

## CHAPTER VIII: FORESTRY AND WILD LIFE (EXPENDITURE)

### EXECUTIVE SUMMARY

<b>What we have highlighted in this Chapter</b>	<p>In this Chapter, we present the result of audit of <b>Chhattisgarh State Compensatory Afforestation Management and Planning Authority (CAMP A)</b> - A review which highlights the audit findings on the receipts into CAMP A, Land Management in forest diversion cases and expenditure from the State CAMP A fund involving financial effect of ₹ 140.07 crore.</p> <p>We also present illustrative cases of avoidable, irregular and unfruitful expenditure of ₹ 9.15 crore.</p>
<b>Impact of audit conducted by us in 2012-13</b>	<p>We conducted the Audit during the period September 2012 to June 2013 which revealed a number of deficiencies relating to non realisation/ short realisation of cost of Compensatory Afforestation and Net Present Value, violation of Forest Conservation Act in forest land diversion cases and irregular, doubtful, avoidable, excess and wasteful expenditure from State CAMP A fund.</p> <p>We also conducted test check of the records of 18 units relating to Forest Department during the year 2012-13. We found irregularities in receipts into CAMP A, Land Management in forest diversion cases, expenditure from State CAMP A fund and irregular, avoidable, unfruitful and excess expenditure etc. in 155 cases involving financial effect of ₹ 219.92 crore</p>
<b>Our conclusion</b>	<p>We noticed that despite abundant availability of the revenue land in the State for Compensatory Afforestation (CA), user agencies were granted permissions for diversion of forest land with condition to carry out the CA on degraded forest land. Forest land was being used by the Private Company, Public Sector Undertakings as well as the Department for non-forestry purposes in violation of Forest Conservation Act. Revenue land received from user agencies was not notified as Reserved Forest/ Protected Forest. The cost of CA was recovered from the user agencies at lower rates due to erroneous calculation of rates. Net Present Value (NPV) was not collected as per the guidelines issued by the Hon'ble Supreme Court and Ministry of Environment and Forest (MoEF). State CAMP A did not utilise the funds sanctioned for various activities. Expenditure was</p>

---

incurred on purchase and maintenance of vehicles, creation of infrastructure and eco tourism activities in contravention of the guidelines and instructions issued by the MoEF. The records of works executed in the forest area were not maintained in accordance with the provisions of Working Plan manual. Due to delay in execution of Memorandum of Understanding (MoU), the monitoring and evaluation of the works could not be ensured.

---

## 8.1 Introduction

The Forest Department incurs expenditure mainly on the protection, conservation, development and regeneration of forests, exploitation of timber and other forest produce and sustained growth of the forests.

The Forest Department functions under the Principal Secretary (Forests). The Principal Chief Conservator of Forests (PCCF), Chhattisgarh at Raipur is responsible for overall administration of the Department. PCCF is assisted by Additional PCCFs (APCCF) and Chief Conservator of Forests (CCFs) at Headquarters.

## 8.2 Trend of expenditure in Forest Department

The expenditure in the Forest Department during the years 2008-09 to 2012-13 was as shown in the following table:

(₹ in crore)

Year	Budget Estimates (BEs)	Allotment	Actual Expenditure	Variation between BEs and actual expenditure (in per cent)	Actual expenditure as percentage of allotment
2008-09	649.20	614.62	566.43	87.25	92.16
2009-10	716.37	659.53	647.14	90.34	98.12
2010-11	852.02	665.86	676.31	79.38	101.57
2011-12	1,065.13	772.03	763.98	71.73	98.96
2012-13	957.60	884.33	864.56	90.28	97.76

(Source: Information furnished by the Department)

The above table indicates that the actual expenditure was less than the BEs during the period 2008-09 to 2012-13 and percentage of expenditure ranged between 71.73 and 90.34. Also the actual expenditure was less than the budget allotted during the period except in 2010-11, where the expenditure exceeded the allotment due to increase in non-plan expenditure of the Department.

## 8.3 Impact of Audit

### 8.3.1 Status of compliance to Audit Report:

In the Audit Report 2011-12, we had pointed out cases of non-observance of the provisions of the Acts/Rules/Government notifications/ instructions leading to short realisation of cost of Compensatory Afforestation, irregular, wasteful, doubtful expenditure in plantations, construction of roads, execution of other forestry activities etc. involving ₹ 14.48 crore as mentioned in table below:

(₹ in crore)

Year of Audit Report	Total Money Value	Amount Accepted	Amount Recovered	
			No. of paras	Amount
2011-12	14.48	0.36	-	-
<b>Total</b>	<b>14.48</b>	<b>0.36</b>	<b>-</b>	<b>-</b>

From the above table it may be seen that out of the total money value of ₹ 14.48 crore for the Audit Report 2011-12, the Department accepted ₹ 36 lakh, of which no amount has been recovered till March 2013.

### 8.3.2 Status of compliance to outstanding Inspection Reports (2008-09 to 2011-12):

During the period 2008-09 to 2011-12, we through our Inspection Reports had pointed out irregular, wasteful, doubtful expenditure etc. with financial implication of ₹ 277.74 crore in 443 cases. The details are shown in the following table:

(₹ in crore)

Year of IR	No. of units audited	Amount objected		Amount accepted		Amount Recovered	
		Cases	Amount	Cases	Amount	Cases	Amount
2008-09	12	82	63.82	-	-	-	-
2009-10	7	39	12.93	-	-	-	-
2010-11	19	179	141.66	-	-	-	-
2011-12	15	143	59.33	-	-	-	-
<b>Total</b>	<b>53</b>	<b>443</b>	<b>277.74</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 8.3.3 Status of compliance to Inspection Reports (2012-13):

We have conducted Audit of Chhattisgarh State Compensatory Afforestation, Management and Planning Authority (Chhattisgarh State CAMPA) involving financial effect of ₹ 140.07 crore. Also, we conducted test check of the records of 18 units relating to Forest Department during the year 2012-13. We found irregularities in receipts into CAMPA, Land Management in forest diversion cases, expenditure from State CAMPA fund and irregular, avoidable, unfruitful and excess expenditure etc. in 155 cases involving financial effect of ₹ 219.92 crore as detailed below:

(₹ in crore)

Sl. No.	Category	Number of cases	Amount
1	Chhattisgarh State Compensatory Afforestation, Management and Planning Authority (Chhattisgarh State CAMPA) – A review	1	140.07
2	Irregular expenditure	73	50.28
3	Avoidable expenditure	3	0.32
4	Unfruitful expenditure	34	14.01
5	Excess expenditure	20	5.97
6	Other irregularities	24	9.27
<b>Total</b>		<b>155</b>	<b>219.92</b>

The Government accepted and issued demand notices involving ₹ 84.38 crore of which ₹ 23.23 crore were recovered in 12 cases which have been duly mentioned in the respective paragraphs.



The result of Audit of Chhattisgarh State Compensatory Afforestation, Management and Planning Authority (Chhattisgarh State CAMPA) involving financial effect of ₹ 140.07 crore and a few illustrative cases of avoidable, irregular, unfruitful expenditure, etc. amounting to ₹ 9.15 crore are mentioned in the succeeding paragraphs.

## **8.4 Chhattisgarh State Compensatory Afforestation, Management and Planning Authority (Chhattisgarh State CAMPA)-A Review**

### **Highlights:**

- Despite availability of non-forest land for CA in the State, certificates of non-availability of non-forest land were given and CA was done in degraded forest area.

**(Paragraph 8.4.8)**

- Forest land measuring 835.616 hectares was being used for mining purposes by a Public Sector Undertaking without approval of Government of India for renewal of lease, even after lapse of seven years after in-principle approval.

**(Paragraph 8.4.9.1)**

- Forest land measuring 77.500 hectares was used for development of eco tourism centre by the State Government in violation of Forest Conservation (FC) Act.

**(Paragraph 8.4.9.2)**

- Wrong application of rates, non-adherence to the guidelines/ conditions of approval letter and non-raising of demand resulted in non-levy/ short realisation of cost of Compensatory Afforestation, Net Present Value etc. amounting to ₹ 89.56 crore.

**(Paragraph 8.4.11 and 8.4.12)**

- Execution of CA at ineligible sites, dense forests and sites where plantations were already carried out resulted in excess/ unfruitful/ doubtful expenditure of ₹ 2.57 crore.

**(Paragraph 8.4.15 to 8.4.17)**

- Chhattisgarh State CAMPA unauthorisedly spent ₹ 12.31 crore on purchase of vehicles, infrastructure and eco-tourism activities in contravention to the Guidelines and instructions of GoI.

**(Paragraph 8.4.18)**

- Selection of sites despite plantation in previous years, selection of wrong species and payment at higher rates in the scheme of Special Species plantation under CAMPA led to irregular/doubtful/excess expenditure amounting to ₹ 1.07 crore.

**(Paragraph 8.4.19)**

- Execution of works other than the approved ones from Chhattisgarh State CAMPA fund under *Jungle Safari* resulted in irregular expenditure of ₹ 2.40 crore besides excess expenditure of ₹ 40.20 lakh on collection of moorum at higher rates and non-deduction of voids amounting to ₹ 14.72 lakh.

**(Paragraph 8.4.23)**

### 8.4.1 Introduction

Forest in Chhattisgarh State constitutes 8.04 *per cent* of the total forest area of the country. The recorded forest area in the State is 55,674 sq kms (44.21 *per cent* of the total geographical area of the State). As per the Champion and Seth<sup>1</sup> classification, the State has 10 forests types which belong to Tropical Moist Deciduous Forests (47.89 *per cent*), Tropical Dry Deciduous Forests (51.65 *per cent*) and others (0.46 *per cent*).



(Source: <http://www.cgforest.nic.in>)

### Forest cover – Types of forest (in hectare)

In terms of forest canopy density classes, the State had 4,163 sq km under very dense forest, 34,911 sq km under moderately dense forest and 16,600 sq km under open forest. Compared with the assessment of 2009, the forest cover showed a loss of four sq. km in the 2011 assessment.<sup>2</sup>

The Government stated (September 2013) that the loss of forest area was due to transfer of lands under Forest Rights Act and diversion of forest land for non-forestry purposes under Forest Conservation Act.

### 8.4.2 Organisational Set up

Principal Secretary, Forest Department (Department) is in-charge of the administration of the Department. The Principal Chief Conservator of Forests (PCCF) is the head of the Department in the State. He is assisted by four Additional PCCFs (APCCF) and 13 Chief Conservators of Forests (CCF) at the State Headquarter. The forest area in Chhattisgarh State is administered by the Department through 35 Territorial Divisions. These divisions are under the control of six territorial Conservators of Forest (CF) at forest circles located at Raipur, Bilaspur, Kanker, Surguja, Bastar and Durg.

### 8.4.3 Establishment of Chhattisgarh State CAMPA

The Hon'ble Supreme Court directed (May 2006) Ministry of Environment and Forest (MoEF) for constitution of an Ad-hoc body of Compensatory Afforestation, Management and Planning Authority (Ad-hoc CAMPA) and transferring all the funds received in respect of diversion of forest land for non-forestry purposes into it. Ministry of Environment and Forest issued (July 2009) guidelines for establishing State CAMPAs in the States/UTs. On the basis of these guidelines, Chhattisgarh state CAMPA was established through a Gazette notification dated 24 July 2009 for the management of utilisation of funds received from the Ad-hoc CAMPA, New Delhi. A Steering Committee

<sup>1</sup> Champion and Seth classified (1967) the forest in India which is considered authentic.

<sup>2</sup> Source of geographical data mentioned in Introduction – India State of Forest Report 2011 published by Forest Survey of India.

under the Chairmanship of the Chief Secretary of the State was also constituted vide notification *ibid* for establishment of procedures, review of utilisation of funds, sanction of Annual Plan of Operations (APOs) etc. The APCCF, CAMPA in Forest Headquarters at Raipur looks after the administration of funds received by the State CAMPA from Ad-hoc CAMPA.

#### 8.4.4 Audit Criteria

The provisions of following Acts, Rules and circulars/guidelines were used as audit criteria:

- Wild Life (Protection) Act, 1972;
- Forest Conservation (FC) Act, 1980 as amended in 1988;
- Forest Conservation Rules, 2003 as amended in 2004;
- Handbook on Forest Conservation Act (Handbook) issued by the Government of India (GoI) in May 2004;
- Chhattisgarh State Finance Code;
- Chhattisgarh State Purchase Rules, 2002;
- Chhattisgarh Working Plan (WP) manual; and
- Various guidelines, instructions and orders issued by the Hon'ble Supreme Court, Ministry of Environment and Forest (MoEF) and the State Government.

