III, dated 23.09.1966, p.873.

**5. Forest Contractor to respect private rights.** A forest contractor shall be bound to respect all rights lawfully vested in private persons relating to access to the forest and to the appropriation of forest produce.

**Rules regulating the operations which may be performed  
under a forest contract**

*I. General*

**6. Accessory licence to forest contracts.** The forest contract shall carry with it an accessory licence entitling the forest contractor and his servants and agents to go upon the land specified in the contract and to do all acts necessary for the proper extraction of the forest produce purchased under the contract :

Provided that such accessory licence shall be deemed to be subject to the conditions and limitations prescribed to these rules and in the forest contract, and the acceptance of the contract shall be deemed to be an acceptance of such conditions and limitations.

**7. Time to be of the essence of forest contracts.** Where by the terms of any forest contract, it is agreed that the extraction of the forest produce purchased under the contract may be carried out only during a specified period, time shall be deemed to be the essence of such contract, and upon the completion of the specified period, the contractor's right under the contract shall cease, and any forest produce not removed across the boundaries of the contract area shall become the absolute property of Government:

Provided that the Conservator of Forests or the Divisional Forest Officer, as the case may be, may, for special reasons, grant an extension of time on such terms, as he may decide, for a total period (inclusive of original lease period) not exceeding the period for which he is empowered to sanction contracts on payment of a monthly extension fee of 1 per cent of the consideration money of the contract; provided that full consideration money of the contract has been paid.

**8. Security deposits.** The forest contractors shall make security deposits to be fixed at 10 to 20 per cent of the purchase price at the discretion of the Divisional Forest Officer, subject to a minimum of Rs. 100. The forest contractors who have taken forest coupe contracts within the same division in any preceding three years will normally be required to make security deposit 10 per cent, however, the Divisional Forest Officer will be competent to increase the security deposit in their cases for special reasons to be recorded. In case of forest contractors who have not taken a forest coupe contract within the same division in any of preceding three years, the security deposit shall be 20 per cent of the purchase price.

Further in case of forest contractor's who do not possess immovable property at all, the Divisional Forest Officer at his discretion shall require from such contractors to pay security deposit at twenty-five per cent of the purchase price.

Such security deposits shall be retained by the Divisional Forest Officer as security for the due observance and performance by the contractor of the covenants and agreements contained in the forest contract executed by him and any sum or sums of money which shall become payable by the contractor to the Government of Orissa under any of the conditions of any forest contract may be deducted therefrom by the Divisional Forest Officer. In the event of any such deductions the contractor shall,

immediately on demand, pay to the Divisional Forest Officer such sum as shall be required to make up the deposit to its full original amount. Pending the payment of such sum the Divisional Forest Officer may at his discretion prohibit the sale and removal of any produce from the lot covered by the contract and the contractor shall not be entitled to compensation for any loss that may be sustained by him owing to such prohibition :

Provided that the sale up to the value of Rs. 500, shall be considered as cash sale and the amount deposited in advance pending ratification by competent authority:

Provided always that if the amount deposited as security in respect of any forest contract is at any time or times not sufficient to make good any amount which may become payable to the Government of Orissa under the terms and conditions of the contract, the Divisional Forest Officer shall be entitled to deduct the balance due to him out of the security moneys deposited by the contractor and the contractor shall be bound, on demand to deposit forthwith additional moneys as security to make good any amount so deducted by the Divisional Forest Officer.

**9. Powers of Forest Officers to stop extraction of forest produce.** Where the consideration payable to Government under a forest contract is payable in instalments and the Divisional Forest Officer or the Range Officer in charge of the range in which the contract area lies at any time before the last instalment is paid considers that the value of the forest produce removed by the contractor exceeds the amount of instalments already paid the Divisional Forest Officer or the said Range Officer, as the case may be, may stop further removal until the contractor has paid such further sum as may, in his opinion, be sufficient to cover such excess.

**9-A.** It shall also be open to the said Forest Officer to stop extraction if the contractor fails to any of the instalments due from within the grace period of ten days beyond the dates fixed for pavements of instalments; it shall be further open to the said Divisional Forest Officer to stop work in the contract area if the contractor fails to pay two instalments due from him.

