

CHAPTER-VI FOREST RECIEPTS

6.1 Tax administration

The Principal Chief Conservator of Forests (PCCF) heads the Forest Department under the administrative control of the Principal Secretary (Forests) who is assisted by eight Conservators of Forests (CFs) in 37 territorial divisions. Each CF controls the exploitation and regeneration of forest activities being carried out by divisional forest officers (DFOs) under their control. Each DFO is in-charge of assigned forest related activities in his territorial division.

6.2 Results of audit

In 2012-13, test check of the records of 15 units relating to forest receipts showed non / short recovery of royalty, non-levy of interest / extension fee and other irregularities involving ₹71.97 crore in 100 cases, which fall under the following categories in the Table 6.1 below.

Table 6.1

(₹ in crore)			
Sr. No.	Particulars	Number of cases	Amount
1.	Non / short recovery of royalty	14	11.08
2.	Non-levy of interest	07	1.70
3.	Non-levy of extension fee	01	0.02
4.	Other irregularities	78	59.17
Total		100	71.97

During the course of the year, the Department accepted underassessment and other deficiencies of ₹52.97 lakh in 109 cases which were pointed out in earlier years. An amount of ₹49.84 lakh was realised in nine cases during the year 2012-13.

A few illustrative cases involving non-realisation of Government revenue of ₹4.14 crore are discussed in the following paragraphs:

6.3 Illicit felling of trees

As per instructions of the State Government (April 1951), a damage report in order to take cognizance of a forest offence is required to be prepared / issued immediately by the beat forest guard. In case the offender is unknown, an immediate Damage report (DR) is required to be made and got signed by the nearest *lambardar* or influential person. The RO is required to investigate the cases and forward to the DFO for assessment of compensation or sanction of prosecution. Further, as per the instructions of the PCCF HP, the Block officer / RO are required to inspect the forests from time to time and take effective steps against illicit felling and report the matter to the higher authorities for taking action. DRs are required to be issued and got signed from the offenders, if known. The cases are to be registered with the police.

Audit noticed (between February 2013 and March 2013) from the "Register of offence cases" that 1,172 trees of various species having standing volume of 352.720 cu.m. were illicitly felled and taken away by the offenders. Audit scrutiny further showed that neither Damage Reports (except in one case) were issued nor any FIR had been registered with the police in any of these forest offence cases. The cases of illicit felling could not be detected by the field functionaries immediately after offence was committed. Thus, laxity in timely detection of the offences on the part of the field staff and reporting them to the police resulted in short seizure of 333.497 cu.m of standing volume of timber as against 352.720 cu.m., illicitly felled and taken away by the offenders. This resulted in loss of revenue to the tune of ₹94.69 lakh as per details given in **Table 6.2:**

Table 6.2

								₹ in lakh	
Division / Forest Range	Offence detected by / date	Name of forest / roads	No. of trees (various species)	Total standing volume	Seized by field staff	Not seized by field staff	Value of timber not seized	Remarks	
Chamba / Bharmour (Wild Life)	Public / 2012-13	Gowari and Tundah DPF	14	20.65	14.746	5.904	2.38	No DR was issued	
Karsog	Unknown / between 2010-11 and 2011-12	Chattri to Janjehli, Narrash to Begu, Sushan to Gwalpur and Sainj to Nanj	89	105.186	NIL	105.186	35.84	DR had been issued in one case. Cases for diversion of forest land for non-forestry use had not been sent to MOEF / GOI.	
Rampur Rampur	Unknown / between 2006-07 and 2010-11	Nanan to Dharoli road	1004	205.246	NIL	205.246	43.44	Case sent for approval for diversion of land by XEN PWD belatedly was rejected (October 2011) by MoEF NR Chandigarh	
Shimla / Bhajji, Dhami, Tara devi & Koti	Unknown / 2011-12	Different forests	65	21.638	4.477	17.161	13.03	DR had not been issued in any of the cases.	
Total			1172	352.72	19.223	333.497	94.69		

The omissions were pointed out to the Department and to the Government in April 2013. The replies have not been received (November 2013).

6.4 Blocking of revenue due to non-disposal of seized timber

Section 52 of Indian Forest Act (IFA) provides for seizure of property liable to confiscation. As per departmental instructions of April 1951, either the seized timber or forest produce should be kept in the *spurdagi* (safe custody) of a *sapurdar*¹ or with the concerned field staff after it is accounted for in Form-17². The timber / forest produce so accounted for is required to be disposed off after the offence has either been compounded or matter has been decided by the court. The PCCF instructed (April 1999) all the Conservator of Forests (CFs) that where the *spurdagi* of forest produce is taken for unduly long period, the concerned investigating officer should be asked to procure the orders of competent court for auctioning the seized property within 15 days, to minimise expenditure on watch & ward and deterioration / pilferage of such produce.