#### 8.4.5 Audit Objectives

The Performance Audit was conducted to ascertain whether:

- forest land was diverted for non-forestry purposes in accordance with the provisions of FC Act/ Rules made thereunder and instructions issued by the GoI and State Government;
- money collected from user agencies towards Compensatory Afforestation (CA), Net Present Value (NPV) etc. were in accordance with the rules, provisions and instructions issued by the GoI and the State Government;
- money received from the Ad-hoc CAMPA were administered in accordance with the guidelines issued by the MoEF; and
- expenditure from CAMPA fund was incurred in accordance with the objectives and principles established for this purpose.

#### 8.4.6 Scope and methodology of Audit

The audit was conducted between September 2012 and June 2013 in State CAMPA and Land Management wings under the office of the PCCF, Chhattisgarh and 12 divisions<sup>3</sup> out of 35 divisions where allotment was made from State CAMPA. These divisions were selected on the basis of Simple Random Sampling method. During the course of audit, the records pertaining to the year 2006-07 to 2012-13 were scrutinised in the above offices. We had scrutinised the records pertaining to other divisions also in the State CAMPA and Land Management (LM) wings.

---

<sup>3</sup> Dhamtari, Dharamjaigarh, Jashpur, Katghora, Korba, Mahasamund, Rajnandgaon, Sukma and Surguja (North and South) territorial Divisions; Bilaspur and Raipur Research and Extension Divisions.

#### **8.4.7 Acknowledgement**

Indian Audit and Accounts Department acknowledges the co-operation of the Forest Department for providing the necessary information and records to audit. The scope and methodology of audit was discussed with the Principal Secretary, Forest Department in an entry conference held on 12 September 2012. The draft review report was forwarded to the Government and the Department on 23 July 2013. The Exit conference with the Government was held on 2 September 2013 to discuss the audit findings of Chhattisgarh State CAMPA. The Special Secretary and PCCF represented the Government and the Department respectively in the exit conference. The replies submitted by the Government during the exit conference have been appropriately incorporated in the relevant paragraphs.

## AUDIT FINDINGS

### LAND MANAGEMENT ISSUES

During scrutiny of the records of diversion of forest land for non-forestry purposes, we found several irregularities such as use of forest land in contravention to the provisions of FC Act, lacunae in the procedure for recommending the cases of diversion for approval, declaration of revenue land as forest land etc. as discussed in the succeeding paragraphs.

#### 8.4.8 Forest land used for non-forestry purpose without compliance of provisions of Forest Conservation Act

As per paragraph 3.2 of Handbook, Compensatory Afforestation is to be done over equivalent area of non-forest land provided by the user agency in case the land used is beyond one hectare. The non-forest land for CA may be identified anywhere in the State as near as possible to the site of diversion, so as to minimise adverse impact on the micro-ecology of the area. If non-forest land is not available, CA shall be carried out over double area of degraded forest land. Also, non-availability of non-forest land for CA in the entire State would be accepted by the Central Government only on the Certificate from the Chief Secretary of the State to that effect. However, no such certificate is required in the cases pertaining to Public Sector Undertakings (PSUs) of Government of India (GoI).

In Chhattisgarh, the land diversion cases are processed initially at Division level. The DFOs, after compliance of all the conditions laid down under the FC Act, send the cases to the concerned territorial CF with a copy thereof to CCF, (LM Wing) at the Forest Headquarters for obtaining approval from the GoI.

In the State, forest land admeasuring 12,202.852 hectare

had been diverted in 176 cases since October 2002 to March 2013 for non-forestry purposes such as mining, irrigation, power projects, transmission lines, laying of Optical Fibre Cable, industry etc. against which 20,224.507 hectare area had been identified by the State Forest Department for CA as mentioned in the following table:

(Area in hectare)

Name of Circle	No. of Diversion Cases	Forest Area Diverted	Stipulated Area for CA		
			Forest Land (as a percentage of total CA area)	Non Forest Land	Total
Bilaspur	72	4,169.323	6,071.313 (93.10%)	449.663 (7.90%)	6,520.976
Durg	20	717.256	1,080.360 (93.05%)	80.647 (7.95%)	1,161.007
Bastar	19	627.335	1,136.801 (94.71%)	63.473 (5.29%)	1,200.274
Kanker	25	2,167.701	4,192.716 (98.14%)	79.569 (1.86%)	4,272.285
Raipur	17	671.799	1,221.441 (97.45%)	31.998 (2.55%)	1,253.439
Surguja	23	3,849.438	5,798.128 (99.68%)	18.398 (0.32%)	5,816.526
<b>Total</b>	<b>176</b>	<b>12,202.852</b>	<b>19,500.759 (96.42%)</b>	<b>723.748 (3.58%)</b>	<b>20,224.507</b>

(Source: Information provided by the Department)

It may be seen from above table that the forest land identified for CA in Circles ranged between 93.05 *per cent* and 99.68 *per cent* while the revenue land received for CA ranged from 0.32 *per cent* to 7.95 *per cent*.

In the test checked divisions<sup>4</sup>, forest land admeasuring 5,376.328 hectares were diverted for non-forestry purposes in 45 cases against which 9,484.501 hectare area had been identified for CA (as detailed in *Appendix 8.1*).

During scrutiny of records of diversion cases in the office of the PCCF (LM wing) in June 2013, we observed that since 2006-07, in six test checked divisions<sup>5</sup>, final approval for diversion of 3,793.179 hectare of forest land was given in 14 cases with the condition of carrying out CA on double degraded forest land. In three out of 14 cases, CA was taken up on the basis of the certificates of non-availability of non-forest land. In the remaining 11 cases, CA was taken up on degraded forest land without obtaining any such certificates from the Chief Secretary. However, on scrutiny of the letter issued by the Revenue Department (November 2006), we observed that 5.78 lakh hectare revenue land was earmarked in the State for CA in 2006-07. Thus, taking up CA in forest land despite availability of revenue land (as detailed in *Appendix 8.2*) was not only irregular but also led to reduction in forest area to that extent. Further, the issue of certificate of non availability of non-forest land by the Chief Secretary was also not correct in view of 5.78 lakh hectare of revenue land earmarked for CA.

In the whole State, since 2006-07, final approval for diversion of 5,195.71 hectare of forest land in the State was given in 50 cases with the condition of carrying out CA on double degraded forest land. In 12 out of 50 cases, CA was taken up on the basis of the certificates of non-availability of non-forest land. In the remaining 38 cases, CA was taken up without obtaining any such certificates from the Chief Secretary.

The Government stated (September 2013) that in two cases, certificates of the Chief Secretary were not required as they were related to PSUs of GoI. In rest 48 cases, permission for undertaking CA on double degraded forest lands were given on the basis of certificates of the Chief Secretary. Twenty Six such certificates are available and rests are being traced.

We do not agree as none of the above cases related to PSUs of GoI. Also, permission for taking up CA in double degraded forest area despite availability of 5.78 lakh hectares non-forest land earmarked for CA in 2006-07 was not in order.

<sup>4</sup> Dhamtari, Dharamjaigarh, Jashpur, Katghora, Korba, Mahasamund, Rajnandgaon, Sukma and Surguja (North and South) territorial Divisions; Bilaspur and Raipur Research and Extension Divisions.

<sup>5</sup> Dhamtari, Dharamjaigarh, Katghora, Korba, Rajnandgaon and Surguja (South)



#### 8.4.9 Use of forest land for non-forestry purpose without approval of GoI

As per paragraph 4.2 of the Handbook on FC Act, approval for diversion shall be given in two stages. In 1st stage, the proposal shall be agreed to in-principle in which the conditions relating to payment of cost of CA, NPV etc. are stipulated. After receipt of compliance report from the State Government in respect of the stipulated conditions, formal approval under the Act shall be issued by the Government of India (GoI).

**8.4.9.1** During scrutiny of the records of diversion of forest lands for non-forestry purposes in the office of the DFO, Korba and Katghora (June 2013), we noticed that the South Eastern Coalfield Limited (user agency) had been allotted three mines<sup>6</sup> whose lease periods were valid upto March 2003. The user agency applied for in-principle approval

for renewal of mining leases, which was granted by GoI in 2006. As per the condition imposed in the in-principle approvals, the user agency had to deposit cost of CA, NPV and Penal CA amounting to ₹ 93.13 crore. As against this, the user agency had deposited ₹ 69.67 crore till March 2013 and the balance amount of ₹ 23.46 crore had not been deposited by the user agency till date. Moreover, the user agency carried out the mining activities in these areas even after the lapse of seven years without obtaining final approval from GoI. Despite this, the department had not initiated any action against the user agency for carrying out mining activities in forest land without final approval, which was in contravention of FC Act.

The Government informed (September 2013) that cost of CA, NPV etc. are to be deposited in these cases and final approval has not been received from GoI. Thus, mining activities are closed in these mines and shall be allowed after compliance of the conditions and receipt of final approval from GoI.

Reply is factually incorrect as the report of CCF (Land Management) to the MoEF (January 2011) and the information furnished (July 2013) by the Mining Department confirm that the mining activities were in progress in these mines. This clearly indicates inaction on the part of Department in enforcing the provisions of FC Act.

6	Name of Mine	Division	Forest area in mines (hectares)	In-principle approval by GoI
	Rajgamar underground mine	Korba	461.80	March 2006
	Manikpur opencast mine	Korba	181.77	June 2006
	Gevra opencast mine	Katghora	192.046	October 2006
	<b>Total</b>		<b>835.616</b>	



As per Section 2 of FC Act, no forest land can be used by any user agency for non-forestry purposes without having final approval of GoI for diversion of such land for intended purpose. According to the instructions issued by the GoI (May 2008), though diversion of land for public amenities such as Schools, Hospitals, children park etc. up to one hectare shall be exempted from payment of NPV but require permission of diversion from GoI under FC Act.

**8.4.9.2** Conservator of Forest, Bastar sanctioned (January 2012) funds amounting to ₹ 82 lakh to DFO, Bastar for construction of 10.5 km long Water Bound Macadam (WBM) road in Wildlife Conservation and Education Centre (Lamni Park) in Compartment No. 1720 to encourage tourism in that area. State CAMPA had also sanctioned

(January 2012) funds amounting to ₹ 1.96 crore to DFO, Bastar for Chain link Fencing/ Boundary Wall under eco tourism head and released ₹ 1.55 crore. Against this, the DFO had incurred expenditure of ₹ 35.38 lakh till March 2013.

Scrutiny of records in the office of the PCCF (LM wing) revealed that the park was being developed in 77.500 hectare of Compartment No. 1720, which, is a part of reserve forest of the Bastar Division. The work of construction of new WBM roads and development of Wildlife Conservation and Education Centre (Lamni Park) including establishment of toy train and *jhulas* for children are non-forestry works, the objective of which is to encourage tourism. Scrutiny of records further revealed that no land was diverted in that compartment for such purposes. Thus, use of forest land by the DFO for non-forestry purpose without obtaining the approval of GoI was not only irregular but was also violation of the FC Act.

The Government stated (September 2013) that the area of Compartment No. 1720 is situated in Jagdalpur city. Due to urbanisation and increasing population pressure, there is always a threat of encroachment in such areas. It was decided by the Governing body and the Steering Committee of State CAMPA to protect such areas by Boundary walls and chain link fencing. No new roads were constructed there and the existing forest roads were converted into WBM roads. The toy train is to be established for the educational purposes only. According to FC Act, temporary constructions made for protection for forests shall not require sanction under FC Act.

We do not agree with the reply as the Department did not follow the instructions issued by MoEF (May 2008) regarding diversion of forest land before executing non-forestry works. Further, the map in the project report of Lamni Park shows the construction of grid of roads for movement in the area. Also, the funds were allotted for providing accommodation to the visitors in Lamni Park.

As per the guidelines issued by GoI (July 2009), State CAMPA is intended as an instrument to accelerate activities for preservation of natural forests, management of wildlife, infrastructure development in the sector and other allied works. The state CAMPA would administer the amount received from the Adhoc CAMPA and utilise the monies collected for undertaking compensatory afforestation, assisted natural regeneration, conservation and protection of forests, infrastructure development, wildlife conservation and protection and other related activities and for matters connected therewith or incidental thereto.