*Explanation.* For the purposes of this rule the value of the forest produce removed shall be calculated on the basis of the consideration payable to the Government and on the price which the forest contractor may be obtaining in the market.

**10. Employment of villagers.** (1) Where the operations permissible under any forest contract involve the employment of labour, the forest contractor shall, if so required by the Divisional Forest Officer, employ the inhabitant of villages in or near the contract area in preference to any other labour provided such villagers are reasonably accessible to such area.

(2) The employment of villagers by forest contractors shall be at such rates and on such conditions as may be prescribed from time to time by the Divisional Forest Officer.

**11. Unsuitable person not to be employed.** A forest contractor shall not employ, for any purpose connected with his forest contract, any person shall discontinue the employment of any person objected to by the Divisional Forest Officer as unsuitable for such employment.

**12. Inspection of boundaries.** Before commencing any work in the contract area the forest contractor shall sign and submit to the Divisional Forest Officer or the

Range Officer concerned a written declaration to the effect that he or/and his authorised agent has/have been shown the boundaries and limits of the lot covered by the contract by the Range Officer or by a subordinate deputed by him for the purpose and that the area shown to him or/and his authorised agent on the ground agrees with the declaration on the map annexed to the agreement and until such a declaration has been given, the Divisional Forest Officer or Range Officer may refuse to allow any work to commence and the contractor shall not be entitled to compensation for any loss that may be sustained by him for any delay in commencing work owing to such refusal:

Provided that in case of minor forest produce leased covering the entire range, Thana, civil sub-division or other units no such declaration is necessary and it will be sufficient if in such case the contractor gives in writing that he intends to commence work from a particular date. It will then be presumed that he has commenced operation from that date;

Provided further that unless such Intimation or declaration is furnished within 1½ months from the date of issue of ratification order, the Divisional Forest Officer shall cancel the contract, forfeit the security deposit, re-sell the contract at the risk of the contractor and recover as arrears of land revenue the amount, if any, by which the price secured on such re-sale falls short of the purchase price. There shall be no condonation of delay.

**13. Permits for removal of forest produce.** (1) A forest contractor shall not remove any forest produce from the contract area unless it is accompanied by a permit signed by the contractor or his authorised agent.

(2) Such permits shall be obtained on payment from the Range Office. They shall be in triplicate and shall be bound in books. Each book shall bear an identifying number and the permits in each book shall be numbered serially.

(3) One copy of the permit shall be given to the person in charge of the produce which is being removed, and shall be produced by him when required by any Forest Officer. The second copy shall be submitted to the Range Officer within such time as the Divisional Forest Officer may prescribe. The third copy shall remain in the permit book as a counterfoil.

(4) Permit books as they become used, and on the completion or termination and on stoppage of extraction or work, of the contract all partially used books, will be submitted to the Range Officer, in charge of the range in which the contract area lies together with an abstract of the forest produce sold thereunder in such form as the Divisional Forest Officer may direct.

(5) Except with the special permission of the Divisional Forest Officer not more than one permit book may be brought into use at one time in each contract area.

(6) Permit books shall at all times be liable to inspection on demand by a Forest Officer.

(7) The issue of permits and the quantity of produce covered by each shall be subject to the general supervision of the Divisional Forest Officer who may pass written orders to regulate the manner in which such permits shall be written up and may vary such regulation. In all cases permit must give a clear description of the produce they cover.

(8) The Divisional Forest Officer, or the Range Officer as the case may be shall have the power to withdraw a permit book if in his opinion such permit book has been misused for unlawful gain. In the event of such withdrawal the forest contractors shall not be entitled to any compensation whatsoever for any loss that may be sustained by him for any stoppage of his work in or extraction from the contract area.

