

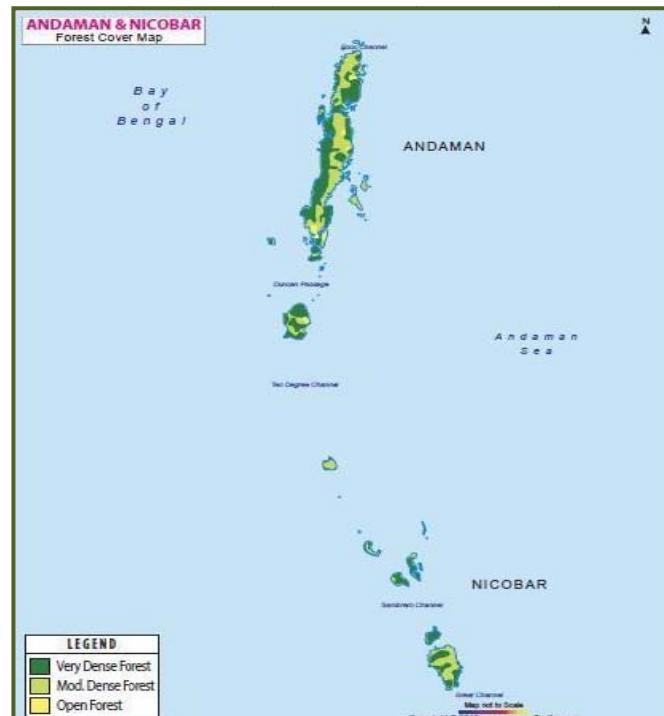
Chapter - VII

State/Union Territory Specific Findings

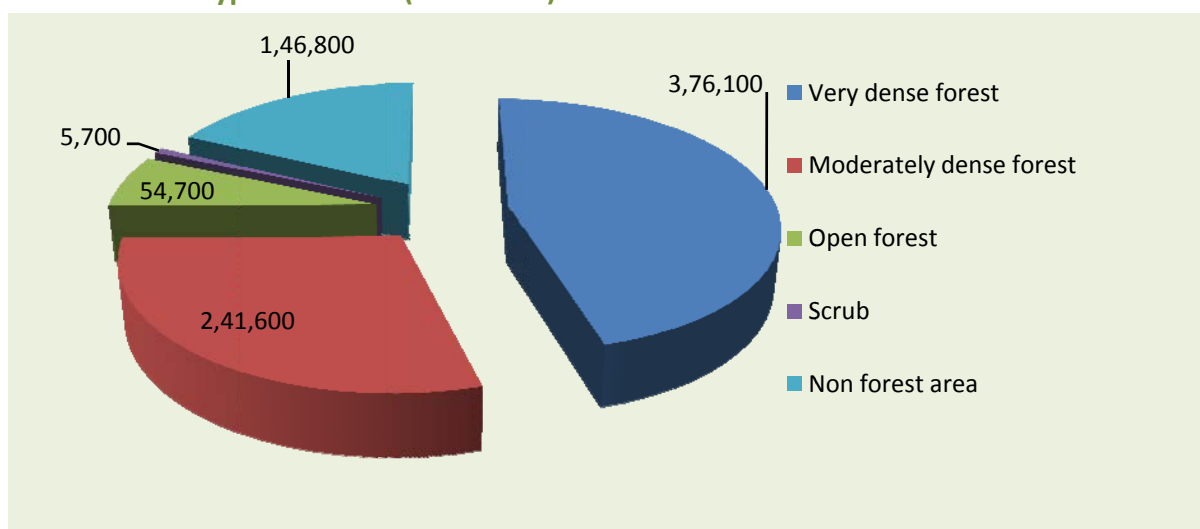
Andaman & Nicobar

1. Background¹

The total geographical area of Andaman & Nicobar is 8,24,900 hectare. Based on the interpretation of satellite data of December 2008- December 2009, the forest cover in the State was 6,72,400 hectare which was 81.51 *per cent* of the State's geographical area. In terms of forest canopy density classes, the State had 3,76,100 hectare of area under very dense forest, 2,41,600 hectare of area under moderately dense forest and 54,700 hectare of area under open forest. Compared with the previous assessment of 2009, the forest cover showed a marginal increase of 6,200 hectare in the 2011 assessment.



Forest cover – Types of forest (in hectare)-2011



¹Source: India State of Forest Report 2011 published by Forest Survey of India.

2. Compensatory Afforestation Fund of the State

State CAMPA was constituted in August 2009. Funds remitted by State CAMPA to Ad-hoc CAMPA, funds released by Ad-hoc CAMPA to State CAMPA and expenditure incurred there against during the period 2006-07 to 2011-12 were as detailed below.