**8.4.9.3** Scrutiny of the records in LM wing revealed that proposal was sent (October 2006) to the GoI for relocation of the Latadadar, Nawapara and Rampur, village of Barnawapara Sanctuary in the Compartment No. 507 & 509, 500 & 501 and 795 & 796 respectively. We found that GoI accorded (October 2008) in-principle approval for diversion of 922.30 hectare forest land for the purpose of

relocation of three villages. Further, it was seen that State CAMPA had sanctioned ₹ 10.30 crore to the DFO, Raipur for relocation of 83 families from Nawapara village to Compartment No. 795 and 796. As per the working plan of Mahasamund division, the Compartment No. 795 and 796 were falling into Improvement Working Circle where matured trees were standing. After felling of the 1,47,565 matured trees in the year of 2010-11 by the Mahasamund division, Raipur division incurred expenditure of ₹ 5.12 crore on the relocation work i.e. construction of residential building, agriculture field, approach road and ponds etc. which, was in contravention of core objective of conservation and protection of forests of CAMPA.

The Government stated (September 2013) that in-principal approval of 922.30 hectare for relocation of three villages was accorded (October 2008) by the GoI. Accordingly, the relocation work was carried out in six compartments.

We do not agree as core objective of the CAMPA was preservation of natural forests, management of wildlife and conservation and protection of forests which has been defeated as construction of residential houses for relocated Nawapara villagers had been carried out after uprooting of 1,47,565 matured trees.

#### 8.4.10 Notification of revenue land as forest land

As per the provisions of FC Act, conditions laid down by GoI while granting approval for diversion of forest land and guidelines issued by MoEF (February 2004), non-forest land identified for the purpose are to be transferred to the ownership of the State Forest Department and declared as forest land under the IF Act, so that the plantation raised can be maintained permanently. The transfer must take prior to the commencement of the project.

During scrutiny of the records of diversion cases in the office of the PCCF (LM wing) in June 2013, we found that against the diversion of 5,376.328 hectare forest land in 45 cases pertaining to 10 test checked divisions<sup>7</sup> where final approval was accorded by the MoEF between 2002-03 and 2012-13, the user agencies<sup>8</sup> made available 313.713 hectare of revenue land (as

detailed in *Appendix 8.3*). Though the user agencies had transferred revenue land in favour of the Department before final approval of diversion, the Department had not notified these lands as forest land till October 2013.

Against the diversion of 12,202.852 hectares forest land in 176 cases (details in Para No. 8.4.8) of the State where final approval was accorded by the MoEF between 2002-03 and 2012-13, the user agencies made available 723.745 hectare of revenue land (as detailed in *Appendix 8.3*).

The Government stated (September 2013) that 45.449 hectare revenue land has been notified (May 2009 and December 2012) in two cases. Twenty two cases are pending at the Government level and 15 cases are pending at Department level. One case has been cancelled.

The reply confirms inaction by the Department and steps are now being taken for notifying the revenue land as forest land only after it was pointed out in audit.

#### MANAGEMENT OF RECEIPTS OF CAMPA

During 2002-03 to 2012-13, the Department had recovered an amount of ₹ 1,437.22 crore from the user agencies in lieu of diversion of forest land admeasuring 12,202.852 hectare in 176 cases as detailed in the following table:

(₹ in crore)		
Sl. No.	Item	Amount recovered
1.	Cost of Compensatory Afforestation (CA)	169.91
2.	Net Present Value (NPV)	1,214.41
3.	Others (Additional CA, Penal CA etc.)	52.90
<b>Total</b>		<b>1,437.22</b>

(Source: Information furnished by the Department)

<sup>7</sup> Dhamtari, Dharamjaigarh, Jashpur, Katghora, Korba, Mahasamund, Rajnandgaon, Sukma and Surguja (North and South) territorial Divisions

<sup>8</sup> Bharat Aluminium Limited Company, Chattisgarh State Electricity Board, Water Resources Department

#### 8.4.11 Cost of Compensatory Afforestation

As per the paragraph 3.1 of the Handbook, recovery of cost of CA over equivalent non-forest area or double degraded forest area from the user agency is one of the important conditions while approving proposals for diversion of forest land for non-forestry purposes.

During scrutiny of the records of diversion of forest land for non-forestry purposes, we found several irregularities and deficiencies in collection of cost of CA involving wrong application of rates, non-adherence to the guidelines,

non-observance of feasibility etc. as mentioned in the succeeding paragraphs.

##### 8.4.11.1 Short realisation of cost of Compensatory Afforestation due to lower fixation of rates from 2002-03 onwards

Government of Chhattisgarh, Forest Department prescribed (March 2002) the rate of ₹ 29,725 per hectare for non-irrigated plantation and ₹ 1,04,500 for irrigated plantation for the year 2001-02 for collection of cost of CA from the user agencies. For subsequent years, the rates shall be increased by 10 *per cent* annually on account of inflation in wages and the project cost shall include 25 *per cent* for Contingent expenditure, Entry point activities and Research and Development.

During test check of the case files of diversion of forest land in the office of PCCF (LM wing) (June 2013), we found that in eight<sup>9</sup> out of 12 test checked divisions, forest land admeasuring 3,321.566 hectare was diverted for

non-forestry purposes in 18 cases between 2004-05 and 2012-13. In lieu of this, CA was to be carried out in 6,405.806 hectare for which Department realised ₹ 70.34 crore from the user agencies. Since these cases were finalised during 2004-05 and 2012-13, the rates should have been increased by 10 *per cent* annually towards inflation. The Department, while raising the demands, calculated the cost of CA for the year 2003-04 to 2012-13 taking into the account the increase of 10 *per cent* per annum prescribed by the State Government. However, for determination of the rate for 2002-03, the Department did not include the 10 *per cent* increase and applied the rate of 2001-02. As a result, the basic rates of subsequent years were also fixed at 10 *per cent* lower level. Had the Department fixed the rate of 2002-03 including the inflation and determined the rates for subsequent years accordingly, the total amount of CA recoverable from the user agencies would have been ₹ 77.93 crore against which the Department recovered ₹ 70.34 crore. Thus, incorrect fixation of rate by DFOs and approval of the same by the office of the PCCF (LM wing) without scrutiny led to short realisation of cost of CA amounting to ₹ 7.59 crore as detailed in *Appendix 8.4*.

<sup>9</sup> Dharamjaigarh, Dhamtari, Katghora, Korba, Mahasamund, Rajnandgaon, Sukma and Surguja (South) territorial Divisions

In 18 out of 32 territorial divisions in the State, forest land admeasuring 5,388.376 hectare was diverted for non-forestry purposes in 53 cases between 2002-03 and 2012-13. In lieu of this, CA was to be carried out in 11,476.90 hectare for which Department realised ₹ 93.35 crore from the user agencies as against the recoverable amount of ₹ 104.20 crore resulting in short realisation of ₹ 10.85 crore (as detailed in *Appendix 8.4*).

A similar observation was made in paragraph 8.7 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 2012 (Revenue Sector), Government of Chhattisgarh. However no further progress was reported in the case till March 2013.

The Government stated (September 2013) that the instructions have been issued (August 2013) to the field offices to effect recovery. Further report has not been received (November 2013).

#### **8.4.11.2 Short recovery of cost of safety zone for Mining operations**

According to paragraph 4.7 of the Handbook, forest area required for safety zone for mining operations should be indicated separately in the proposal. Such area will have to be fenced at the cost of the project authority. Further, project authority will have to deposit funds with the Forest Department for protection and regeneration of such safety zone area and also will have to bear the cost of afforestation over one and half times of the safety zone area in degraded forest elsewhere.

During test check of the case files of diversion of forest land in Korba Division (June 2013), we found that in one case of diversion of 194.728 hectare forest land for open cast mining in favour of South Eastern Coalfields Limited, the GoI while granting the in-principle and final approval (December

2009 and August 2011 respectively), imposed the condition of creation of safety zone in 7.5 meter strip around the diverted area and cost of afforestation of safety zone area as well as cost of afforestation over one and half times of the safety zone area in degraded forest elsewhere was to be recovered by the Department. Though the cost of afforestation over one and half times of the safety zone area was recovered (April 2010) by the Department but no demand for the cost of afforestation on safety zone area in degraded forest elsewhere was raised by the Department from the user agency. Thus, inaction on the part of the DFO to recover the cost of afforestation of safety zone area resulted in short realisation of ₹ 24.85 lakh.

The Government stated (September 2013) that demand notice has been issued to the user agency in July 2013 for recovery. Further report has not been received (November 2013).



#### 8.4.11.3 Short realisation of cost of CA due to absence of criteria for imposing irrigated/ non-irrigated rates

The objective behind the inclusion of condition of CA over equivalent non-forest area or double degraded forest area is to maintain the ecological balance disturbed due to diversion of forest land for non-forestry use. The State Government prescribed (March 2002) separate rates for irrigated and un-irrigated plantations in 2001-02 for recovery of cost of CA from the user agencies.

During test check of the case files of diversion of forest land in the office of PCCF (LM wing) in June 2013, we found that in five<sup>10</sup> out of 12 test checked divisions, forest land admeasuring 684.125 hectare were diverted

for non-forestry purposes in eight cases between 2008-09 and 2012-13. In lieu of this, CA was to be carried out in 1,345.568 hectare area. The Department raised the demand of ₹ 11 crore as cost of CA for un-irrigated plantation. Had the rates for irrigated plantation been applied for recovery of cost of CA, an amount of ₹ 44.28 crore (as detailed in *Appendix 8.5*) could have been recovered from the user agencies and the success of the plantations under CA could have been ensured better through provision of irrigation, safety and upkeep of the plants. But, the State Government did not prescribe any criteria for application of irrigated or un- irrigated rate for collection towards CA.

In eight out of 32 territorial divisions in the State, forest land admeasuring 1,179.76 hectare was diverted for non-forestry purposes in 14 cases between 2002-03 and 2012-13 and CA was to be carried out in 2,336.57 hectare. Department realised ₹ 17.24 crore as cost of CA at the rates of un-irrigated plantation. Had the cost of CA been recovered at the rates of irrigated plantation, an amount of ₹ 68.98 crore (as detailed in *Appendix 8.5*) could have been recovered and success of plantation could have been better ensured.

The Government stated (September 2013) that the recovery for cost of CA has been made as per the prescribed norms for un-irrigated plantations and there is no specific criteria for selecting the type of plantation to be carried out for CA. It was however stated that instruction has since been issued to the field offices for recovering the cost of CA at the rates for irrigated plantations in new cases of diversion of forest land.

<sup>10</sup>

Dharamjaigarh, Katghora, Korba, Mahasamund, and Rajnandgaon Divisions

### 8.4.12 Net Present Value

As per the report of Expert Committee appointed by the Hon'ble Supreme Court, Net Present Value (NPV) refers to "the discounted sum of rupee values of eco-system goods and services that would flow from a forest over a period of time net of costs incurred." As per the order of Hon'ble Supreme Court (October 2002), the NPV shall be recovered in the cases of diversion of forest lands for non-forestry purposes.

During scrutiny of records of diversion of forest land for non-forestry purposes, we found several irregularities in collection of NPV such as wrong application of rates, non-adherence to the guidelines, non-compliance of orders etc. as discussed in the succeeding paragraphs.

#### 8.4.12.1 Short realisation of Net Present Value due to wrong classification of diverted forest land

In compliance to the order of Hon'ble Supreme Court (March 2008), MoEF issued instructions (February 2009) on collection of NPV from the user agencies at revised rates. In these instructions, the forests in India have been classified in six Eco classes on the basis of classification of forests made by Champion and Seth. As per the India State of Forests Report, 2011, the forests in Chhattisgarh State are of two classes viz. Tropical Moist Deciduous Forest and Tropical Dry Deciduous Forest which fall in Eco class I and III respectively. As per the above instructions, rates of NPV per hectare for these types of forests are as follows:

(₹ in lakh per hectare)

Type of Forest	Eco Class	Very Dense	Dense	Rare
Tropical Moist Deciduous Forest	Eco Class I	10.43	9.39	7.30
Tropical Dry Deciduous Forest	Eco Class III	8.87	8.03	6.26

During test check of the case files of diversion of forest land in the office of PCCF (LM wing) in June 2013, we found that between 2008-09 and 2012-13, 7,963.100 hectare forest land was diverted for non-forestry purposes in 86 cases. Out of this, in six cases pertaining to six test checked divisions<sup>11</sup>, 3,167.276 hectare forest land was diverted and an amount of ₹ 223.51 crore was recovered as NPV. Further scrutiny of the cases and Working Plans of concerned divisions revealed that forests in five test

checked divisions (four cases) are of Eco Class III and rest two test checked divisions (two cases) are of Eco Class I. As per the above rates, NPV amounting to ₹ 269.47 crore was recoverable from the user agencies. Thus, calculation of NPV without following the classification led to short realisation of NPV amounting to ₹ 45.96 crore (as detailed in *Appendix 8.6*).