**14. Extraction along forest roads.** (1) The method employed by the forest contractor for extraction of forest produce along forest roads shall be subject to the approval of the Divisional Forest Officer. The forest contractor shall not without the previous permission in writing of the Divisional Forest Officer cart any produce over forest roads between such periods as the Divisional Forest Officer may appoint. At the discretion of the Divisional Forest Officer the forest roads are liable to be closed for extraction of forest produce on any rainy days and for three days thereafter during the rest of the year. The Divisional Forest Officer may also close roads temporarily for urgent or special repairs should these in his opinion become necessary.

(2) The forest contractor shall not extract forest produce by dragging along forest roads.

**15. Forest produce to be removed by daylight.** Except with the special permission of the Divisional Forest officer, a forest contractor shall not remove any forest produce from the contract area after sunset or before sunrise.

**16. Forest produce to be removed by prescribed routes and to be checked at depots.** A forest contractor shall not remove any forest produce except by route specified by rules under the Forest Act, or by his forest contract and shall take all forest produce removed by him to such depots or places as may be similarly prescribed, for check and examination.

**17. Liability of forest contractors for damages.** A forest contractor shall be responsible for any damage that may be done in a Government forest by himself or his servants and agents. The compensation for such damage shall be assessed by the Divisional Forest Officer, whose decision shall be deemed to be that of an arbitrator and shall be final and binding on the parties, except to the extent that it shall be subject to an appeal to the Conservator of Forest.

**18. Liability of forest contractors in respect of forest offences.** A Forest contractor and his servants and agents shall at all times abide by and observe all rules, regulations and orders made and issued under the Forest Act, which may be in force for the time being, in the event of the contractor or any of his agents or servants becoming aware of the breach by any person or persons whatsoever of any of the aforesaid Rules, Orders and Regulations of the Forest Department he shall forthwith report the fact of such breach to the nearest Forest Officer and use his best endeavours to discover the whereabouts of the person or persons concerned in the commission of such breach and render any assistance if required in arresting such person or persons and in procuring his or their convictions by the proper authorities and the contractor shall be responsible and liable for all loss or injury and shall pay to the Divisional Forest Officer, on demand such compensation as may be assessed by the Divisional Forest Officer, for the loss or injury caused to the Government of Orissa by reason of any failure or default by the contractor or any person or persons employed by or acting under him or with his authority, express implied, in the observance of this rule.

**19. Forest contractor's accounts.** The forest contractor shall keep and submit accounts of the amount of the various kinds of forest produce removed by him from the contract area in such forms the Divisional Forest Officer may prescribe or approve, and such accounts shall be open to inspection at any time by the Divisional Forest

Officer, or by any forest subordinate duly authorized in his behalf by the Divisional Forest Officer.

### **Special rules for standing trees**

#### ***II. Special***

**20. Mode of felling.** (1) A forest contractor who has purchased standing trees shall fell all trees purchased by him under the contract.

(2) All fellings shall be done with due care and attention and in a workman-like manner.

(3) All fellings must proceed continuously with as even a front as from such boundary of the contract area as the Divisional Forest Officer or the Range Officer concerned may order.

(4) Unless the Divisional Forest Officer otherwise directs by order in writing all trees shall be felled as close to the ground as possible and so as not to injure the bark on the steels:

Provided that in all cases where the stem bears a hammer mark near its base, such mark shall be left in tact.

(5) The Divisional Forest Officer may stop further felling until the provisions of sub-Rr. (3) and (4) have been complied within nay section of the contract area.

**21. Progressive working by sections.** (1) The Divisional Forest Officer may divide the contract area into such number of sections as he may think fit and shall have power to regulate and confine the operations of the forest contractor within these sections in accordance with the following provisions:

(a) the sections shall be numbered so that sections bearing consecutive number shall be adjacent and the numbers of the sections shall run progressively , as far as may be through the contract area;

(b) when the forest contractor begins his operations under the contract, he shall be allowed to carry out cutting operations in sections Nos. 1 and 2 only. As soon as he begins cutting operations, in section No. 3 he shall be deemed to have surrendered, all his rights to standing trees in No. . When he begins cutting operations in section No. 4 he shall be deemed to have surrendered all his rights the standing trees in section No. 2 and so on, throughout the contract area.