(₹in crore)

Year	Amount transferred to Ad-hoc CAMPA	Amount received by State CAMPA from Ad-hoc CAMPA during 2009-12	Expenditure incurred by State CAMPA	Accumulation of funds with State CAMPA ²
2006-12 ³	11.27	1.89	0.69	1.20

As can be seen from the table, in compliance with the orders of the Supreme Court, 17 per cent of the total Compensatory Afforestation funds remitted by State CAMPA to Ad-hoc CAMPA were released between 2009-12. Of ₹1.89 crore released against APOs, 63 per cent remained unutilised, leading to accumulation of funds with State CAMPA. Funds of ₹ 0.11 crore were not remitted by State CAMPA to Ad-hoc CAMPA and were deposited in State Government account.

APO for the year 2010-11 was submitted after a delay of one year and APO for the year 2011-12 was submitted in June 2012 i.e. after the lapse of the financial year. The expenditure incurred by State CAMPA was 37 per cent of the total amounts released by Ad-hoc CAMPA for the years 2009-12. Therefore concerns remain on the absorptive capacity of the State considering that ₹ 22.98 crore (including interest) are accumulated with Ad-hoc CAMPA in the Compensatory Afforestation Fund for the State (31 March 2012) and can be released only for specified forestry related activities.

3. Receipts into State CAMPA

The cases of non recovery/short recovery of NPV/CA/PCA etc. in Andaman & Nicobar that came to the notice of audit are given below. The gist of these cases is also given in table 26 and 27 in Chapter 3.

(₹in crore)

Sl. No.	Description	Amount
1	The Supreme Court revised the rate of NPV in March 2008. Test check revealed that in five cases, NPV was not collected at revised rates. Ministry stated (April 2013) that action had been initiated for the recovery of NPV from user agencies.	0.04
2	In Nicobar forest division, revenue land allotted to the Indian Navy for establishment of Defence Signal Intelligence Unit at Lal Tekri had a forest canopy of 0.8 ha classified as deemed forest and 485 naturally growing trees	1.15

² Cumulative amount at the end of the year lying unutilised with State CAMPA out of the funds released by Ad-hoc CAMPA 2009 onwards.

³ The year wise details of amount released by Ad-hoc CAMPA and the expenditure incurred by State CAMPA were not made available to audit

Sl. No.	Description	Amount
	were to be felled. Proposal for diversion was sent to MoEF and it was approved in January 2007. However, NPV of ₹ 1.15 crore due from the user agency was not included in the proposal. Ministry (April 2013) accepted the lapse.	
3	In two cases of South Andaman division, CA of ₹0.10 crore was short realized from user agency due to application of incorrect rates of CA. Ministry stated (April 2013) that action was being initiated for the recovery of CA from user agencies.	0.10
4	In one case of Nicobar division while sending the proposal to MoEF, 8.43 ha forest land in Great Nicobar Island was diverted in April 2012 for construction of North-South road from Shastri Nagar to Indira Point. The report of the division classified the density of forest land to be diverted between 0.5 and 0.8, i.e., eco class-I with eco value- very dense forest. However, on receipt of approval, the division applied the rate of eco class-I with eco value- dense forest (density from 0.1 to 0.4). This resulted in short- assessment and short recovery of NPV of ₹0.09 crore. Ministry stated (April 2013) that NPV of 0.09 crore had been realised from user agency in March 2013. Thus, NPV was recovered at the instance of audit.	0.09
5	No norms were fixed by MoEF /State Government for recovery of cost of CA from user agencies. In the absence of prescribed norms, CA was recovered from various user agencies on the basis of current price index, without taking price escalation into consideration. Ministry stated (April 2013) that it would not be possible to prescribe any norms for recovery of cost of CA. The reply of the Ministry is not tenable as the norms for the cost of CA had been prescribed by the other State Governments.	
	Total	1.38

4. Utilisation of CAMPA funds

4.1 Irregularities in utilisation of funds.

(₹in crore)

Sl. No.	Nature of irregularity	Description	Amount
1	Irregular expenditure on a project without approval of APO	State CAMPA had undertaken a project for establishment of city forest at Aberdeen village on revenue land in Port Blair and incurred an expenditure of ₹0.13 crore out of CAMPA funds in the year 2010-11 without approval of Ad-hoc CAMPA which considered it to be an eco-tourism activity. Ministry stated (April 2013) that expenditure incurred on this project was not totally unfruitful and status report on existing vegetation, contour mapping would be required for raising the suitable forestry species in the project area. The reply of Ministry is not tenable as the project was undertaken without approval of Ad-hoc CAMPA.	0.13

Sl. No.	Nature of irregularity	Description	Amount
2	Unfruitful expenditure on disputed land	In Diglipur forest division, title of non forest land received for CA in lieu of 12 ha forest land diverted for laying 33 KV high tension single circuit transmission line from Kalara junction to Parangara junction in September 2005, was not clear. The CA carried out on non forest land at an expenditure of ₹0.02 crore was encroached by local villagers rendering it unfruitful. Ministry stated (April 2013) that planted area was not encroached and there was no damage to the compensatory afforestation. The reply of Ministry is not tenable as the CA was carried out on the non-forest land not having clear title.	0.02
3	Underutilization of CA funds	Five forest divisions ⁴ could not utilize CA funds provided by state CAMPA during the years 2009-12. The percentage of unspent amount ranged 14.40 to 80.92 <i>per cent</i> in above five divisions during the years 2009-12. Ministry stated (April 2013) that underutilisation of CA fund was due to variation in market prices of stores, procedural delays, remoteness of the CA areas etc. The reply of Ministry is not tenable as the provisions for CA in the APO should have been made after taking into account all relevant factors.	
	Total		0.15