<sup>11</sup> Katghora, Korba, Mahasamund, Sukma, Surguja (North) and Surguja (South)

In the whole State, NPV amounting to ₹ 48.01 crore was short realised in 11 cases pertaining to 14 divisions due to non-observance of above classification (as detailed in the **Appendix 8.6**).

The Government accepted (September 2013) the audit observation in respect of eight out of 11 cases and issued demand notice of ₹ 40.16 crore against which ₹ 7.71 crore had been recovered in two cases. In one case where short realisation of ₹ 9.59 crore was pointed out by the audit, the Government stated that the demand notice for recovery of NPV amounting ₹ 4.26 crore has been issued as per the instructions of MoEF. As regards remaining three cases, the Department assured to submit the reply after verification.

The above reply confirms that the action for recovery on the basis of eco classes mentioned in the instructions of MoEF has been initiated only after it was pointed out in audit. As regards one case where partial demand has been raised by the Government, the reply is not in conformity with the rates prescribed by the MoEF. Hence, differential amount of NPV ₹ 5.33 crore (₹ 9.59 crore - ₹4.26 crore) is also recoverable.

#### 8.4.12.2 Short realisation of Net Present Value

During the period of revision of rates of NPV by the Expert Committee appointed by the Hon'ble Supreme Court, MoEF, while granting in-principle/ final approval for diversion of forest land (between 2005-06 and 2011-12), had imposed various conditions for the user agency which *inter alia* included furnishing of an undertaking to pay the differential amount in case of upward revision in the rates of NPV which was under consideration of the Expert Committee. In compliance to the order (March 2008) of the Hon'ble Supreme Court (on the basis of recommendations of Expert Committee), MoEF issued instructions (February 2009) for collection of NPV from the user agencies at the revised rates.

During test check of the case files of diversion of forest land in the office of PCCF (LM wing) in June 2013, we found that between 2006-07 and 2012-13, in four cases pertaining to two test checked divisions<sup>12</sup>, in-principle/ final approval was given (between 2005-06 and 2011-12) for diversion of 223.508 hectare of forest land and ₹ 17.58 crore was recovered from the user agencies. Further scrutiny of these cases revealed that land diverted in these cases

fall in Eco class III. As per the new classification, NPV amounting to ₹ 18.15 crore was to be recovered from the user agencies against which the Department recovered only ₹ 17.58 crore in these cases. Though the Department had obtained undertaking from the user agencies for payment of differential amount, but no demand notice was issued to the user agencies for recovery of the differential amount of NPV amounting to ₹ 57.07 lakh (as detailed in serial no. 1 to 4 in **Appendix 8.7**).

<sup>12</sup>

Katghora and Rajnandgaon



In the whole state, 17 cases pertaining to six divisions, NPV amounting to ₹ 6.44 crore could not be realised due to non-compliance of the conditions imposed by GoI (as detailed in *Appendix 8.7*).

The Government accepted (September 2013) the audit observation in respect of 14 out of 17 cases and informed that ₹ 2.22 crore has since been recovered in five cases while demand notices have been issued for recovery of ₹ 3.92 crore in the remaining nine cases. In rest three cases, the Government stated that the recovery has been done as per the provisions of the FC Act.

The above reply confirms that the action for recovery has been initiated only after it was pointed out in audit. As regards three cases which had not been accepted by the Government, the reply is not in conformity with the instructions of MoEF issued in February 2009. Hence differential amount of NPV is also recoverable. Further report of recovery has not been received (November 2013).

#### 8.4.12.3 Non realisation of NPV

In compliance to the order (September 2006) of the Hon'ble Supreme Court, MoEF issued instructions (September 2007) for recovery of NPV from the user agencies in cases of diversion of forest land for non-forestry purposes where in-principle approval had been received before 30 October 2002 and final approval was given after 30 October 2002.

During test check of the case files of diversion of forest land in the office of PCCF (LM wing) (June 2013), we found that in five cases pertaining to three test checked divisions<sup>13</sup>, in-principle approval was given by the MoEF between May 1994 and April 2000 i.e. before 30.10.2002 for diversion of 152.602 hectare

of forest land and final approval was received from MoEF between November 2003 and February 2005 i.e. after 30.10.2002. As per the above instructions, NPV amounting to ₹ 12.27 crore was recoverable from the user agencies. However, neither the DFOs recovered the NPV nor initiated any action against the user agencies even after the lapse of more than five years. This resulted in non-realisation of NPV amounting to ₹ 12.27 crore (as detailed in serial no. 1 to 5 in *Appendix 8.8*).

In the whole State, NPV amounting ₹ 24.01 crore was not realised in eight cases pertaining to five divisions (as detailed in *Appendix 8.8*).

The Government informed (September 2013) that ₹ 8.14 crore has been recovered in three cases while demand notices for recovery of ₹ 15.87 crore has been issued in the remaining five cases. Further report on recovery has not been received (November 2013).

<sup>13</sup>

Korba, Mahasamund and Sukma

#### **8.4.13 Remittance of funds received from the user agencies to the Ad-hoc CAMPA**

In compliance to the decision of the Hon'ble Supreme Court, MoEF instructed (May 2006) that all the State Governments/UTs shall transfer the amount collected from user agencies in lieu of diversion of forest land with effect from 30 October 2002 to the Ad-hoc CAMPA.

##### **8.4.13.1 Delay in remittance of funds**

During scrutiny of the case files in the office of PCCF (LM wing) (June 2013), we found that in a case pertaining to Surguja (North) division, an amount of ₹ 3.24 lakh and

₹ 6.07 lakh was collected in March 2006 and August 2008 respectively which was remitted to Ad-hoc CAMPA January 2010 with delay of more than three years (as detailed in *Appendix 8.9*). These funds were kept in Personal Deposit (PD) account in violation of the above decision of the Hon'ble Supreme Court.

In the whole State, an amount of ₹ 53.85 lakh in four cases pertaining to three divisions<sup>14</sup> was remitted to the Ad-hoc CAMPA with a delay ranging between 14 months to three years (as detailed in *Appendix 8.9*).

The Government stated (September 2013) that warnings have been issued to the respective Divisional Forest Officers for prompt remittances of amount collected from user agencies to Ad-hoc CAMPA.

##### **8.4.13.2 Irregular retention of funds in PD Accounts**

Scrutiny of the case files in the office of PCCF (LM wing) in November 2012 revealed that in-principle approval was granted by the GoI in December 2008 to Bharti Airtel Ltd. for diversion of 1.250 hectare of forest land of DFO, North Kondagaon Division for laying Optical Fibre Cable. The user agency deposited ₹ 17.43 lakh in January 2009 in compliance to the conditions of the in-principle approval. However, instead of depositing the amount with Ad-hoc CAMPA, the DFO, North Kondagaon had irregularly retained it in PD Account till March 2013.

The Government informed (September 2013) that the amount has now been remitted (February 2013) to the CAMPA and warning has been issued to the Divisional Forest Officer against irregular retention of funds in PD accounts.

#### **8.4.14 FUND MANAGEMENT**

##### **8.4.14.1 Preparation and approval of Annual Plan of Operations**

The Executive Committee of State CAMPA prepares the Annual Plan of Operations (APO) comprising of the targets for the activities to be undertaken and after approval, the Steering Committee forwards it to GoI. After scrutiny of APO received from the State CAMPA, GoI releases the funds on the basis of APO. As per the approved APOs, funds are released to the divisions in installments. The financial progress of the works is watched through monthly

<sup>14</sup>

Bilaspur, Janjgir-champa and North Surguja

progress reports. Further installments are issued on the basis of progress of work.

The position of approval of APOs and release of funds from GoI during 2009-10 to 2012-13 was as follows:

(₹ in crore)

Year	Approval of APO by Steering Committee		Approval of APO by GoI			Expenditure incurred by State CAMPA
	Date	Amount	Date	Amount	Date of release of fund	
2009-10	17.11.09	123.21	08.12.09	123.21	17.08.09	3.94
2010-11	02.07.10	204.99	01.10.10	134.10	01.10.10	24.13
2011-12	14.07.11	400.75	08.09.11	99.54	08.09.11	118.05
2012-13	02.05.12	150.00	21.08.12	114.38	21.08.12	134.04
<b>Total</b>		<b>878.95</b>		<b>471.23</b>		<b>280.16</b>

(Source: Information furnished by the Department)

It may be seen from the table that during 2009-10 to 2012-13 out of ₹ 471.23 crore released from GoI, State CAMPA could utilise ₹ 280.16 crore (59.45 per cent) only. The funds under State CAMPA are allotted under four heads as detailed in the following table:

(₹ in crore)

Head	Sanction as per APO	Allotment	Expenditure incurred	Percentage of utilisation
Works under CA fund	68.30	68.30	50.11	73
Works under NPV fund	396.59	396.59	228.88	58
Monitoring and Evaluation	4.30	4.30	0.18	4
Establishment	2.04	2.04	0.99	49
<b>Total</b>	<b>471.23</b>	<b>471.23</b>	<b>280.16</b>	

(Source: Information furnished by the Department)

It may be seen from the above table that percentage of utilisation of the funds under different heads ranged between 4 and 73.

The Government informed (September 2013) that proper procedures could not be established in 2009-10 and 2010-11. Thus, funds could not be utilised as required. In subsequent years, efforts have been made to expedite it.

#### **8.4.14.2 Non-utilisation of funds allotted for works under NPV fund**

In the APOs, amounts were allotted under various heads for different activities. However, we observed that out of the allotments, huge amounts remained unutilised as detailed below:

- In the APOs of 2009-10 and 2010-11, fund aggregating ₹ 25 crore were allotted for development of Information Technology (IT) in forestry against which expenditure of ₹ 3.30 crore (13.20 per cent) only was incurred up to March 2013. Due to short-utilisation of funds, the objective of development of manpower for computer operation and Geospatial database could not be fulfilled even after four years of approval. Also, development of online monitoring system and computer networking and communication among the field offices could not be achieved to the desired extent.

- Similarly, in the APOs from 2009-10 to 2012-13, funds aggregating ₹ 27.62 crore were allotted for Research and Training against which expenditure of ₹ 7.72 crore (27.96 per cent) only was incurred up to March 2013. Due to short-utilisation of funds, no work was initiated for establishment of the Tissue culture laboratory, Seed testing Centre, Soil testing lab and Central Forest Library even after four years of approval.
- In the APOs from 2009-10 to 2012-13, fund aggregating ₹ 53.50 crore were allotted for development of infrastructure against which expenditure of ₹ 30.99 crore (57.92 per cent) only was incurred up to March 2013. Due to short-utilisation of funds, the infrastructure works such as construction of office buildings, residential quarters for staff etc. could not be ensured.

The Government accepted (September 2013) the audit observation and informed that efforts had been made to utilise the funds and ensure completion of physical targets set under the heads of IT and Research and Training. Under the head of infrastructural development, it was informed that construction of 425 out of 643 buildings had been completed and remaining buildings would be completed in the current financial year i.e. 2013-14.

## EXPENDITURE UNDER STATE CAMPA

Chhattisgarh State CAMPA had utilised ₹ 280.16 crore under CA, NPV and development of Infrastructure etc. till March 2013. During the test check of records at State CAMPA office and test checked divisions, we found several irregularities in the utilisation of the CA and NPV funds, which are discussed in the succeeding paragraphs.

### I: Expenditure under CA

#### 8.4.15 Excess expenditure due to application of higher rates

PCCF, Chhattisgarh had fixed (October 2010) the norms of expenditure at ₹ 15,100 per hectare for first two years (Survey-demarkation, Preparation of area and Plantation) of Rehabilitation of Degraded Forest (RDF) work plantation of 400 plants per hectare. It was also stipulated that work of CA shall be taken in rare forest/blank area.

During scrutiny of the sanction files, Working Plan, Project Reports, Plantation Reports and Financial Progress Reports of CA plantation in the office of the PCCF (State CAMPA Wing), we observed (November 2012) that project was prepared for Rehabilitation of Degraded Forest (RDF) with plantation which included Cut Back Operations (CBO) work in 100 hectare and plantation of 66,944 plants in the blank/ rare forest

areas 88.22 hectare of Compartment No. 115 by the DFO, Dhamtari. Further, it was seen that State CAMPA sanctioned ₹ 90.51 lakh for first and second year works for CA plantation in 188.22 hectare of Compartment No. 115 as against admissible expenditure of ₹ 28.42 lakh<sup>15</sup> as per prescribed norms of Rehabilitation of Degraded Forest. The division had incurred expenditure of

<sup>15</sup>

188.22 Ha. X ₹ 15,100 = ₹ 28,42,122

₹ 99.20 lakh on CBO and plantation of 66,944 plants till March 2013. Thus, non-pursuance of RDF (with plantation) norms fixed for works resulted in excess expenditure of ₹ 70.78 lakh.