(2) The Divisional Forest Officer may, by order in writing, permit the forest contractor to cut and cart any specified class of timber in advance of the programme above indicated.

**22. Property mark.** (1) The forest contractor shall unless otherwise directed to do so in writing by the Divisional Forest Officer register his property mark or trade mark in the office of the Divisional Forest Officer paying Re. 1 for registration of the same for one year ending the 31st July or Rs. 2 for three years ending the 31st July. Such property or trademark shall in all cases be subject to the previous approval and acceptance of the Divisional Forest Officer. The forest contractor shall also send to the Divisional Forest Officer specimens of his seal and signature and also specimens of the seals and signature of all agents or servants authorised by the Divisional Forest Officer to work on behalf of the forest contractor.

(2) No timber shall be conveyed from the contract area without the impress of the

forest contractor's registered property or trademark

(3) The Divisional Forest Officer and his subordinates shall have the right to mark any piece of timber with the Government hammer mark before it is removed from the stumpside beyond the limits of such checking station as the Divisional Forest Officer may appoint in writing.

**23. Verification of standards.** Before commencing work in any contract area in which standards have been marked for retention the forest contractor shall submit to the Range Officer in charge of the range in which the contract area lies a written declaration to the effect that he is satisfied that the number of standards mentioned in the schedule annexed to his agreement is correct. Until such declaration is given the Divisional Forest Officer or the Range Officer concerned may disallow any work to be started by the contractor and the latter shall not be entitled to any compensation for any loss that may be sustained by him for the delay in the commencement of the work.

**24. Manufacture of charcoal.** Charcoal shall not be manufactured by the forest contractor between the 1<sup>st</sup> February and the 30<sup>th</sup> June except with the written permission of the Divisional Forest Officer and under such conditions and by such methods as the Divisional Forest Officer may prescribe.

**25. Liability of illicit fellings.** The forest contractor shall be responsible for illicit fellings within the contract area or within 20 chains thereof and shall pay such compensation as may be assessed by the Divisional Forest Officer in respect thereof.

**26. Completion.** Final and interim reports on the progress of work in the contract area will be made by an officer deputed for the purpose in the form appended to these rules. Any faults found with the work of exploitation under the forest contract will be communicated to the contractor direct by the officer making the report in a carbon copy of the form. The copy of the form shall be handed over to the contractor or his authorized agent personally failing which the same shall be dispatched by registered acknowledgement due post. If the forest contractor has any objection to the charges made against him, the forest contractor or his agent should appear before the Divisional Forest Officer or represent his case in writing within twenty-one day of dispatch to him of the form or settlement of the claim. After considering the representation of the Forest contractor, the Divisional Forest Officer will pass an order in writing, a copy of which will be sent to the forest contractor. Failure to contest the charges will render him liable to full payment of the compensation that may be assessed by the Divisional Forest Officer.

### **Special rules for felled trees**

**27.** (1) The provisions of this rule shall apply to contracts where the trees have been felled by the forest department and these trees only are sold to the forest contractor.

(2) The provisions of Rr. 21, 22, 24, 25 and 26 shall apply to such contracts as far as they may be applicable.

### **Special Rules for Bamboos**

**28. Bamboo felling rules.** Unless other rules are specified in the schedule annexed to the agreement the following felling rules shall be followed :

All bamboos in each culm may be felled except-

- (1) all culms under 13 months old;
- (2) six whole upright older green culms;
- (3) bamboos in flower until the seed has ripened.

No saila bamboos shall be cut during the rains, *i. e.*, from the 1<sup>st</sup> July to the 30<sup>th</sup> September.

No bamboo ends broken in the course of felling and extraction should be left in the culms. Culms should be cut at a height of 6” or 12” from the ground and as far as possible just above a node. Bill hook should be used in preference to axes. Root stocks must not be injured.

**29.** The provisions of Rr. 20, 21, 25 and 26 shall apply to bamboo contracts in so far as they may be applicable.

#### **Special rules for fruit trees**

**30.** Where a forest contract is for the extraction of fruits or seeds the forest contractor shall not in any way injure a tree in collecting the fruit.