5. Land Management

5.1 Fact sheet

Particulars (2006-12)	
Forest land diverted	As per records of RO ⁵ – 80.48 ha ⁶ As per records of NO – 117.74 ha
Non forest land received in lieu	As per records of RO – 56.88 ha As per records of NO – 112.96 ha
Non forest land short received	As per records of RO – 23.60ha As per records of NO – 4.78 ha
Chief Secretary Certificate on non availability of non forest land attached	No
Area identified for CA as per NO	On degraded forest land – 112.96 ha On Non forest land – 112.96 ha

⁴ Middle Andaman, Mayabunder, Nicobar, Diglipur and Silviculture

⁵ Regional Office (RO) of Ministry of Environment & Forests and Nodal Officer (NO) of State Forests Department

⁶ Excluding exempted projects

Particulars (2006-12)	
Area on which CA done as per NO	On degraded forest land – 37.48 ha On Non forest land – Nil
Received Non forest land transferred/mutated	As per records of RO- Nil As per records of NO – 65.11 ha
Non forest land received notified as reserved/protected forest	As per records of RO- Nil As per records of NO – 26 ha

As is evident from the table, there were un-reconciled variations in the data provided by the Nodal Officer of the State CAMPA and the concerned Regional Office of MoEF. As per the records of RO, forest land diverted for non forestry purposes was 80.48 ha and the non forest land received in lieu thereof was only 71 *per cent* while as per records of NO the figures were 117.74 ha and 96*per cent*, respectively. As per records of RO, no forest land was transferred /mutated in favour of the forest department and notified as RF/PF while as per NO out of 65.11 ha non forest land transferred/ mutated in favour of forest department of which only 26 ha non forest land was declared as RF/PF. As per records of NO, no afforestation was done on non forest land and afforestation done on degraded forest land was 33*per cent* of the area to be afforested.

5.2 Irregularities in land management

Nature of irregularity	Description
Failure to notify non forest land as RF/PF	In two cases, 34.43 ha non forest land received from user agencies in lieu of diversion of forest land during 2006-2012 was not notified as RF/PF as of December 2012. In another case, out of 23.29 ha non forest land received from user agency in lieu of diversion of forest land for construction of North-South Road from Campbell bay to Shastrinagar in Great Nicobar Island during 2006-07, only 22.05 ha non forest land was declared as RF. Thus, 1.24 ha non forest land was not declared/notified as RF as of December 2012. Ministry stated (April 2013) that action was being taken for notifying the non-forest land received in lieu of diversion of forest land.

6. Status of Accounts and audit of State CAMPA Accounts

As per state CAMPA guidelines issued by MoEF, the accounts of state CAMPA were to be audited by the Accountant General at such intervals as may be specified by him. However, State CAMPA did not prepare its annual accounts for the years 2009-10 to 2011-12 in the prescribed format. In the absence of proper accounts, these could not be audited. The State CAMPA did not reconcile the accounts with Ad-hoc CAMPA. There was a difference of ₹ 0.49 crore between the amount remitted by the State CAMPA and the amount actually received by Ad-hoc CAMPA. No action was taken by state CAMPA to reconcile the difference as of

December 2012. It was observed that no separate account under corpus fund for conservation and protection of protected areas was maintained for a sum of ₹1.5 crore received from user agency for diversion of 0.43 ha from Mahatma Gandhi National Park, South Andaman as required in State CAMPA guidelines. Further, as per State CAMPA guidelines, the State Government and the MoEF had the powers to conduct special audit or performance audit of the state CAMPA. However, no such audit was conducted.

Ministry accepted the audit observations (April 2013).

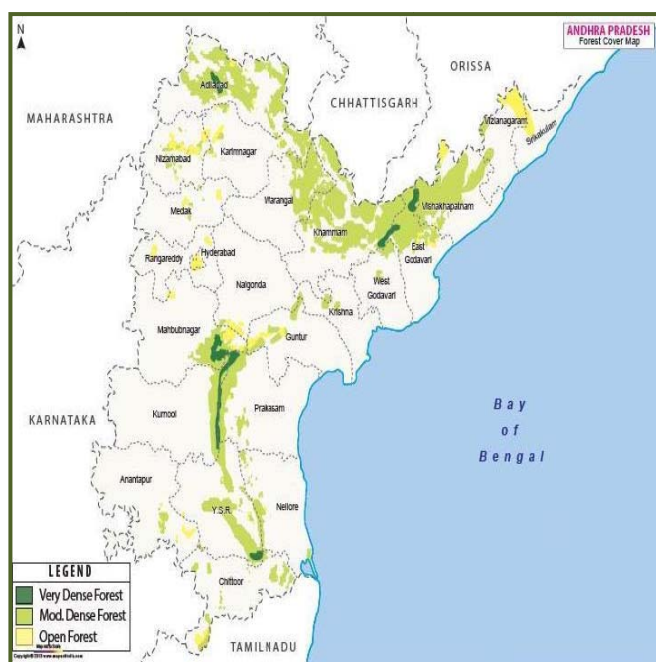
7. Monitoring

As per the state CAMPA guidelines the Steering Committee was to meet twice in a year. The Steering Committee of Andaman & Nicobar CAMPA met three times during 2009-12 as against six times. The Executive Committee met three times during 2009-12. The Governing body did not meet in the years 2009-12.