The Government informed (September 2013) that the sanction had been issued on the basis of model of degraded forests. In these areas, plantations of *Aonla* and other species had been done in the blank area at the rate of 400 plants per hectare along with treatment of root stock.

The reply itself confirms that the plantation was taken up in the areas having vegetation which was not completely blank. Had the norms for RDF plantation model been followed, the work could have been completed at ₹ 15,100 per hectare as fixed by the PCCF against the expenditure incurred at the rate of ₹ 52,704 per hectare.

#### 8.4.16 Compensatory Afforestation done in dense forests

As per the provision of Chhattisgarh WP Manual, the dense forests of higher quality, middle and mature age have been kept in Selection cum Improvement (SCI) working circle where activities like assisted natural regeneration and main felling shall be taken up and no plantation is to be taken in rare/blank area. Objective of CA is to fulfill the loss of forest area and density occurred due to diversion of forest land for non-forestry purposes. Keeping this in view, MoEF included in every sanction order the clause to the effect that CA shall be done in equivalent non-forest land or in double area of degraded forests. The APCCF, CAMPA, while approving the APO of 2009-10 (February 2010) also instructed that CA shall only be taken up in degraded forest areas.

During scrutiny of the sanction files, Working Plan, Project Reports, Plantation Reports and Financial Progress Reports of CA works in the office of the PCCF (CAMPA wing), we noticed that sanctions were given for CA in seven compartments of SCI working circle of three divisions<sup>16</sup>. Accordingly, the works of plantations under CA was taken up in SCI working circle as detailed in the following table:

(₹ in lakh)

Division	Comp. No.	Year of CA	Details of forest in Compartment (hec.)				Approval by State CAMPA		Amount spent
			Sal + Mixed	Others	Under stock	Total	Area sanctioned (hec.)	Amount sanctioned	
Dharamjaigarh	554	2009-10	153.945	5.727	33.521	193.193	45.00	24.03	24.48
	383		332.630	0.000	0.000	332.630	50.00	24.00	24.50
	124		234.739	0.000	0.000	234.739	50.00	27.48	28.21
East Raipur	553		74.010	0.000	0.000	74.010	50.00	22.14	21.48
East Surguja	3300	2010-11	167.630	141.750	0.000	309.380	50.00	22.70	20.99
	2806	2011-12	325.580	87.310	0.000	412.890	50.00	33.75	31.02
	2700		177.350	52.650	0.000	229.950	25.00	16.88	13.28
Total			1465.884	287.437	33.521	1786.792	320.00	170.98	163.96

(Source: Information furnished by the Department)

<sup>16</sup>

Dharamjaigarh, East Raipur and East Surguja



Since the above mentioned forest compartments have been kept in SCI working circle of respective divisions and the area in these compartments were also covered with dense forests, the execution of CA in these compartments in total disregard to the provisions of the WP manual and instructions of the APCCF, CAMPA led to unfruitful expenditure of ₹ 1.64 crore besides non-fulfillment of objectives of CA.

The Government informed (September 2013) that as per the provisions of National Working Plan Code, plantations can be undertaken in all the circles where areas eligible for plantations are available. The original stock in these areas at the time of preparation of WPs was normal which may deplete with the passage of time. All the seven sites were physically verified by two ACFs posted in State CAMPA. As per their reports, the density in the areas planted was below 0.4 i.e. they were rare forests. In the sites of East Surguja, plantations were carried out removing the encroachments while in East Raipur Division, plantations were taken up keeping in view the chances of encroachments. Thus, plantations had been taken up in the rare/ blank forest areas as per the provisions of WPs.

We do not agree as the above sites were included in the SCI working circle in the respective WPs approved<sup>17</sup> by GoI. As per paragraph 1.10.8.2 of Chhattisgarh WP manual, even if any rare/blank area was available in SCI working circle, no plantation work can be carried out. Further, according to the instructions issued by PCCF (December 1999) regarding RDF treatment, if the areas under other circles have been converted into degraded forests, the approval for including them into RDF circle would be taken at first instance as it amounts to deviation of WP. Only after that, work shall be carried out in those areas. No such approval for deviation was found to be obtained. Further, report has not been received (November 2013).

#### **8.4.17 Doubtful expenditure on Compensatory Afforestation**

APCCF, CAMPA sanctioned (June 2011) ₹ 1.32 crore to the DFO, East Surguja for plantation under CA on 201.78 hectare land at five sites and released (June 2011) ₹ 91.10 lakh. The DFO was instructed to ensure that CA is carried out in rare/ non-forest area.

During the test check of sanction files, Working Plan, Project Reports, Plantation Reports and Financial Progress Reports in State CAMPA wing (June 2012), we found that above CA work was carried out in five<sup>18</sup> compartments and expenditure of ₹ 87.46 lakh was incurred on this work till March 2013. Further scrutiny of plantation records and vouchers revealed that in Compartment No. 2723, plantation of 55,000 plants (at the rate of 1100 plants per hectare) in 50 hectare area was carried out incurring expenditure of ₹ 22.19 lakh. According to the approved WP of the Division for the period 2006-07 to 2015-16, details of area of the compartment is as follows:

<sup>17</sup> Dharamjaigarh – September 2007, East Raipur – June 2006 and East Surguja - 2003  
<sup>18</sup> Five Compartments:- Compartment No. 2753 - 1.78 hectare, No. 3295 – 50 hectare, No. 3002 – 50 hectare, No. 2723-50 hectare. and No. 3300 - 50 hectare

Comp. No.	Total area	Under stocked/ Blank area	Plantation done before commencement of WP	(Area in hectare)
				Encroached area
2723	81.00	52.43	24.07	4.50

It may be seen from the above table that out of the total area of 81 hectare in the compartment, plantation was done earlier in 24.07 hectare and 4.5 hectare area was encroached. As such, 52.43 hectare blank/under stock area was available for plantation. However, scrutiny of plantation records and vouchers revealed that the division had planted 32,400 plants in whole 81 hectare area of the compartment (at the rate of 400 plants per hectare) and incurred expenditure of ₹ 9.57 lakh in 2006-07 and 2007-08. Consequently, no area was available in the compartment for further plantation. Despite non-availability of area for plantation in the compartment, the DFO incurred expenditure of ₹ 22.19 lakh in 50 hectare area under CAMPA in 2010-11. This raises doubt on the genuineness of the plantation.

The Government informed (September 2013) that as per the provisions of WP, total area of Compartment No. 2723 is 81 hectare. In this area, RDF work was taken up in 2006-07 and 32400 plants were planted in 25.1 hectare area. In 24.07 hectare area of the compartment, there was *Nilgiri* plantation of 1984 and felling was done. After felling, 51.04 hectare area was available for plantation, of which 50 hectare area was planted under CAMPA in July 2012.

We do not agree as the project report was prepared in 2006-07 for treatment of 81 hectare area with plantation. The plantation report (2007) of the division confirms that the 32400 plants planted in 81 hectare of the Compartment No. 2723 and also expenditure was incurred by the division on 81 hectare. Further, DFO informed (September 2013) that felling of *Nilgiri* plantation was done in 2010-11. However, as the stumps existed after felling which were to be treated for regeneration work in the next year. Thus, plantation was not possible due to availability of stumps in the area where felling was done in preceding year. Also, as per the allotment order of APCCF, CAMPA (June 2011), plantation should be carried out in blank/ rare area.

## II: Expenditure under Net Present Value (NPV) Fund

### 8.4.18 Expenditure from NPV fund in contravention of the guidelines of State CAMPA

The objectives and core principles envisaged in the guidelines issued by MoEF (July 2009) provide for using the funds for appropriate arrangement of conveyance for officials at cutting edge level (forest range level) during inspections and protection duty and providing residential accommodation to the field staff. During the third meeting of National CAMPA Advisory Council (NCAC) (24 June 2010), MoEF, the Chairman emphatically ruled that CAMPA funds cannot be used for creating infrastructure at the headquarters of the Forest Departments in the States. However, these funds could be used for strengthening of infrastructure at cutting edge level at Range Offices and below. The CEO, CAMPA in MoEF, while transferring money to the State CAMPA, Chhattisgarh in September 2011 had also clearly stated that purchase of vehicles shall be permitted only for forest range level and below. Also, expenditure on construction/ renovation/ repairs of any office/

residential building above range level and expenditure on eco tourism activities shall not be permitted. While issuing funds to Chhattisgarh State CAMPA for the APO year 2012-13, the CEO, CAMPA had prohibited (August 2012) the purchase and maintenance of vehicles from CAMPA fund. APCCF, CAMPA had also instructed (October 2011) that expenditure on procurement and maintenance of vehicles of supervisory staff and trucks for production purposes shall be met from the regular budget of the Forest Department.

During test check of the records at State CAMPA, we found that the Department incurred expenditure of ₹ 12.31 crore (September 2010 to March 2013) in contravention of the guidelines, instructions etc. issued by the MoEF, NCAC and State CAMPA as detailed in the following table:

Nature of irregularity	Description	Amount (₹ in crore)
Irregular procurement and maintenance of vehicles	It was observed that 23 vehicles like Ambassador, Tata Manza, Toyota Etios and Tata Safari cars costing ₹ 1.30 crore were purchased between September 2009 and February 2012 and used by the officials posted at Headquarters in contravention to the objectives and core principles of State CAMPA guidelines as well as the decisions of NCAC and MoEF. Thus, expenditure of ₹ 1.30 crore incurred on purchase of these vehicles was in contravention of the guidelines of CAMPA.	1.30
	It was observed (June 2013) that in the year 2012-13, expenditure of ₹ 2.75 crore was incurred on making of bodies, maintenance, running expenses of buses as well as trucks procured for production purposes and on maintenance of cars/ jeeps, vehicles for supervisory staff etc. which was in contravention to the instructions of GoI and Departmental orders. Thus, the above expenditure of ₹ 2.75 crore incurred from CAMPA fund was irregular.	2.75
Irregular expenditure on creation of infrastructure	Sanction of ₹ 5.28 crore was made for construction of buildings above range level against which expenditure of ₹ 4.04 crore was incurred ( <i>as detailed in Appendix 8.10</i> ). Since, the guidelines and instructions from MoEF prohibit expenditure on infrastructure work above range level, expenditure of ₹ 4.04 crore incurred on creation of infrastructure was irregular.	4.04
Irregular expenditure on Eco-tourism activities	The State CAMPA accorded sanction of ₹ 7.52 crore in 2011-12 and 2012-13 for construction of Interpretation Centre in Barnawapara Wildlife sanctuary, Survey and construction of Boundary wall at <i>Jungle Safari</i> in Naya Raipur and Chain link fencing and Boundary wall at Lamni Park in Jagdalpur and incurred expenditure of ₹ 4.22 crore ( <i>as detailed in Appendix 8.10</i> ). Since the guidelines and instructions of MoEF prohibit expenditure on eco-tourism activities, the sanction of ₹ 7.52 crore was irregular.	4.22
<b>Total</b>		<b>12.31</b>

The Government informed (September 2013) that in the guidelines issued by MoEF (July 2009), there is no mention of level of officers for whom vehicles are to be purchased and residential and official buildings would not be constructed for officers above Range level. As per the decision taken by the



Governing body under the Chairmanship of Chief Minister, vehicles were purchased for Supervisory officers in 2009-10 and 2010-11 and sanction was given for 18 residential and office buildings for DFOs and three hostels. After receipt of instructions from MoEF in September 2011 imposing restrictions on purchase of vehicles and construction of buildings for officers above range level, no vehicles were purchased and no building was constructed for officers above the range level. The Government also stated that MoEF did not impose any restriction on Eco-tourism activities while sanctioning funds for APOs for the years 2009-10 and 2010-11. The restriction was first imposed in September 2011 by MoEF and thereafter no sanction was made for Eco-tourism in APO of 2011-12.