Audit scrutiny of timber forms of four divisions³ between September 2011 and February 2013 showed that in eight Ranges, the Department had seized, during April 2008 to March 2012, timber measuring 276.687cu.m. The value of seized timber at market rates of 2011-12 worked out to ₹1.42 crore⁴ including VAT of ₹17.14 lakh. Audit scrutiny further showed that the seized timber was lying in various depots of the Department without any record to indicate whether the concerned DFOs / investigating officers had taken any concrete steps or obtained the orders of Court to dispose of the seized timber within the time limit. Thus, non-disposal of seized timber not only resulted in blocking of revenue to that extent but also incurrence of expenditure on watch and ward and further deterioration of timber. No periodical return had been prescribed at the apex level to monitor the quantity of timber seized / disposed of.

After this was pointed out in audit (February 2013), the DFO, Kullu stated that the said timber would be confiscated after completing codal formalities and active action was in progress. The reply is not acceptable because the departmental officials did not take any timely action to dispose of seized timber.

The matter was reported to the Department and the Government between October 2011 and March 2013. The reply has not been received (November 2013).

6.5 Non-Crediting of departmental charges

As per instructions of PCCF, Himachal Pradesh, issued in May 2004, departmental charges at the rate of 17.5 *per cent* were to be charged in the case of Compensatory Afforestation (CA) schemes to cover the establishment and infrastructure charges of the Department. As per PCCF letter of March 2003,

¹ A *lambardar* or any reliable person of a place

² Register of forest produce seized

³ Kotgarh, Kullu, Lahaul Spiti and Nahan

⁴ Kotgarh: vol: 33.458 cu.m ₹0.16 crore, Kullu: vol: 209.315 cu.m ₹1.10 crore, Lahaul Spiti: vol: 23.951 cu.m ₹0.13 crore and Nahan: vol: 9.963 cu.m ₹0.03 crore

the amount realised on account of the departmental charges was to be deposited as revenue of the department instead of depositing it in CA head.

Audit noticed in March 2013 from the records of Joginder Nagar forest division that the division had realised ₹37.47 lakh on account of CA inclusive of departmental charges of ₹5.58 lakh in respect of two cases of diversion of forest land for non-forestry purposes. The departmental charges so realised, were credited in CAMPA⁵ account instead of revenue head of the Government. Thus, non-credit of departmental charges in the Government account resulted in understatement of revenue to that extent.

The matter was reported to the Department and the Government in April in 2013. The reply has not been received (November 2013).

6.6 Non-realisation of revenue due to illegal construction of roads on forest land

The approval for diversion of the forests land for non-forestry purposes is granted by the GoI / MoEF, in favour of the user agency on payment of a specified sum in the form of net present value. As per the State Government's instruction of September 1991, the cost of trees standing on the forest land diverted for non-forestry purposes is to be recovered from the user agencies before handing over the area to them, in whose favour the approval for transfer of the forest land has been granted by the GoI. The standing trees coming in the alignment of a project to be undertaken by the user agency are marked and handed over to the Himachal Pradesh State Forest Corporation for exploitation. Besides, according to the instructions issued (April 1951) by the Himachal Pradesh Administration, in order to take cognizance of a forest offence, a damage report (DR)⁶ is required to be prepared/ issued immediately by the Forest Beat Guard for offence committed and DR got accepted from the offender. In case, where offender escapes arrest on the spot, an immediate report is required to be made and got signed by the nearest *lambardar* or an influential person. The police help may also be sought in case of serious offences under the Indian Forest Act (IFA), 1927, involving prolonged investigation.

Audit scrutiny, between February and March 2013, of the records of offence cases of two DFOs⁷ showed that HPPWD had constructed six roads without the prior approval of MoEF / GoI for the diversion of forest land for non-forestry purpose during the years 2006-07 and 2011-12 on 14.57 *hectare* of forest land. The field functionaries of forest department could not detect / stop the unauthorised construction of roads carried out by the HPPWD for years together. In three cases neither any DR was issued nor cases were registered with the police. Only in one case a damage bill for ₹4.95 lakh was raised against HPPWD by the department but its acceptance and recovery was pending till March 2013. However, on the requests of HPPWD the department in three

⁵ Compensatory Afforestation Fund Management and Planning Authority

⁶ DR contains date and time of offence, name and compartment of forest, details of damage, name / age and address of offender as well as of witnesses or of nearest village *lambardar*, if any.