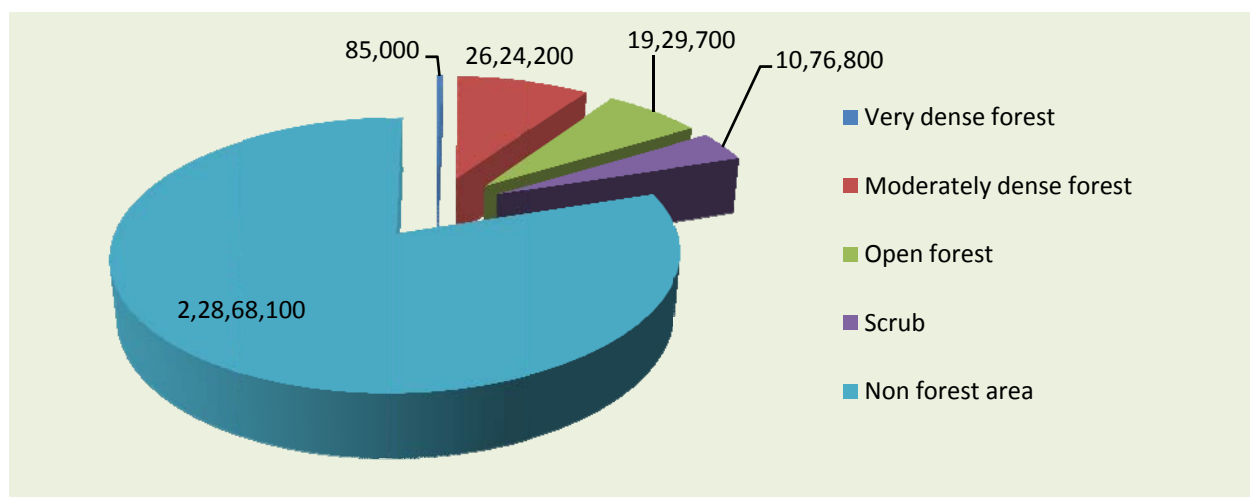
Andhra Pradesh

1. Background⁷

The total geographical area of Andhra Pradesh is 2,75,06,900 hectare. Based on the interpretation of satellite data of October 2008- March 2009, the forest cover in the State was 46,38,900 hectare which was 16.86 *per cent* of the State's geographical area. In terms of forest canopy density classes, the State had 85,000 hectare of area under very dense forest, 26,24,200 hectare of area under moderately dense forest and 19,29,700 hectare of area under open forest. Compared with the previous assessment of 2009, the forest cover showed a decrease of 28,100 hectare in the 2011 assessment.



Forest cover – Types of forest (in hectare)-2011



2. Compensatory Afforestation funds of the State

State CAMPA was constituted in September 2009. Funds remitted by State CAMPA to Ad-hoc CAMPA, funds released by Ad-hoc CAMPA to State CAMPA and expenditure incurred there against during the period 2006-07 to 2011-12 were as detailed below.

⁷Source: India State of Forest Report 2011 published by Forest Survey of India.

(₹ in crore)

Year	Amount transferred to Ad-hoc CAMPA	Amount received by State CAMPA from Ad-hoc CAMPA	Expenditure incurred by State CAMPA	Accumulation of funds with State CAMPA ⁸
2006-07	270.85	Nil	Nil	
2007-08	270.42	Nil	Nil	
2008-09	234.83	Nil	Nil	
2009-10	677.84	89.78	10.87	78.91
2010-11	467.64	120.74	82.83	116.82
2011-12	183.96	118.57	153.56	81.83
Total	2105.54	329.09	247.26	

As can be seen from the table, in compliance with the orders of the Supreme Court, 16 per cent of the total Compensatory Afforestation funds remitted by State CAMPA to Ad-hoc CAMPA were released between 2009-12. Of ₹ 329.09 crore released, 25 per cent remained unutilised, leading to accumulation of funds with State CAMPA.

3. Receipts into State CAMPA

The cases of non recovery/short recovery of NPV/CA/PCA etc. in Andhra Pradesh that came to the notice of audit are given below. The gist of these cases is also given in table 24, 26 and 27 in Chapter 3.