The fact remains that despite mention in the guidelines (July 2009) and instructions of NCAC (June 2010) for strengthening the infrastructure at range level and not using CAMPA fund for creating infrastructure at State Forest Headquarters, funds were used for purchase of vehicles for officers posted at Headquarters and construction of buildings above range level. Also, expenditure was incurred on the above works even after receipt of instructions from CEO, CAMPA (September 2011) restricting the purchase of vehicles and construction of buildings above range level and eco-tourism activities. Further, the notice inviting tender (July 2013) issued by DFO, Bastar for supply of toy train for Lamni Park, confirms the execution of eco-tourism activities there.

#### 8.4.19 Special Species plantation under State CAMPA

The State CAMPA, Chhattisgarh made provisions for plantation of special species in forests. In its APOs from 2009-10 to 2012-13, State CAMPA had allotted ₹ 13.57 crore for plantation of identified special species on 3,195 hectares. During scrutiny of the records relating to special species plantations, several irregularities were noticed which are discussed in the succeeding paragraphs.

##### 8.4.19.1 Plantation of species other than those prescribed

The APCCF (CAMPA), Chhattisgarh, Raipur had instructed (May 2010) that under the special species plantation, plants of locally important species like *Bija*, *Saja*, *Mahua*, *Harra*, *Baheda*, *Kusum* and *Chirounji* etc. shall be planted.

The APCCF, State CAMPA allotted (April 2011) ₹ 95.89 lakh for special species plantation in 265.30 hectares in Bastar division. The division incurred expenditure of ₹ 69.20 lakh on plantation of 1,06,120 plants in 265.30 hectares area of Compartment No. 1856. Scrutiny of records revealed that

instead of planting approved special species, the division planted medicinal plants, *Satavar* (79,590) and *Giloy* (25,530) in July 2011. Thus, the funds provided for plantation of special species were diverted for plantation of timber and medicinal plants for which the State CAMPA sanctions funds separately. This resulted in irregular expenditure of ₹ 69.20 lakh.

The Government informed (September 2013) that *Giloy* and *Satavar* were planted in Compartment No. 1856 of Bastar Forest as there was no such restriction in 2010-11. Though, instructions have been issued (December 2011) to select timber species for special species plantations.

We do not agree as APCCF, State CAMPA had instructed (May 2010) all Conservator of Forest about type of species to be planted under the Special species plantation. *Giloy* and *Satavar* plants were not included in these instructions.

#### 8.4.19.2 Plantation without availability of land

Paragraph 8.11.3 of WP Manual envisages that plantation shall be taken up in the blank area where density is upto 0.2. The PCCF has also instructed (December 2010) that plantation shall be taken up in the area having density 0.2 or below. Plantation shall not be taken up in the areas having sufficient coppice regeneration.

During scrutiny of records, we noticed that the State CAMPA sanctioned (April 2011) an amount of ₹ 1.21 crore for plantation of special species in 190 hectares of six

compartments in Rajnandgaon Division. Of these, plantation was carried out in 50 hectares area in one compartment (No. 510) and expenditure of ₹ 21.19 lakh was incurred till March 2013. As per the WP and records of plantation in the division, the status of compartment before plantation was as follows:

Comp. No.	Total area of the Compartment. (hectare)	Details of plantations done earlier		
		Year	Area (hectare)	No. of plants
510	336.70	2006	193.00	77,200
		2007	155.00	96,875
		<b>Total</b>	<b>348.00</b>	<b>1,74,075</b>

It may be seen from the above table that against the total area of 336.70 hectares of the compartment, plantation was carried out in 348 hectares and 1,74,075 plants were planted in 2006 and 2007. As such, there was no space available in the compartment for further plantation. However, 20,000 plants of special species were planted in 2011 in 50 hectares area under State CAMPA which was not possible. Thus, expenditure of ₹ 21.19 lakh, incurred on special species plantation was doubtful.

The Government informed (September 2013) that Compartment No. 510 having total area of 348.125 hectares, had been kept in the Rehabilitation of Degraded Forests circle of Rajnandgaon Division where total area is blank/under stock. In 2006 (54.04 hectare) and 2007 (155 hectare), 1,74,075 plants were planted in 209.04 hectare area. After taking above plantation, 139.085 hectares area was available in that compartment. In the year 2011, *Aonla* and *Bel* plantation had been taken up in 50 hectares of the remaining areas.

We do not agree as the plantation was taken up in 193 hectares in 2006 and 155 hectares in 2007. Also, the plantation report mentions plantation of 1,74,045 plants in the whole area of the compartment in the year of 2006 and 2007 and the expenditure was also incurred on treatment of 348 hectare against the 209.04 hectare area of the compartment. Thus, any rare/ blank area was not available in the compartment for further plantation.

### 8.4.19.3 Excess expenditure on pit digging for special species plantation

As per paragraph 8.11.1 of the WP Manual, plantation shall be done in the areas which are not naturally deficient of vegetation. Also, plantation will not be done in rocky areas.

The schedule of job rates for forestry works in Raipur circle does not have the rates for pit digging of size 60 cm X 60 cm X 60 cm. However, in schedules of other adjoining circles (Bilaspur, Surguja and Durg), job rate for pit digging of size 60 cm X 60 cm X 60 cm in rocky area has been fixed at the rate of 12 mandays per 100 pits.

The APCCF, State CAMPA allotted (January 2013) ₹ 82 lakh for un-irrigated Kullu plantation in 100 hectares area in four compartments of three ranges of Raipur Division. During scrutiny of the sanction files, Working Plan, Project reports, Plantation reports and financial progress reports, we

observed that for Kullu plantation, 19,676 pits were dug in February-March 2013 and expenditure of ₹ 21 lakh was incurred which works out to ₹ 106.83 per pit. However, as per the prevailing labour rates in Raipur District, expenditure on pit digging should have been ₹ 21.48 per pit<sup>19</sup>. Thus, digging of pits at higher rates resulted in excess expenditure of ₹ 16.77 lakh.

The Government informed (September 2013) that hill/ rock area plantation model has been prepared under State CAMPA on experimental basis and in first phase, 100 hectares area in Raipur Division was proposed for plantation of *Kullu*, *Bargad* and *Peepal*. Pits were dug in such areas by breaking the rocks. The areas, being rocky and non-availability of rates for digging of pits of size 60 X 60 X 60 cms, work was executed at the rates prescribed in the Schedule of Rates of Rural Engineering Services.

We do not agree as the WP manual restricts the plantation in rocky area. Also, the rates for digging pits of size 60 X 60 X 60 cms have been fixed in Schedule of job rates in other circles<sup>20</sup> which could have been used. Further, the rates prescribed in SOR of RES are for digging of foundation in construction of buildings, roads etc. and are not applicable for pit digging for plantation.

### 8.4.20 Preparation of plants under State CAMPA

Chhattisgarh State CAMPA set the target for preparation of 2 crore plants in the APO 2009-10 (September 2010) and 2.08 crore plants in APO 2010-11 (April 2012). During scrutiny of records in the office of the APCCF (State CAMPA wing) (June 2013), we noticed that from 2010-11 to 2012-13, funds amounting to ₹ 15.60 crore were sanctioned for preparation of 4.08 crore plants and up to March 2013, expenditure of ₹ 12.91 crore was incurred on preparation of 3.30 crore plants.

<sup>19</sup> 
$$\frac{12 \text{ man days} \times ₹ 178.69 \text{ (Prevailing labour rate in Raipur)}}{100} = ₹ 21.48 \text{ per pit}$$

<sup>20</sup> Bastar, Bilaspur, Durg, Kanker and Surguja

Scrutiny of the records relating to preparation of plants in the State CAMPA Headquarters and test checked divisions revealed irregularities relating to preparation of plants without any plan of their usage and expenditure on preparation of plants at the rates higher than those fixed by the Department as discussed in the succeeding paragraphs.

#### **8.4.20.1 Preparation of plants without assessing their utilisation**

- It was observed that the Department prepared 1.59 crore plants and incurred expenditure of ₹ 8.36 crore in 2010-11. No mention was made in the sanction orders regarding the plan for the utilisation of these plants. Though, DFO, Research and Extension Division, Raipur (June 2012 and June 2013) and DFO, Research and Extension Division, Jagdalpur (April 2011 and May 2012) had asked for instructions on utilisation of prepared plants but no specific instructions were given by the APCCF, State CAMPA in this regard. Evidently, the State CAMPA had no plan for utilisation of those plants. As a result, 64.37 lakh plants remained unutilised after the rainy season of 2011 and expenditure of ₹ 1.05 crore was incurred on their upkeep till the next rainy season in 2012. Further, after the rainy season of 2012, 44.64 lakh plants still remained in the nurseries. Despite this, the Department sanctioned an amount of ₹ 5.60 crore for preparation of 2.08 crore plants in April 2012 without ascertaining the utilisation of the remaining plants of 2010-11.

Thus, lack of prudent planning by the State CAMPA for the preparation of plants and their timely utilisation resulted in blockage of ₹ 3.35 crore<sup>21</sup> besides avoidable expenditure of ₹ 1.05 crore as well as non-utilisation of 44.64 lakh plants even after the lapse of more than two years after preparation.

- Similar scrutiny of the sanction files, plant preparation reports and financial progress reports (July 2013) revealed that the Research and Extension Division, Raipur prepared 20 lakh plants and incurred expenditure of ₹ 1.40 crore on preparation of plants. The Division had reported (June 2012) to the CF, Raipur that preparation of plants had been completed and if not utilised, these plants might die. The Division further reported (June 2013) that out of 20 lakh plants, only 12,59,029 plants were distributed and 7,40,971 plants were still remaining in the nurseries of which only 30 per cent (2,22,292 plants) are alive and available for use. This confirms that there was avoidable expenditure on preparation of plants, which did not survive in the absence of proper utilisation. This is substantiated from the facts that 5,18,679 plants died and expenditure of ₹ 36.31 lakh incurred on preparation of these plants had been rendered wasteful.

The Government informed (September 2013) that work of preparation of plants was taken up on the basis of decision taken by the Governing body and the Steering Committee of State CAMPA so that high quality plants can be

---

<sup>21</sup>

44.64 lakh plants X ₹ 7.50 (rate at which sanction was given) = ₹ 3.35 crore

made available at the time of plantation. Of the prepared plants, 3.30 crore plants have been used in different schemes up to March 2013.

The fact remains that sanction was accorded for preparation of 4.08 crore plants up to March 2013 against which the department had prepared 3.30 crore plants. Of these, only 1.15 crore plants were used till March 2013 and 2.15 crore plants remained in the nurseries. However, no reply was furnished with regards to the expenditure incurred on upkeep of plants remained un-utilised in nurseries as well as wasteful expenditure on the plants died due to lack of planning.

#### 8.4.20.2 Preparation of plants at the higher rates

The PCCF had fixed (December 2009) the norms of ₹ 7.50 per plants for High-tech bamboo plantation. Further, the PCCF had also fixed (October 2010) maximum rate for the preparation of plants for Bamboo and mixed plantations at ₹ 4 per plant.

APCCF, State CAMPA, sanctioned (September 2010) ₹ 4.50 crore for preparation of 60 lakh plants for bamboo and mixed plantations. The Department incurred expenditure of ₹ 4.06

crore in preparation of 54.60 lakh plants. However, as per the norms fixed by the PCCF, maximum expenditure to be incurred on preparation of these 54.60 lakh plants should have been ₹ 2.18 crore. Thus, non-pursuance of Departmental norms fixed for preparation of plants resulted in excess expenditure of ₹ 1.88 crore<sup>22</sup>.

In five test checked divisions<sup>23</sup>, expenditure of ₹ 2.22 crore was incurred on preparation of 30 lakh plants. As per norms fixed by the PCCF, maximum expenditure to be incurred should have been ₹ 1.20 crore. Thus, non-pursuance of Departmental norms fixed for preparation of plants resulted in excess expenditure of ₹ 1.02 crore.

The Government informed (September 2013) that two rates were sanctioned for plant preparation, ₹ 7.50 per plant for high quality plants of two years age and ₹ 4 per plant for plants of one year age. As per the decision taken by the Steering Committee, work of preparation of high quality plants of two years age was taken up at the rate of ₹ 7.5 per plant.

We do not agree as the norms fixed by the PCCF (December 2009) are related to high-tech plantations which are for preparation of one year age plant at rate of ₹ 7.50 per plant. Also, in the sanction order for preparation of plants, no mention was made that the plants were to be prepared for high-tech plantations and of two years age. It was also observed that DFO, South Surguja prepared five lakh bamboo plants at the rate of ₹ 4 per plant.