#### **Special rule for kendu leaves**

**31.** The forest contractor must pluck leaves by hand and an axe or other instruments shall be used in the process of collection.

#### **Special rules for Sabai Grass**

**32.** (1) The forest contractor shall not erect any process within or adjoining Government Forest without a written permission of the Divisional Forest Officer who shall indicate the places where they may be erected.

(2) The Divisional Forest Officer shall have the right to burn the forests covered by any forest contract for the extraction of Sabai Grass between the 1st January and the 30th June in each year and Government shall not be liable for any damage caused to Sabai Grass by such burning.

#### **Rules regulating the consequences of a breach of the conditions of a forest contract**

**33. Termination of a contract for breach of conditions.** Every forest contract shall be in writing in the form annexed hereto and shall contain a provision whereby the forest contractor binds himself to do all the duties and acts required to be done by or under the contract and covenants that he and his servants and agents shall abstain from all the acts forbidden by or under such contract.

**34. Termination of contracts.** (1) If the forest contractor makes default in the payment of the consideration for his contract or of any instalment thereof, or does not pay the compensation assessed under any of these rules, such contract may be terminated by the authority competent to execute it.

(2) Such termination shall be notified to the forest contractor by a written notice delivered to him personally or sent to him by registered acknowledgement due post and stating that he shall forthwith discontinue all work in pursuance of the contract

that the contract shall be deemed to have been terminated, unless he pays within one month from the date of receipt of the notice all arrears due to the Government together with interest assessable under R. 42 and renewal fee not exceeding 1 per cent of the arrear dues and thereupon in the case of the failure of the contractor to make the aforesaid payments, all the rights of the contractor under the contract including all accessory licences shall cease and all the forest produce remaining within the contract area or at the depots referred to in R. 16 and bearing the contractor's registered property or trade mark and Government hammer mark prescribed in R. 22 shall become the absolute property of Government :

Provided that the State Government, Chief Conservator of Forests or the Conservator of Forests or the Divisional Forest Officer as the case may be, may extend the grace period of one month in cases of leases terminated by them in exceptional cases.

(3) On such termination Government shall be entitled-

- (a) to keep all sums already paid by the contractor as considerations or part consideration of the forest contract and also interest on overdue instalments under R.42;
- (b) to recover as arrears of land revenue any compensation which may be assessed under the provisions of the Forest Contract Rules;
- (c) to resale the contract along with the produce at the depots referred to in sub-R. (2) in the case of bamboo and other reasonable forest produce which has become the property of Government under the said sub-R. (2) and to recover as arrears of land revenue the amount, if any, by which the price secured on such resale falls short of the consideration money fallen due and also that it is likely to fall due but for such termination together with interest accrued under R. 42 calculated up to the date of termination of contract ;
- (d) to forfeit the security deposit of the contractor.

**35. Termination of contract for breach of condition.** (1) If the forest contractor commits any breach of conditions of contract other than those mentioned in R. 34 (1) the contract may be terminated by the Conservator of Forests if executed by the Divisional Forest Officer, by the Chief Conservator of Forests if executed by the Conservator of Forests and by the State Government if executed by the Chief Conservator of Forests or by the Government.

(2) Such termination shall be notified to the forest contractor by a written notice delivered to him personally or sent to him by registered post acknowledgement due post and thereupon all the contractor's right under the contract including all accessory license shall cease and all the forest produce remaining within the contract area or at the depots referred to in R. 16 shall become absolute property of Government.

(3) On such termination the provisions of R. 34 (3) (a) (b) and (d) will apply *mutatis mutandis*.

**36. Termination of forest contract on occurrence of flood, famine, cyclone and other calamities.** If the opinion of the State Government it is considered necessary to supply any kind of forest produce from any contract area to the people in case of flood, famine cyclone and other calamities and if the contractor does not supply the materials at a rate fixed by Government such contract may be terminated by Government by a written notice to the contractor and from the date of such termination the contractor shall forfeit all his rights in the coupes:

Provided that in case of long-term contracts it will suffice if a notice served on the

contractor prohibiting him from working the coupe of the year and from the date of service of such notice his rights in the coupe shall cease.