(₹ in crore)

Sl. No.	Description	Amount
1	There were 22 cases ⁹ involving forest land of 1,053.10 ha in which NPV was not collected from the user agencies ¹⁰ to whom in principle approval was granted before October 2002 and the final approval was granted after that.	61.08 ¹¹
2	The Supreme Court revised the rate of NPV in March 2008. However test check of records of Paloncha and Bhadrachalam forest divisions revealed that NPV was not collected from user agency ¹² at revised rates. Ministry stated (April 2013) that at the time of stage-I clearance, the area of 101.81 ha was part of wildlife sanctuary and the area became part of national park only after compliance of stage-I conditions and there was no justification to apply the rate of NPV retrospectively. The reply of Ministry is not tenable as the revised rates of NPV were applicable in all cases where final approval was granted by MoEF after 28 March 2008, for diversion of forest land.	41.42

⁸Cumulative amount at the end of the year lying unutilised with State CAMPA out of the funds released by Ad-hoc CAMPA 2009 onwards.

⁹ As per status report of MoEF issued on 16 March 2012.

¹⁰ NHAI, M/s Prasad seeds Ltd., Vamshadhara Project, SCCL, Ananthapur mining corpn., M/s Amara Raja Batteries Ltd., M/s S. Shankar Reddy, Kakatiya Cement Sugar Industrial, M/s SwamyKasiRatnam, M/s KCP Ltd, M/s NCL Industries, M/s Essar Steels Ltd., M/s Singareni Collieries Company, M/s Tirumala Granites etc.

¹¹Audit estimated the total amount of NPV due in these cases on a conservative basis by applying the minimum rate of ₹5.80 lakh per hectare (1,053.10 x 5.80).

¹²Indira Sagar Polavaram Project

Sl. No.	Description	Amount
3	In Nalgonda forest division while permitting diversion of 377 ha forest land for construction of Pulichintala Reservoir Project in Nalgonda during August-October 2007, 102.80 ha forest land was not included in the initial proposal. This resulted in non-recovery of NPV from user agency besides non providing of non-forest land by user agency. Ministry stated (April 2013) that the additional area of 102.80 ha was still under the control of state forest department and the user agency had also been informed to stop the work immediately. There was ambiguity in the Ministry's reply as on one hand it clarified that additional area of 102.80 ha was under the control of state forest department and on the other, it directed the user agency to stop the work on forest area.	7.20
4	In three forest divisions ¹³ NPV of ₹ 3.86 crore was not realised from the user agencies to whom final approval was granted during 1998 to 2004. Of this amount ₹ 3.46 crore was recovered from user agency and deposited into Ad-hoc CAMPA on 23 November 2012 at the instance of audit. Ministry stated (April 2013) that action for recovery of NPV from user agency or cancellation of mining lease was being taken in these cases.	0.40
	Total	110.10

4. Utilisation of CAMPA funds

4.1 Year wise and component wise breakup of funds allotted to State CAMPA and utilisation of the funds released.

(₹ in crore)

Main-Components	2009-10			2010-11			2011-12		
	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure
NPV¹⁴		64.52	7.28		101.60	73.18		157.93	142.44
Compensatory Afforestation		22.77	3.59		23.37	9.31		11.28	10.52
Protected Area¹⁵		0	0		0	0		0	0
CAT Plan		0	0		0	0		0	0
Other specified activities		0	0		0.34	0.34		0.60	0.60
Total	89.78	87.29	10.87	120.74	125.31	82.83	118.57	169.81	153.56

¹³ Anantapur (Diversion of forest land of 4.00 ha in Mutchukota Reserve Forest of Gooty Range in favour of M/s Mahaboob Minerals Pulivendula), Vishakapatnam (Diversion of 1.88 ha of forest land in Bayyavaram forest block for widening of NH 5) and Eluru (Diversion of 39.27 ha of Reserve Forest land of construction of Reservoir across Kovvada Kaluva in West Godavari District)

¹⁴ NPV is spent on protection, conservation and management of forest

¹⁵ Protected Area Funds is spent on wildlife management

From the table, it is evident that the percentage of expenditure incurred as against the amounts released by Ad-hoc CAMPA was 12 *per cent* in 2009-10 and 69 *per cent* in 2010-11. Further, the implementing agencies could not expend the entire amount released by the State CAMPA in the years 2009-10, 2010-11 and 2011-12. The levels of expenditure were 12 *per cent* in 2009-10 and 66 *per cent* in 2010-11 and 90 *per cent* in 2011-12 when compared with amounts released. APOs for 2010-11 and 2011-12 were approved by the Steering Committee after a delay of five months and funds released in October 2010 for the year 2010-11 and in August 2011 for the year 2011-12. Though the percentage of expenditure had increased progressively over the last three years, concerns remain on the absorptive capacity of the State considering that ₹ 2,359.07 crore (including interest) are accumulated with Ad-hoc CAMPA in the Compensatory Afforestation Fund for the State (31 March 2012) and can be released only for specified forestry related activities.