<sup>22</sup>	Expenditure incurred on preparation of 54.60 lakh plants (Bamboo & mixed)	= ₹ 4.06 crore
	Maximum expenditure to be incurred as per norms fixed by PCCF (54.60 lakh X ₹ 4)	= ₹ 2.18 crore
	Excess expenditure incurred on preparation of plants	= ₹ 1.88 crore

<sup>23</sup> Bilaspur (Research and Extension), Katghora, Korba, Raipur (Research and Extension) and Rajnandgaon



### 8.4.20.3 Non realisation of value of plants supplied to other schemes

Office of the PCCF (State CAMPA Wing) issued (March 2012) instructions to all CF that cost of plants prepared under State CAMPA and used in departmental and other schemes shall be remitted to State CAMPA as revenue receipts.

During scrutiny of the sanction files, plant preparation reports and financial progress reports of DFO, Research and Extension Division, Bilaspur (July 2013), we noticed that the State

CAMPA had sanctioned (September 2010) ₹ 1.13 crore for preparation of 15 lakh plants. The Division incurred expenditure of ₹ 1.12 crore in preparation of 15 lakh plants. Of the above plants, only 2,16,500 plants were used in the plantations under State CAMPA and remaining 12,83,500 distributed to the beneficiaries in two departmental schemes<sup>24</sup> in rainy season of 2012. The cost of ₹ 96.26 lakh of these plants was recoverable from above mentioned schemes. However, no action was taken by the Department to remit the amount to CAMPA fund till the date of audit.

The Government informed (September 2013) that value of plants shall be recovered from the respective schemes. Further reply has not been received (November 2013).

### 8.4.21 Application of higher rates for forest cleaning works

As per Rule 9 of Chhattisgarh Financial Code, Volume I, every Government servant, while making expenditure from public funds, should observe same diligence as he applies while spending his personal money.

During test check of the records of the APCCF, State CAMPA (June 2013), we observed that work of relocation of Nawapara and Latadadar villages from Barnawapara sanctuary was taken up under State CAMPA and sanctioned ₹ 10.30 crore and ₹ 7.57 crore respectively for construction

of houses and levelling of land for agriculture work. The project report of the relocation work was prepared and sanctioned (January 2012) by the DFO, Raipur. The item of PWD SOR “*Jungle cleaning including removal of small plants, shrubs and trees having girth up to 30 cm to the extent of 50 cm outside the area*” under the relocation work was included in the project report of levelling of land for agriculture work. The rate for above item (*jungle cleaning*) was fixed at ₹ 2.15 per square meter in project report by the division (January 2012). On scrutiny of payment vouchers of relocation of Nawapara village we noticed that the *jungle* cleaning work was done in 22,20,000 square meters area under the work of levelling of land and expenditure of ₹ 1.02 crore was incurred from January 2013 to March 2013 at the rate of ₹ 4.60 per square meter instead of at the rate of ₹ 2.15 provided in the project report.

<sup>24</sup> Hariyali Prasar Yojna (2,83,500 plants) and Paudha Praday Yojna (10,00,000 plants)

Thus, application of higher rates led to excess expenditure of ₹ 54.39 lakh<sup>25</sup> for *jungle* cleaning works.

The Government informed (September 2013) that PCCF ordered (December 2012) that the Schedule of Rate (SOR) of RES was to be used in Departmental construction works. Accordingly, the cleaning work was executed at the rates of SOR of RES since December 2012. Before that, rates in the SOR of PWD as applicable from June 2009 were used. Thus, the incurred expenditure was correct and as per rules.

We do not agree as the rates for the above stated work in the project was ₹ 2.15 per square meter only and hence the work was to be done as per the approved project report. The projects of this work were prepared and sanctioned at the rates of SOR of PWD as the rates in the SOR of RES was not in force at that time. The instructions of PCCF issued in December 2012 were applicable for new works taken after December 2012. Moreover under the relocation of Latadadar village, similar works were being carried out by another Range Officer of same division at the rate of ₹ 2.15 per square meter in the nearby village during the same period. Further reply has not been received (November 2013).

#### **8.4.22 Irregular payment to vehicle owners for using unregistered vehicles in Government works**

As per Section 39 of Motor Vehicle Act, 1988, no person shall drive any motor vehicle and no owner of a motor vehicle shall cause or permit the vehicle to be driven in any public place or in any other places unless the vehicle is registered and the vehicle carries a registration mark displayed in the prescribed manner.

APCCF, State CAMPA accorded sanction (June 2013) of ₹ 29.83 crore for relocation of three villages from Barnawapara sanctuary. Against this, expenditure of ₹ 19.54 crore was incurred (January 2012 to March 2013). During scrutiny of vouchers of the

above work, we noticed that the works of levelling and construction of boundaries of the agricultural lands were done through private vehicles/ JCB machines and payment of ₹ 1.89 crore was made to the vehicle owners. These vehicles were not registered with the Transport Department and did not carry registration mark in the prescribed manner. As such, these vehicles were not eligible to ply on the road. However, the payments were made to the vehicle owners mentioning "SOLD" in the payment vouchers instead of registration marks. Thus, engagement of vehicles ineligible to ply on the roads in the Government works led to irregular payment of ₹ 1.89 crore.

The Government accepted (September 2013) the audit observation and informed that clear instructions have been issued to all the DFOs for indicating registration numbers on the payment vouchers at the time of payment. Further report has not been received (November 2013).

<sup>25</sup>

Area 22, 20,000 sqm. X (₹ 4.60 - ₹ 2.15) = ₹ 54,39,000

### 8.4.23 *Jungle Safari*

As per Rule 8 of Chhattisgarh Finance Code, expenditure shall be incurred only after having sanction from competent authority and sufficient fund for that purpose.

Further, PCCF, Chhattisgarh has instructed (October 2012) that Departmental projects for construction works shall be prepared on the basis of Schedule of Rates (SOR) of Rural Engineering Services (RES) and accordingly the payments shall be made. As per the SOR of RES (April 2012), rate for "Collection of hard moorum with Stacking" is ₹ 119 per cubic meter. Also, while making payments for moorum collection, voids shall be deducted at the rate of 20 *per cent*.

APCCF, State CAMPA accorded sanction (June 2013) of ₹ 4.96 crore and released ₹ 3.81 crore (till May 2013) to DFO, Raipur for construction of Green Boundary wall. During scrutiny of records of the above work, we noticed the following irregularities:

- The above fund of ₹ 3.81 crore was given for construction of boundary wall. However, expenditure

of ₹ 2.40 crore was incurred (March 2013) on construction of Parking Zone, Administrative Zone, Monument Zone and Inauguration site from the above allotment. These works were neither sanctioned by the Steering Committee nor were included in the APO 2012-13 forwarded to GoI for approval. Thus, the expenditure of ₹ 2.40 crore was irregular.

- During execution of the works of Parking Zone, Administrative Zone, Monument Zone and Inauguration site, 28,071.80 cubic meter moorum collection work was done at the rate of ₹ 262.20 per cubic meter as against the rate of ₹ 119 per cubic meter as per SOR of RES (April 2012). Thus, collection of moorum at higher rates led to excess expenditure of ₹ 40.20 lakh<sup>26</sup>.
- During scrutiny of the payment vouchers of the above mentioned works, we noticed that while making payment for the collection of 28,071.80 cubic meter moorum, deduction of voids of 5,614.20 cubic meter (at the rate of 20 *per cent*) was not made as per the SOR. This resulted in excess payment of ₹ 14.72 lakh and extension of undue benefits to the supplier.

The Government informed (September 2013) that formal administrative approval for Parking Zone, Administrative and Monument Zone as well as levelling of proposed area and deepening of Khandwa Reservoir have not been issued and is under consideration. In respect of deduction of voids, the Government replied that payments have been made after deducting voids more than 30 *per cent* on the moorum transported.

The reply itself confirms that State CAMPA issued the Administrative approval for construction of wall only but other works were taken up without

<sup>26</sup> 28,071.80 cum. X (₹ 262.20 - ₹ 119.00) = ₹ 40,19,882



having sanction from the competent authority. The voids were to be deducted on the moorum collected instead of moorum transported. The Government did not furnish any reply regarding collection of moorum at higher rates.

#### 8.4.24 Inadequacies in maintenance of records

As per para 8.3.4 of Chhattisgarh Working Plan Revision Manual, 2012, details of felling in the forest lands diverted for non-forestry purposes and plantation and other activities carried out in forest areas under CA and NPV funds shall be entered in Compartment History (CH) and kept up to date. Also, separate Plantation/ Nursery Journals shall be maintained for each activity carried out in forest area.

During scrutiny of records of works executed under the CAMPA fund in the test checked Divisions, we noticed that the details of felling of trees in the diverted forest land were not entered in the corresponding

CHs. Further, no entries of plantation and other activities carried out in the forest areas under CAMPA head were also found entered/ updated in the CHs. Plantation Journals/ Nursery journals in respect of works under CAMPA fund were not found maintained/updated for the works already carried out in the forest areas.

The Government informed (September 2013) that the records in the proper formats are being prepared and updated which are being seen by the Indian Institute of Forest Management (IIFM), Bhopal the external monitor. The mention of plantations in forest areas are also being updated in the Compartment Histories. Necessary instructions have been issued for maintenance of records as per the provisions. Due to shortage of manpower, records could not be updated timely.

#### 8.4.25 Monitoring and Evaluation

The Steering Committee in its meeting (May 2012) decided that web based monitoring shall be started immediately through Forest Management Information System (FMIS). Also, internal manual monitoring shall be undertaken as per the established procedures in the Department. Further, external monitoring shall be started from third year of plantations under CA, NPV plantations etc. for independent and unbiased evaluation. To ensure transparency, all information relating to State CAMPA shall be made available on website of Forest department.

In the APOs of 2009-10, 2010-11 and 2012-13, ₹ 4.30 crore was allotted for Monitoring and Evaluation. However, up to March 2013, expenditure of only ₹ 18 lakh (4.19 per cent) was incurred. We observed that internal manual monitoring of the works under State CAMPA as per the departmental procedures was done. Non-utilisation of funds was due to non-execution of Memorandum of Understanding (MOU) with independent agency for monitoring and evaluation of works executed under State CAMPA. The delay in executing the MOU resulted in non-execution of timely monitoring and evaluation of the works executed between 2009-10 and 2012-13.

The Government informed (September 2013) that MOU has been signed (May 2013) with Indian Institute of Forest Management, Bhopal for monitoring and evaluation of works done between 2009-10 and 2011-12.

#### **8.4.26 Conclusion**

During the course of Audit, we noticed that despite abundant availability of the revenue land in the State for CA, user agencies were granted permissions for diversion of forest land with condition to execute the CA on degraded forest land.

Forest land was being used by the Private Company, Public Sector Undertaking as well as the Department for non-forestry purposes in violation of Forest Conservation Act.

Revenue land received from user agencies was not notified as Reserved Forest/ Protected Forest.

The cost of CA was recovered from the user agencies at lower rates due to erroneous calculation of rates. NPV was not collected as per the guidelines issued by the Hon'ble Supreme Court and MoEF.

State CAMPA did not utilise the funds sanctioned for various activities. Compensatory Afforestation plantations were carried out beyond prescribed norms.

Expenditure was incurred on purchase and maintenance of vehicles, creation of infrastructure and eco tourism activities in contravention of the guidelines and instructions issued by the MoEF.

Lack of planning by the Department resulted in undue delay in sanction, preparation of plants without ascertaining their utilisation etc.

The norms, rates, procedures etc. as fixed by the Department for the forestry works could not be implemented in the works executed under the State CAMPA which led to irregular/ excess expenditure in activities of relocation of villages, *Jungle Safari*, special species plantation etc.

The records of works executed in the forest area were not maintained in accordance with the provisions of WP manual. Due to delay in execution of MoU, the monitoring and evaluation of the works could not be ensured.

#### **8.4.27 Recommendations**

The Government may consider ensuring:

- the execution of CA in revenue land earmarked by the Government for this purpose;
- the use of forest land for non-forestry purposes only after compliance of all the conditions imposed by GoI and obtaining final approval from the GoI;
- expeditious finalisation of mining renewal cases pending at various levels and effectively control the execution of mining activities in those areas;

- fixing a time frame for notification of the revenue land received from user agencies as forest land;
- existence of a suitable mechanism for raising demands for NPV, CA etc. in accordance with the provisions of FC Act and in consonance with the records available with the Department;
- implementation of the norms, rates etc. as fixed for the forestry works by the Department in the works performed under CAMPA fund; and
- maintenance of the records of the works executed under CAMPA as prescribed in the WP manual.