In both the cases the contractor shall be entitled to a compensation for any loss that may be caused to him on accounts or notice as the case may be. Such compensation shall be fixed by the State Government and shall bear the same proportion to total consideration payable under the contract, as the value of the produce of which the contractor deprived is estimated to bear to the value of the produce covered by the contract.

**37. Appeal against termination.** (a) In the case of termination of contract by the Divisional Forest Officer or the Conservator of Forests, the Forest Contractor may within 30 days from the date of receipt of the order of such termination, appeal to the Conservator of Forests or Chief Conservator of Forests, Orissa respectively. Such order when not appealed against or any order passed on appeal by the Conservator of Forests or Chief Conservator to Forests shall be final and binding on the parties.

(b) In case of termination of a contract by the Chief Conservator of Forest or State Government, the Forest Contractor may, within 30 days from the date of receipt of the order of such termination appeal or represent his case before the State Government.

**37-A.** The State Government shall have powers to consider any representation against the decision of the Chief Conservator of Forests in any appeal relating to a forest contract at any time before the forest materials which are the subject matter of the contract are settled or resale by the Divisional Forest Officer for which the State Government may call for all relevant records along with the report on the representation filed by the aforesaid contractor and after due consideration of the facts on record, pass any order in the matter as they deem fit having regard to the circumstances of each case, and while passing any such orders on representation for extension of the contract period the State Government shall direct that extension of renewal fees and interest on overdue payment be paid fully or partly or that the fees and interest need not be paid, as the case may be, and also direct about re-fixation of instalments for payment.

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#### **Amendment**

**38. Penalty for breaches of conditions without termination.** (1) Where the forest contractor commits a breach of any of the conditions of his contract but it is not proposed to terminate his contract on account thereof, the Divisional Forest Officer shall have power to assess the compensation payable on account of such breach. Any sum assessed as compensation shall be recovered from the contractor's security deposit unless paid in cash within 15 days of the issue of the order assessing the compensation. If the security deposit is not sufficient to cover the compensation the same can be recovered as arrear of land revenue; provided that in all such cases, the Divisional Forest Officer shall have power to stop the work of the contractor pending final decision in the matter.

(2) There shall be no appeal to the Conservator of Forests if the amount of compensation levied by the Divisional Forest Officer does not exceed Rs. 250 and the order of the Divisional Forest Officer shall be final.

(3) An order of the Divisional Forest Officer under this rule shall be subject to

appeal to the Conservator of Forests if the amount of compensation levied exceeds Rs. 250 wherein the Conservator of Forests may not only reduce or maintain the quantum of compensation so levied by the Divisional Forest Officer, but he may also enhance if it considered necessary. In case of enhancement of compensation by the Conservator of Forests, he should clearly mention in the order the grounds for such enhancement and the causes that led him to believe that the compensation assessed by the Divisional Forest Officer is reasonably lighter than what should have been assessed in a case of similar nature and secondly the forest contractor against whom compensation is enhanced be given an opportunity of being heard. The order of the Conservator of Forests enhancing the quantum of compensation shall be appealable and such appeal shall lie to the Chief Conservator of Forests.

**39. Rules regarding security deposits.** On the termination of a forest contract by efflux of time prior to surrender after completion of work and payment of all Government dues the security deposit or such portion thereof as may remain to the credit of the forest contractor shall be refunded after deducting therefrom any amount or amounts which may have been appropriated or may have been ordered to be recovered from the forest contractor not later than six months after the date of the termination of the contract or surrender ; provided that if within the aforesaid period of six months any breach of any of the terms of the contract be discovered then the amount of penalty or compensation as may be assessed by the Divisional Forest Officer for such breach shall be deducted from the security money then in deposit and only the balance after such deduction shall be returned. If the security deposit is not sufficient to cover the compensation or penalty the same may be recovered as arrears of land revenue.