5. Land Management

5.1 Fact sheet

Particulars (2006-12)	
Forest land diverted	As per records of RO ¹⁶ – 13,566.39 ha ¹⁷ As per records of NO – 14,208.60 ha
Non forest land received in lieu	As per records of RO – 9,512.17 ha As per records of NO – 10,168.63 ha
Non forest land short received	As per records of RO – 4,054.22 ha As per records of NO – 4,039.97 ha
Chief Secretary Certificate on non availability of non forest land attached	No
Area identified for CA as per NO	On degraded forest land – 315.87 ha On Non forest land – NA
Area on which CA done as per NO	On degraded forest land – 1,481.84 ha On Non forest land – NA
Received Non forest land transferred/mutated	As per records of RO- Nil As per records of NO – 2,360.39 ha
Non forest land received notified as reserved/protected forest	As per records of RO- Nil As per records of NO – 230.80 ha

As is evident from the table, there were un-reconciled variations in the data provided by the Nodal Officer of the State CAMPA and the concerned Regional Office of MoEF. As per the records of RO, forest land diverted for non forestry purposes was 13,566.39 ha and the non forest land received in lieu thereof was only 70 *per cent* while as per records of NO the figures were 14,208.60 ha and 72 *per cent*, respectively. As per records of RO, no non forest land was transferred /mutated in favour of the forest department and notified as RF/PF

¹⁶ Regional Office (RO) of Ministry of Environment & Forests and Nodal Officer (NO) of State Forests Department

¹⁷ Excluding exempted projects

while as per NO out of 2,360.39 ha non forest land transferred/ mutated in favour of forest department only 230.80 ha non forest land was declared as RF/PF. As per records of NO, afforestation was done on 1,481.84 ha degraded forest land and no afforestation was done on non forest land.

5.2 Irregularities observed in land management

Sl. No.	Nature of irregularity	Description
1	False reporting of compliance with in principle approval conditions	In Kothagudem forest division taking over of 210.44 ha non forest land in Kadapa forest division in compliance with Stage I condition for diversion of 231.94 ha forest land in favour of Singareni Collieries Company (P) Ltd in 2006 was wrongly reported and based on it Stage II clearance was given. Subsequently, in January 2009 demarcation of boundaries of 210.44 ha could not be done. Ministry stated (April 2013) that user agency had been informed to provide alternative CA land at the earliest.
2	Non declaration of CA land as sanctuary as per orders of MoEF	In Kurnool forest division in March 1993, MoEF granted approval for diversion of 177.47 ha forest land for Srisailam Right Branch Canal with the condition that the character of non-forest land identified for CA should be maintained as habitat for Great Indian Bustard (GIB) and declared a 'Sanctuary'. The user agency provided 246.77 ha non forest land for execution of CA in Rollapadu and Sunkesula villages in Midthur Mandal of Kurnool in 1990 to State Forest Department but it was not declared as sanctuary to be maintained as habitat for GIB as of December 2012. Ministry stated (April 2013) that the concerned forest division had now been instructed to get the area notified as sanctuary under Wildlife Protection Act 1972 within a month.
3	Non raising of canal bank plantations as per orders of MoEF	In Anantapur forest division in November 2006 MoEF granted approval for diversion of 118.71 ha of forest land ¹⁸ for Chitravathi balancing Reservoir canal, with the condition that canal bank plantation shall be undertaken at the project's cost. However, neither an action plan for raising of canal bank plantation was prepared by the forest department nor funds obtained from the user agency (Irrigation Department), as a result no such work was done (December 2012). Ministry stated (April 2013) that action for canal bank plantations were being taken by concerned divisions.
4	Non establishment	In Anantapur forest division in May 2002, diversion of 4.05 ha of forest land in Mutchukota RF was permitted by MoEF on the condition that a

¹⁸110.78 ha in Dadithota RF of Anantapur Division and 7.93 ha in Dorigallu RF of Proddatur Division

Sl. No.	Nature of irregularity	Description
	of green belt as per orders of MoEF	plan for enriching surrounding areas of the cluster of mines by developing green belt/enrichment plantation and SMC ¹⁹ works would be implemented at the cost of all lease holders. However, no such activity was undertaken despite a provision of ₹ 0.04 crore made for the purpose. Ministry stated (April 2013) that green belt plantation would be taken up during the year 2013-14.
5	Transfer of disputed land	In June 1999, MoEF granted approval for diversion of 100 ha forest land in Mancherial Forest Division for mining of lime stone in favour of M/s Orient cement company Limited, which was later revised in favour of M/s AP Mineral Development Corporation. Of the 100 ha non forest land provided by user agency for CA, 40 ha non forest land was identified by forest department as disputed land and under cultivation by the villagers. Ignoring this fact, MoEF granted renewal of lease for a further period of 20 years in June 2009. Ministry stated (April 2013) that the matter was being pursued with the district collector, Adilabad for allotment of alternative CA land of 40 ha.
6	Forest land transferred to Forest Department	339.34 ha of forest land accepted in Srikakulam division for raising CA in lieu of diversion of 567 ha of forest land in favour of M/s Singareni Collieries Company (P) Ltd during the period 2006-08, was subsequently found to be already in the possession of the forest department as un-notified forest blocks with growth stock since 1976. Ministry stated (April 2013) that matter for early notification of CA land of 339.34 ha and raising of CA thereon would be pursued vigorously.
7	Acceptance of already afforested land for afforestation	In Kadapa forest division, the 25.08 acres of purportedly non forest land transferred in lieu of diversion of 6.70 ha forest land in August 2010 for development of Dr. YSR Smruthi Vanam, was found to have been already afforested with red sanders plantation raised during 2007-08 by A.P. Forest Development Corporation at a cost of ₹ 0.17 crore.

