

**ANDHRA PRADESH FOREST PRODUCE
(FIXATION OF SELLING PRICES) ACT, 1989**
STATEMENT OF OBJECTS AND REASONS¹

According to the guidelines issued by the Ministry of Agriculture, Government of India, forest produce has to be allocated to the industrial units for their use in such a manner that additional funds are generated for further afforestation programmes and also for the maintenance of the ecological balance.

The development of multiple wood-based industries and the setting up of a good number of paper mills in the State is resulting in fast depletion of natural forest and it is, therefore, felt imperative to take urgent action to regenerate and replenish the forest wealth on the massive scale to meet the long range needs of the wood-based industries.

With a view to achieving the above objectives, it is decided to rationalise the selling prices fixed by the Government for the forest produce supplied to various wood-based industries in the State by terminating the existing agreements and all other arrangements entered into or approved by Government so far in respect of the various industrial units in this regard which have completed a period of ten years and also to workout fresh arrangements for a period not exceeding ten years at rationalised selling prices for the forest produce which subject to the condition of availability of such forest produce. It is also decided to empower the Government to fix sliding rates for each year effective for three years and also to enhance or reduce such sliding rates for the next three years in respect of the selling prices of the forest produce to be supplied under any lease, agreement or other arrangement.

It is also decided to empower the Government to terminate any lease agreement or any other arrangement granted or entered into before or after the appointed date if the price for the produce sold has not been paid to the Government in accordance with the terms of such lease, agreement or any other arrangement and where the

1. L.A. Bill No. 8 of 1989 vide Andhra Pradesh Gazette Part IV-B (Ext.) dated. 15-3-1989.

negligent operation of the leases resulted in depletion of the forest produce.

Opportunity is also taken to constitute an Industrial Plantation Fund.

This Bill seeks to give effect to the above decisions.

Reserved by the Governor on the 28th April, 1989 for the consideration and assent of the President, received the assent of the President on the 10th Nov. 1989 and published on the 18th November, 1989 in the Andhra Pradesh Gazette Part IV B (Ext.).

ACT No. 29 OF 1989

An Act to provide for the supply of forest Produce and the fixation of selling price in respect thereof and the constitution of an Industrial Plantation Fund and for matters connected therewith or incidental thereto.

Whereas, agreements have been entered into, or other arrangements made by the Government with certain industrial concerns for the supply of bamboo and other forest produce;

And whereas, certain rates of royalty (selling price) have been fixed by the Government for the supply of bamboo and other forest produce;

And whereas, it is considered necessary to rationalise the periods of supply of forest produce and the selling prices thereof;

And whereas, it is considered [expedient in public]¹ interest to terminate certain existing agreements or other arrangements made for the supply of forest produce.

Be it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Fortieth Year of the Republic of India, as follows:-

1. Short title, extent and commencement :- (1) This Act may be called the Andhra Pradesh (Fixation of Selling Prices) Act, 1989.

(2) It extends to the whole of the State of Andhra Pradesh.

(3) It shall come into force on such date as the Government may, by notification in the Andhra Pradesh Gazette, appoint.

1. Erratum, issued in Memo No. 4391/1/89-3 (Law), dt. 5-1-1990, published in Andhra Pradesh Gazette, RS to IV-B (Ext.) dated 8-1-1990.

2. **Definitions :-** In this Act, unless the context otherwise requires,-

- (a) '*appointed date*' means the date specified under sub-section (3) of Section 1;
- (b) '*forest produce*' means such forest produce as may, from time to time, be specified by the Government by notification for the purposes of this Act;
- (c) '*Government*' means the State Government of Andhra Pradesh;
- (d) '*notification*' means a notification published in the Andhra Pradesh Gazette, and the word '*notified*' shall be construed accordingly;
- (e) '*prescribed*' means prescribed by rules made under this Act.

3. **Supply of forest produce under agreements, etc. :-**(1) No lease, agreement or any other arrangement entered into or made by the Government providing for the supply of forest produce by the Government shall be for a term exceeding ten years ; and the supply under every such lease, agreement or other arrangement shall, notwithstanding anything to the contrary contained in such lease, agreement or other arrangement, be subject to the condition of availability of such forest produce.