#### **Miscellaneous rules**

**40. Government not responsible for losses in certain circumstances.** (1) A forest contractor shall not be entitled to any compensation whatsoever for any loss that may be sustained by reason of fire, tempest, disease, pest, flood, drought or other natural calamity, or by reason of any wrongful act committed by any third party or by reason of the unsoundness or breakage of any forest produce purchased under his contract.

(2) Further a forest contractor shall not be entitled to compensation for any loss sustained by him through any operation undertaken in the interests of fire conservancy.

(3) The forest contractor shall not be entitled to claim order that quantity of produce falls short of any quantity specified in the schedule annexed to the contract or in the sale notice or that the area of the contract fetters in any way from that indicated in the schedule attached to the contract.

**41. Payment of depot rent.** The forest contractor shall pay rent for any Government forest land used by him outside the contract area at such rates as may be decided by the Divisional Forest Officer.

**42. Payment of interest on overdue instalments.** Interest at 6<sup>1/4</sup> per cent per annum shall be paid by the forest contractor on all instalments in arrear. In calculating interests any overdue period, including the period of 10 days grace, of or below 15 days will be treated as half a month and any period in excess of 15 days but below the 30 days as one month :

Provided that the Divisional Forest Officer may at his discretion allow a grace

period of 10 days for non-payment of the instalment from the date it fell due and the instalment if paid within a period on interest shall accrue.

**Note:** 'Month' used in this rule means calendar month.

**43. Prohibition regarding gratification.** Forest contractors and their agents are prohibited from making any payment or showing other considerations to any official of the Forest Department for any purpose whatsoever in connection with a forest contract. Breach of this condition will entail cancellation of their contracts and he forfeiture of all sums paid including the security deposit.

**44. Assignment of forest contract.** All forest produce removed from a contract area in accordance with these rules shall be at the absolute disposal of the forest contractor. A forest contractor may assign any forest produce not removed, but such assignment shall not be valid unless it is made with the previous sanction in writing of the forest officer who executed the contract, who shall have power to refuse sanction, if in his opinion, the assignment is likely to be prejudicial to the interests of the Government or to the public revenues and the instalment if paid within this period on interest shall accrue.

**45. Appeal.** In the event of any dispute or question arising whether during the continuance of or after the termination of the period covered by a forest contract, with regard to these rules or to the conditions of the agreement, or of any part of provision thereof, the decision of the Conservator of Forests upon the matter of such dispute or question shall be final subject to appeal or the reconsideration as laid down under R. 37 above.

**46. Issue of notice.** Any notice sent to the contractor under these rules by registered acknowledgement due posted to the address furnished by him at the time of sale or after sale shall be deemed to have duly served on the contractor even if it is returned undelivered.

**47.** If any order passed under the provisions of these rules affects the finances of the State and involves concessions by way of relinquishment or reduction of revenue and change in the method of assessment of Forest Revenue, the decision shall be subject to the provisions of the Orissa Government Rules of business made under the Constitution of India.

Forest Contract  
AGREEMENT FORM

An agreement for the sale and purchase of forest produce made this... ..day of... ..19... between the Governor of Orissa (which term shall include his successors in office), of the one part and ... .. son of... ..resident of... .. hereinafter called the forest contractor (which term shall include his heirs, executors, representatives and permitted assigns), of the other part.

Whereby it is agreed as follows :

(1) *Kind and situation of forest produce sold.* The forest produce sold and purchased under this agreement hereinafter referred to as the said forest produce, is specified in Schedule I below and is situated in the area indicated

in Schedule V, hereinafter referred to as the contract area.