6. Status of Accounts and audit of State CAMPA Accounts

Accounts for the year 2009-10 and 2010-11 had been prepared in the prescribed format. Accounts for the year 2011-12 had not been received as of December 2012. Audit of annual accounts for the years 2009-10 and 2010-11 had been completed and Separate Audit Reports on the Accounts were in the process of being finalised (April 2013). Further, as per state CAMPA guidelines, the State Government and the MoEF had the powers to conduct special audit or performance audit of the state CAMPA. However, no such audit was conducted.

¹⁹ Soil and Moisture Conservation

Ministry stated (April 2013) that the formats of account were adopted as prescribed by state forest department and these accounts were also audited by chartered accountants. The fact remains that the accounts were not prepared in the format prescribed by the Accountant General.

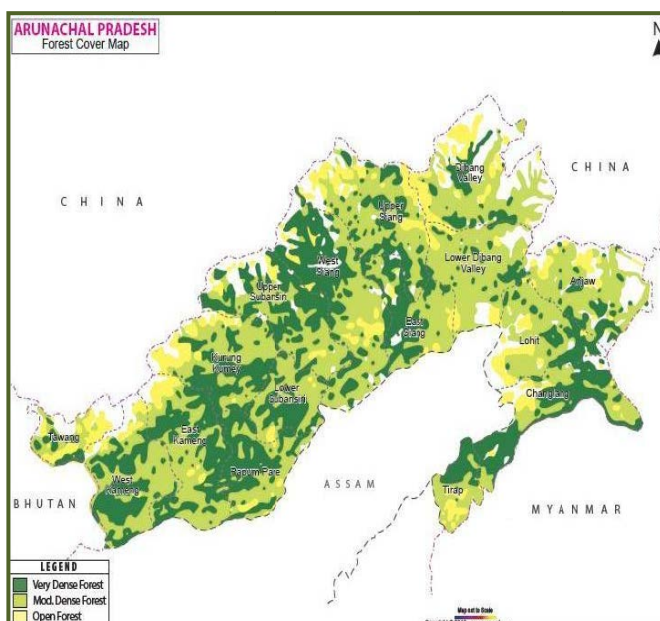
7. Monitoring

As per the state CAMPA guidelines the Steering Committee was to meet twice in a year. The Steering Committee and Executive Committee of Andhra Pradesh CAMPA met three times during 2009-12 as against six times.

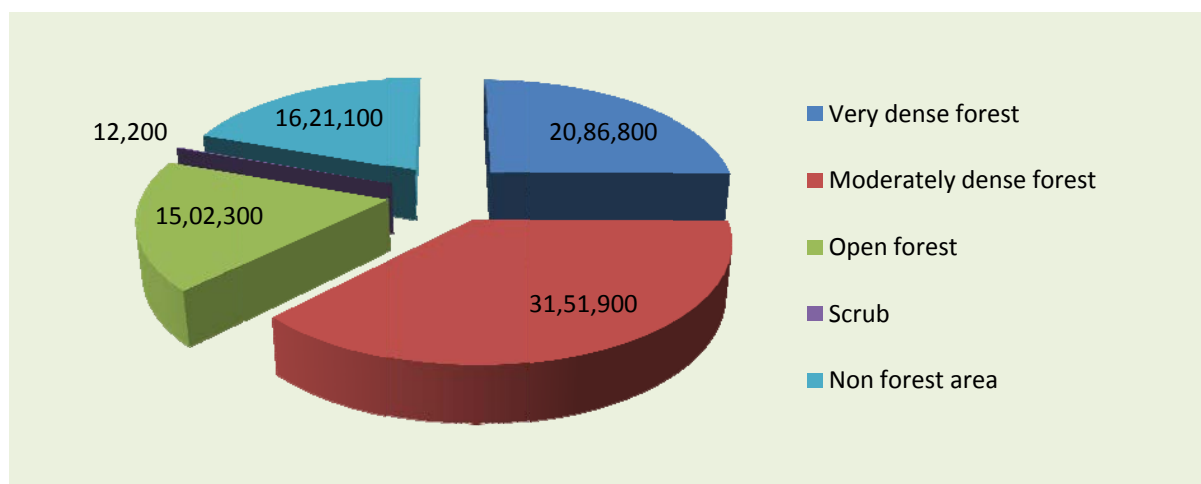
Arunachal Pradesh

1. Background²⁰

The total geographical area of Arunachal Pradesh is 83,74,300 hectare. Based on the interpretation of satellite data of November - December 2008, the forest cover in the State was 67,41,000 hectare which was 80.50 per cent of the State's geographical area. In terms of forest canopy density classes, the State had 20,86,800 hectare of area under very dense forest, 31,51,900 hectare of area under moderately dense forest and 15,02,300 hectare of area under open forest. Compared with the previous assessment of 2009, the forest cover showed a decrease of 7,400 hectare in the 2011 assessment



Forest cover – Types of forest (in hectare)-2011



2. Compensatory Afforestation Fund of the State

State CAMPA was constituted in October 2009. Funds remitted by State CAMPA to Ad-hoc CAMPA, funds released by Ad-hoc CAMPA to State CAMPA and expenditure incurred there against during the period 2006-07 to 2011-12 were as detailed below.