⁷ Karsog and Rampur

cases applied for approval to MoEF / GoI who rejected (between 19.10.2011 and 26.04.2012) the grant of approval after conducting site inspections. Thus, inaction on the part of department to detect and stop illegal construction of roads at the initial stages and initiate appropriate action as provided in the Act and instructions, resulted in enormous environmental loss, breakage of forest land, destruction of plantation besides, loss of ₹1.01 crore on account of Net Present Value (NPV) which otherwise was payable to the department in all the approved cases of transfer of forest land for non-forestry purposes. The departmental charges of ₹22.31 lakh were also leviable on the NPV.

(ii) Further audit noticed in January 2012 from the records of Nachan Forest Division that the HPPWD had constructed a road after obtaining the approval of GoI / MoEF. The Block Officer Daher of Forest Range, Thachi, conducted an enquiry and reported (April 2011) that 1,878.932 cu.m of muck excavated by the contractor during construction of road, was not disposed of in the earmarked sites and was illegally dumped in the forest area which is an offence under the Indian Forest Act. Audit scrutiny showed that the field functionaries of the department did not detect and stop the illegal dumping of muck and no damage report was issued against the PWD contractor during commission of offence. However, damage bill of ₹6.22 lakh had been issued (May 2011) which had no sanctity in the absence of DR and its acceptance by the offender. Thus, without chalking out the DR, recovery of damage bill could not be ensured and enforced in the Court of law for recovery. The chances of recovery of damage bill were bleak, consequently causing a loss of revenue of ₹6.22 lakh to the state exchequer.

The matter was reported to the Department and the Government between March and April 2013. The reply has not been received (November 2013).

6.7 Non / Short levy of interest on belated payment of royalty

The Pricing Committee (PC), constituted by the HP Government to determine the rates of royalty, terms and conditions for exploitation of resin blazes⁸, standing trees and other forest produce by the Himachal Pradesh State Forest Development Corporation (HPSFC) from time to time, in its meeting held in February 2005, decided that the HPSFC would pay interest at the rate of nine *per cent* per annum if payment of royalty instalments on resin blazes is not made by 15 September and 15 December. No interest shall be charged if the payment is made within the grace period of 90 days, otherwise HPSFC is liable to pay interest from the due date of payment of royalty.

Audit scrutiny of the lot files and details of payment of royalty etc., of three DFOs, in March 2013 showed that 4,16,847 resin blazes were handed over to HPSFC for exploitation during tapping season 2008 to 2012. Royalty aggregating to ₹154.80 lakh was payable in equal instalments by the HPSFC on 15th September 2008 and 15th December 2008 for tapping season 2008 and 15th September 2012 and 15th December 2012 for tapping season 2012. Royalty amounting to ₹66.61 lakh was paid late and ₹88.19 lakh had not been paid up to 31 March 2013. The delay in payment of royalty ranged between 107 and 742

⁸ A mark of cut on *Chil* trees to tap resin

days. Interest of ₹7.74 lakh at the rate of nine *per cent* per annum though leviable was not / short levied by the Department as per details given in the table 6.3:

Table: 6.3

							₹ in lakh
Sr. No.	Name of division	Years of exploitation / No. of blazes	Delay (in days) in payment of royalty	Amount of royalty	Interest leviable / levied	Non / short levy of interest	Royalty paid between
1.	Mandi	2008 / 1,21,000 were tapped out of 1,37,612	363 and 740	33.52	4.04 / nil	4.04	13 September 2009 and 25 September 2010
2.	Joginder Nagar	2008 / 1,19,475	179 and 742	33.09	2.45 / 2.07	0.38	13 March 2009 and 27 September 2010
3.	Karsog	2012 / 1,76,372	107 and 198	88.19	3.32 / nil	3.32	unpaid upto 31 March 2013
Total		4,16,847		₹154.80	₹9.81 / 2.07	₹7.74	

The matter was reported to the Department and the Government in April 2013. The replies have not been received (November 2013).

6.8 Irregular deletion of resin blazes

After nationalisation of forest working, resin tapping work of resin lots rests exclusively with the Corporation, being the sole agent for the purpose. The PCCF vide instructions dated May 2000, had directed all the DFOs that the proposal for deletion of blazes be prepared by the respective DFOs by the end of the tapping season (latest by 15th December) every year, so that the approval of the CF is obtained well before the commencement of the ensuing tapping season (15th March).

Audit noticed (between February and March 2013) from the resin blazes records of four divisions⁹ that 62,771 resin blazes were not handed over for tapping to Corporation during resin tapping seasons of the year 2008, 2010, 2011 and 2012. The prior requisite approval of the CF to delete these blazes had not been obtained. Thus, the deletion of blazes without seeking prior approval of CF was irregular which resulted in loss of revenue of ₹34.63 lakh. On being pointed out, the DFOs did not furnish any reply.

The matter was reported to the Department and the Government in April 2013. The replies have not been received (November 2013).

⁹ Karsog, Mandi, Shimla and Renukaji