(2) Notwithstanding anything contained in the Indian Contract Act, 1872 or the Transfer of Property Act, 1882 or any other law for the time being in force or any judgment, decree or order of any Court, Tribunal or authority to the contrary, every lease or agreement or any other arrangement providing for the supply of forest produce by the Government granted or entered into prior to the appointed date,-

- (a) for a term exceeding ten years and in force on the appointed date, shall cease to be in force on the expiry of the period of ten years with effect from the date when such lease or agreement came into force ; and
- (b) shall be and shall be always deemed to be subject to the condition of availability of such forest produce.

4. Fixation of selling price, Central Act 4 of 1882 :- Notwithstanding anything contained in the Indian Contract Act, 1872 (C.A. 9 of 1872) or the Transfer of Property Act, 1882 (C.A. 4 of 1882) or any other law for the time being in force or any judgment, decree or order of any Court, Tribunal or other authority or in any lease, agreement or other arrangement, it shall be competent for the Government by notification to fix sliding rates for each year effective for three years and also to enhance or reduce such sliding rates for the next three years in respect of the selling price of the forest produce to be supplied under any lease, agreement or other arrangement with effect from such date as may be specified in the notification, having due regard to such principles as may be prescribed.

5. Termination of leases and contracts, Central Act 9 of 1872, Central Act 4 of 1882 :- Notwithstanding anything contained in the Indian Contract Act, 1872, the Transfer of Property Act, 1882 and any other law for the time being in force, it shall be lawful for the Government to terminate any lease, agreement or any other arrangement granted or entered into before or after the appointed date, in case,-

- (a) the price for the produce sold has not been paid to the Government in accordance with the terms of the lease, agreement or any other arrangement;
- (b) the negligent operations of the lease resulted in depletion of the forest produce.

6. Recovery of amount due under the Act :- If the selling price payable under any lease, agreement or any other arrangement has not been paid within the time specified therefor to the Government, the Chief Conservator of Forests may if the amount continues to be due, issue a certificate to the District Collector for the amount due and the District Collector shall proceed to recover the same as arrears of land revenue.

7. Saving in respect of acts done in good faith :- No suit or other legal proceeding shall lie against the Government or any of their Officers for any damage caused or likely to be caused or any injury suffered or likely to be suffered by virtue of the enforcement of the provisions of this Act or for anything which in good faith done

or intended to be so done in pursuance of this Act or the rules made thereunder.

8. Act to override other laws :- The provisions of this Act and the rules made thereunder shall have effect, notwithstanding anything inconsistent therewith in any other law for the time being in force, or any custom, usage or agreement, or decree or order of a Court, Tribunal or other authority.

9. Constitution of Industrial Plantation Fund :-(1) There shall be constituted in the manner prescribed a fund called the Andhra Pradesh Industrial Plantation Fund.

(2) From out of the selling price payable by the allottees of forest produce under Section 4, such sum or sums as may be prescribed in this behalf shall, first be credited to the Consolidated Fund of the State, and thereafter under appropriation duly made by law in this behalf, form part of, and be transferred to the Andhra Pradesh Industrial Plantation Fund.

(3) Any sum or sums transferred to the said fund under subsection (2) shall be charged upon the Consolidated Fund of the State.

(4) The sums at the credit of the said fund shall not be expended for any purposes not connected with the raising of industrial plantation or afforestation or purposes incidental thereto.

10. Power to make rules :-(1) The Government may, by notification, make rules for carrying out all or any of the purposes of this Act.

(2) Every rule made under this Act shall immediately after it is made, be laid before the Legislative Assembly of the State, if it is in session and if it is not in session in the session immediately following for a total period of fourteen days which may be comprised in one session, or in two successive sessions, and if before the expiration of the session in which it is so laid or the session immediately following, the Legislative Assembly agrees in making any modification in the rule or in the annulment of the rule, the rule shall, from the date on which the modification or annulment is notified have effect only in such modified form or shall stand annulled as the case may be; so however, that any such modification or annulled shall be without prejudice to the validity of anything previously done under that rule.