## 8.5 Audit observations

*We scrutinised the records of various Divisional Forest Offices (DFOs) and found several cases of non-observance of the provisions of the Acts/Rules/Government notifications/ instructions leading to unfruitful, avoidable irregular expenditure etc. as mentioned in the succeeding paragraphs in this chapter. These cases are illustrative and are based on a test check carried out by us. Such omissions on the part of the DFOs are pointed out by us each year, but not only do the irregularities persist, these remain undetected till an audit is conducted. There is need for the Government to improve the internal control system so that such omissions can be avoided.*

## 8.6 Unfruitful expenditure on plantation work

*Hariyali prasar yojana* was introduced in the year 2005-06 with the objective to develop wasteland, encourage agro-forestry, improve the economic condition of villagers and develop ecological system. Under the scheme, plants were to be provided to the willing farmers (beneficiary of the scheme) and expenditure on raising the plants and plantation (except pit digging) was to be borne by the Forest Department. Grants were to be given to the beneficiaries at the rate of ₹ one per plant for first two years for the maintenance of the plants. The beneficiary farmers were to be selected through local *Gram Panchayats*/Joint Forest Management Committees and species would be selected as per their consent. Such plantations will be entered in the land records as per the provisions of Land Revenue code.

During test check of the Sanction files, form 7<sup>27</sup>,

Departmental correspondence files etc. of plantation of two Divisions<sup>28</sup>, we found (November 2012) that CF, Bastar circle allotted (between 2007-08 and 2010-11) ₹ 88.08 lakh for plantation of 18 lakh plants under *Hariyali prasar yojana*. It was seen that the Division had planted 17.86

plants in the private land of 2,531 beneficiaries. The status of plantation and survival of plants is detailed in the following table:

(₹ in lakh)

Name of Division	No. of plants planted (year of plantation)	No. of farmers	Allotment	Expenditure incurred	Survived plants (reporting year)	Percentage of survival
Bastar	7,95,804 (2008-09)	1,829	28.58	41.45	2,30,065 (2009-10)	29
Research & Extension Centre, Jagdalpur	9,90,671 (2010-11)	702	59.50	59.58	99,920 (2011-12)	10
<b>Total</b>	<b>17,86,475</b>	<b>2,531</b>	<b>88.08</b>	<b>101.03</b>	<b>3,29,985</b>	

<sup>27</sup> Statement of monthly expenditure of division.

<sup>28</sup> Bastar Division and Research and Extension Centre, Jagdalpur

It may be seen from the above table that the divisions incurred expenditure of ₹ 1.01 crore on plantation of 17.86 lakh plants on the land of 2,531 beneficiaries farmers in the rainy season of 2008 and 2010 respectively. Out of this, only 3.30 lakh plants survived in the next year of plantation. During further scrutiny of records, we did not find anything on record regarding selection of species as per the consent of the beneficiaries as required under the guidelines of the Scheme. No record was produced to audit regarding entering the plantations in the land records as per Land Revenue Code. As a result, the genuineness of the plantation could not be ascertained. Thus, the Department did not implement the Scheme as per the guidelines which resulted in high mortality of the plants ranging between 71 and 90 *per cent* and unfruitful expenditure of ₹ 82.89 lakh<sup>29</sup>.

After this was pointed out in audit (November 2012), the Government replied (August 2013) in respect of DFO, Research and Extension Centre, Jagdalpur that 9,90,671 plants were planted in agriculture lands of 1,912 beneficiaries. In 2011-12, the calculation of alive plants was done on the basis of sample of 702 beneficiaries and 99,920 plants were found alive. In 2012-13, plants were counted in the land of remaining 1,210 beneficiaries and 3,19,409 plants were found alive. Thus, 4,19,329 plants were alive which was 42 *per cent*. Plants died due to natural reasons and non-maintenance by the beneficiaries. DFO, Bastar replied that plants died due to natural calamities and other reasons. Expenditure on the preparation and plantation of healthy plants is not unfruitful.

Reply is factually incorrect in respect of Research and Extension Centre, Jagdalpur, as only 702 beneficiaries were selected for plantation of 9,90,671 plants. As per the verification report submitted by the DFO to the CF, against 9,90,671 plants, only 99,920 plants were alive in 2011-12. Further, no records were produced to audit regarding selection of willing farmers and species as per their consent. Also, the reports on survival of plants submitted by these Divisions to the higher authorities do not mention the reasons for high mortality of the plants.

## 8.7 Avoidable expenditure on regeneration work

Working Plan (WP) of East Surguja Division provides that the alive stumps in the main felling coupes of the Improvement Working Circles (IWC) shall be marked, felled and dressed in the course of main felling in that coupe. Further, as per the orders of PCCF (November 2011), Natural Regeneration work (Singling, protection and soil conservation) shall be taken up in main felling coupes of Improvement Working Circle of previous year.

During test check of the Sanction files and Form 7 of the DFO, East Surguja, Ambikapur we found (June 2012) that the CF, Surguja allotted (November 2011) ₹ 32.01 lakh for regeneration of 3201.12 hectares at the rate of ₹ 1000 per

<sup>29</sup> Unfruitful expenditure = (₹ 1,01,02,228/17,86,415 plants) X died plants 14,65,81  
= ₹ 82,88,970

hectare of IWC<sup>30</sup> where trees were marked and felled in the course of main felling in the previous year. The DFO incurred expenditure of ₹ 31.94 lakh for the regeneration work in 3145.03 hectares area in 26 coupes. However, as per the statement of the timber production in the division for 2010-11, we found that in 1594.10 hectare area of eight compartments<sup>31</sup> out of the 26 coupes, no trees were marked and felled and 35,122 stumps were only dressed. Hence, further regeneration work was not required to be carried out in these coupes in 2011-12 as no tree was felled there and all the stumps had been dressed in the course of main felling in 2010-11. Thus, expenditure of ₹ 15.93 lakh incurred on the regeneration work in those eight coupes in 2011-12 is doubtful (as detailed in *Appendix 8.11*)

After this was pointed out, the Government replied (August 2013) that main felling had been carried out in 2010-11 in those eight compartments. No tree was felled and only the stumps were marked and exploited there. After felling, expenditure was incurred on regeneration work including Cut Back Operations (CBO), singling etc. as per the norms in 2011-12.

We do not agree as the norms fixed by the PCCF require regeneration in the coupes where main felling had occurred in the preceding year. Since, there was no felling of trees and only stumps had been dressed during the course of main felling in 2010-11, no regeneration work was required to be carried out in the following year i.e. 2011-12.

## 8.8 Avoidable expenditure on rehabilitation of degraded forests

As per paragraph 8.11.3 of WP manual, plantation work will be taken up in the area having density less than 0.2 and plantation in rare areas will be carried out only if they are free from biotic pressure. In the norms prescribed by the Principal Chief Conservator of Forests (PCCF) for treatment of degraded forests without plantation, it was mentioned that the work of RDF (without plantation) was to be taken up only if, at the first instance of inspection, it is found that the area could be covered with forest by means of CBO of the stumps having coppices so that plantation was not required in the subsequent years.

During test check of the Sanction files, Form 7 and plantation reports of the Divisional Forest Officer (DFO), Bastar Division, we found (November and December 2012) that during the period 2008-09 to 2011-12 expenditure of ₹ 30.83 lakh was incurred on the rehabilitation of degraded forest (without plantation) work in 576.91 hectare of Compartment No. 1307

and 1335 as detailed in the following table:

<sup>30</sup> **Improvement Working Circle (IWC)** - Consists of forests of mature and middle age requiring protection and conservation. Treatments like thinning of trees, soil and water conservation etc. are undertaken for conservation of them.

<sup>31</sup> Compartment Number- 2665, 2941, 2691, 3070, 3126, 3160, 3505 and 3445



(₹ in lakh)

Comp. No.	Total area (hectare)	Treated area (hectare)	Period of work	Sanctioned amount	Expenditure incurred
1307	320.73	320.73	2008-09 to 2011-12	17.64	17.64
1335	256.18	256.18	2009-10 to 2011-12	13.20	13.19
<b>Total</b>	<b>576.91</b>	<b>576.91</b>		<b>30.84</b>	<b>30.83</b>

It may be seen from the above table that whole area of two compartments was treated between 2008-09 and 2011-12. Therefore, there was no further scope for any type of treatment work (i.e. with plantation, without plantation) in these compartments.

Further scrutiny of plantation reports of DFO, Bastar Division revealed that after treatment of the total area of above compartments, further plantation works were carried out in 80 hectare in Compartment No. 1307 and 50 hectare in Compartment No. 1335 between 2011-12 and 2012-13 and expenditure of ₹ 31.36 lakh and ₹ 14.09 lakh respectively was incurred.

As treatment under the Rehabilitation of Degraded Forest in the 576.91 hectares was earlier carried out between 2008-09 and 2011-12 keeping in view the abundant availability of root stock, there was neither any scope nor any requirement for further plantation. The Range Officer had also mentioned in the project reports (September 2008 and September 2009) that density in these compartments was 0.4 to 0.5 and the area was under biotic pressure. Thus, further plantation work (2011-12 to 2012-13) carried out in 130 hectare area incurring an expenditure of ₹ 45.45 lakh<sup>32</sup> was avoidable.

After this was pointed out, the Government replied (August 2013) in respect of Compartment No. 1307 that enough blank areas were available in the compartment after execution of rehabilitation work and plantation was taken up in 50 hectare and 30 hectare area in 2011-12 and 2012-13 respectively. In respect of Compartment No. 1335, it was stated that RDF (without plantation) work was carried out in 200 hectare area in 2009-10 and 56 hectare area was remained untreated. The plantation was taken up in 50 hectare area in 2010-11.

We do not agree as total area of both compartments had already been treated without plantation work under Rehabilitation of Degraded Forest between 2008-09 and 2011-12 therefore, no area was available in these compartments for any type of treatment work. In addition, plantation work was carried out in these compartments which had density 0.4 to 0.5 on which plantation was not required to be undertaken under the provision of Working Plan Manual.

<sup>32</sup>

Comp. No.	Working year	Plantation (in hectare)	Expenditure (₹ in lakh)
1307	2011-12 to 2012-13	80 (50 + 30)	31.36 ( 21.76 + 9.60 )
1335	2011-12 to 2012-13	50	14.09
<b>Total</b>		<b>130</b>	<b>45.45</b>

## 8.9 Irregular expenditure from Calamity Relief Fund

Calamity Relief Fund (CRF), as directed (June 2005) by Government of India (GoI) shall be used only for meeting the expenditure for providing immediate relief to the victims of cyclone, drought, earthquake, fire, flood, tsunami, hailstorm, land slide, avalanche, cloud burst and pest attack. The expenditure on restoration of damaged infrastructure and capital assets should be met from the normal budgetary heads, except when it is to be incurred as part of providing immediate relief. Also, the provision for disaster preparedness and mitigation needs to be built into the State plans and not as a part of calamity relief. Further, Ministry of Home Affairs, GoI, vide its letter dated 27 June 2007, again directed the State Governments to ensure that the expenditure from CRF is incurred as per the approved items and norms only.

Divisional Forest Officer (DFO), Jagdalpur submitted (November 2009) proposal for works amounting to ₹ 8.75 crore to the Collector, Bastar under CRF scheme. During the test check of the proposals, cash book, payment vouchers and project reports of the DFO, we noticed (November 2012) that the proposal submitted by the DFO included works of Soil and water conservation and forest development and Construction of stop dams on *nallas* which

were neither in the approved list of CRF nor any immediate necessity was exhibited in proposal documents. The nature of above works were of regular works of the Department for which budget is sanctioned annually by the State Government. However, the Collector sanctioned (June 2010) the amount against the above proposals. Accordingly, the DFO executed the works and incurred expenditure of ₹ 7.71 crore on two works from CRF in violation of the instructions of GoI and was thus irregular.

After this was pointed out in audit (November 2012), the DFO replied that proposals were sent to the Collector under Calamity Management Scheme and the same was approved by the State Government.

We do not agree as work on soil and water conservation, forest development and construction of stop dams were not meant to provide immediate relief to the victims of any calamity. Further, only those works which were listed under Calamity Relief Fund by Government of India were to be classified as calamity relief work but in these cases the Department executed works which did not fall under this category.

The matter was reported to the Department and the Government (June 2013). We have not received their replies (September 2013).

**Raipur**  
**The**

**(PURNA CHANDRA MAJHI)**  
**Accountant General (Audit)**  
**Chhattisgarh**

**Countersigned**

**New Delhi**  
**The**

**(SHASHI KANT SHARMA)**  
**Comptroller and Auditor General of India**