- (2) *Quantity of forest produce sold.* The quantity of forest produce sold and purchased under this agreement is all the said forest produce, which may now exist or may come into existence in the contract area which, the forest contract may remove from the said area, in accordance with the term of this agreement, during the period from the .....day of.....19 to the... ..day of.....19, both days inclusive and it is hereby agreed that the said forest produce may be extracted by the forest contractor only during the aforesaid period.
- (3) *Consideration.* The details of the consideration payable by the contractor under this agreement are specified in Schedule II below. All payments on account of dues from forest contractors shall be made into a Government Treasury or Sub-Treasury Chalan should be sent at once after each payment to the Range Officer concerned.
- (4) *Routes and depots.* The routes by which the said forest produce may be removed from the contract area and the deposits at which it shall be presented for examination are specified in Schedule II below.
- (5) *Forest contract rules to be part of agreement.* It is agreed that the forest contract shall be subject to the Forest Contract Rules in force at the time of this agreement (of which the forest, contractor hereby admits that he is in possession of a copy) and condition laid down in the sale notice which shall be deemed to be a part of the agreement in so far as they are applicable thereto. He also admits to be in possession of a copy of such sale notice :  
 Provided that the said rules and conditions shall be deemed to be modified to the extent and in the manner prescribed in Schedule IV below.
- (6) *Security deposit.* The Forest Contractor hereby binds himself to perform all acts and duties required and to abstain by himself and his servants and agents from performing any act forbidden by or under the Indian Forest Act, 1927/Madras Forest Act, 188, by the Forest Contract Rules and by this agreement and to pledge as security for the due performance and observance by him of the terms of this agreement the sum of Rs.. . . . deposited in favour of the Divisional Forest Officer..... Division.

#### SCHEDULE I

.....

The forest produce sold and purchased under this agreement consists of-

#### SCHEDULE II

Details of the consideration payable by the contractor under this agreement are given below :

The amount of Consideration (1)	Number and amounts of instalments (2)	Dates for payment of instalments (3)

SCHEDULE III

The forest produce sold and purchased under this, agreement may be removed from the said area by the following routes, and shall be presented for examination as one or other of the following depots, viz.,—

.....  
SCHEDULE IV

Special condition of sale :

.....

SCHEDULE V

(a) The contract area is—

[For timber and other forest produce excepting minor forest produce leases where the contract area covers a range (Forest), thana, sub-division (Civil) or other bigger units].....

Block and compartment.....

Coupe No. ....

Lot No. ....

Area.....

Demarcated by—

As delineated in the sketch map affixed below—

.....

(b) The contract area is—

[For minor forest produce leases covering the entire range, thana, sub-division (Civil) or other bigger units].....

(Give description of area)

In witness of the above agreement and of the schedules annexed thereto the... ..and the forest contractor have set their signatures below—

*Witness*

Designation and address—

*Signed*

Forest Officer acting for  
and on behalf of the  
Governor of Orissa

*Witness*

Designation and address—

*Signed*

Forest Contractor

**Felling report form**

Date of completion of agreement.....

I.....hereby certify that I have made an interim/a final inspection of contract area.....on... ..

I have found the following faults with the work :

(1)..... ..trees/acres due to be felled by the contractor but have been left unfelled as per details on reverse.

(2)... ..standards/unmarked trees have been damaged by felling as per details on reverse.

(3)... ..trees/bamboos have been felled which were not due for

felling as per details on reverse.

(4) Other faults, *e. g.*, leaving of high stumps, etc.

(5) Other breaches of the contract.

(6) The cost of rectifying the faults found above will be approximately—

Under (1) Rs. ....

Under (2) Rs. ....

The above amounts together compensation to be fixed by the Divisional Forest Officer under items... ..may be recovered from the security deposit of such steps taken by the Divisional Forest Officer as he sees fit. The work of the contractor generally has been... ..I am of the opinion that the security deposit of the contractor should be released/not to be released.

*Signature of Inspecting Officer*

Copy forwarded to the Divisional Forest Officer... ..Division. A detailed list of trees/bamboos left unfelled, damaged accidentally or illicitly felled is enclosed herewith.

Copy to... ..contractor of... ..

*Signature of Inspecting Officer*

*(Reverse of the form)*

<b>Timber or fuel contract areas</b>	<b>Bamboo contract areas</b>
Section number	Section number
Number of trees or acres left unfelled	Number of culms not worked
Number of trees or standards damaged	Number of culms properly worked
Number of trees or standards accidentally felled	Number of culms over-worked
Number of trees or standard illicitly felled	Number of old culms removed in excess
	Total No. of culms removed
Total	Total