²⁰ Source: India State of Forest Report 2011 published by Forest Survey of India.

(₹ in crore)

Year	Amount transferred to Ad-hoc CAMPA	Amount received by State CAMPA from Ad-hoc CAMPA	Expenditure incurred by State CAMPA	Accumulation of funds with State CAMPA ²¹
2006-07	111.28	Nil	Nil	
2007-08	24.80	Nil	Nil	
2008-09	20.27	Nil	Nil	
2009-10	53.00	Nil	Nil	Nil
2010-11	184.19	34.16	6.53	27.63
2011-12	45.28	41.19	NA ²²	68.82
Total	438.82	75.35	6.53	

As can be seen from the table, in compliance with the orders of the Supreme Court, 17 per cent of the total Compensatory Afforestation funds remitted by State CAMPA to Ad-hoc CAMPA were released between 2010-12. Of ₹ 34.16 crore released in 2010-11, 81 per cent remained unutilised, leading to accumulation of funds with State CAMPA. Funds of ₹ 5.06 crore were not remitted by State CAMPA to Ad-hoc CAMPA and were deposited in State Government account.

3. Receipts into State CAMPA

The cases of non recovery/short recovery of NPV/CA/PCA etc. in Arunachal Pradesh that came to the notice of audit are given below. The gist of these cases is also given in table 24 and 27 in Chapter 3.

(₹ in crore)

Sl. No.	Description	Amount
1	There were 5 cases ²³ involving forest land of 264.43 ha in which NPV was not collected from the user agencies ²⁴ to whom in principle approval was granted before October 2002 and the final approval was granted after that.	15.34 ²⁵
2	NPV/CA of ₹ 32.59 crore ²⁶ was not realized from user agencies ²⁷ to whom diversion of forest land was granted by MoEF during the years 2010-12 (December 2012). Ministry stated (April 2013) that user agencies invariably transfer the fund at their convenience within a period of five years for	32.59

²¹ Cumulative amount at the end of the year lying unutilised with State CAMPA out of the funds released by Ad-hoc CAMPA 2009 onwards.

²² Information not made available by State CAMPA

²³ As per status report of MoEF issued on 16 March 2012.

²⁴ BRTF

²⁵ Audit estimated the total amount of NPV due in these cases on a conservative basis by applying the minimum rate of ₹5.80 lakh per hectare (264.43 x 5.8)

²⁶ NPV of ₹24.25 crore and CA of ₹ 8.34 crore

²⁷ BRTF, PWD, M/s Adishankar Power Private Ltd, M/s KSK Dubbin Power Private Limited, etc.

Sl. No.	Description	Amount
	compliance of stipulated conditions of stage-I approval as per FC Act 1980 and Ministry's letter dated 14 September 2001. Ministry's reply was not based on facts as no such condition was stipulated in Ministry's in principle approval for grant of diversion of forest land.	
3	PCA of ₹0.20 crore was not realized from user agency (State PWD) to whom diversion of forest land was granted by MoEF in 2001 for construction of roads from Etalin to Malinye and from Anini to Mipi. Ministry stated (April 2013) that efforts were being made to recover outstanding dues from user agency.	0.20
	Total	48.13

4. Utilisation of CAMPA funds

4.1 Year wise and component wise breakup of funds allotted to State CAMPA and utilisation of the funds released.

(₹ in crore)

Main-Components	2009-10			2010-11			2011-12		
	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure
NPV ²⁸					16.99	4.56		NA	NA
Compensatory Afforestation					4.40	1.72		NA	NA
Protected Area ²⁹					0	0		NA	NA
CAT Plan					0.56	0.22		NA	NA
Other specified activities					1.01	0.03		NA	NA
Total	Nil	Nil	Nil	34.16	22.96	6.53	41.19	NA	NA

No APO was prepared and submitted for the year 2009-10. APO for the years 2010-11 and 2011-12 was submitted after a delay of four months, as a result, State CAMPA could utilize only 19 per cent of the funds released by Ad-hoc CAMPA in the year 2010-11. Further, there was delay in release of funds by Ad-hoc CAMPA to State CAMPA for the year 2011-12. The funds were released by Ad-hoc CAMPA in the month of November for the year 2011-12. State CAMPA released funds to its four divisions³⁰ in the month of March. The percentage of release of funds in the month of March ranged from 36 to 100. Low level of spending raises concerns on the absorptive capacity of the State considering that ₹ 799.01 crore (including

²⁸ NPV is spent on protection, conservation and management of forest

²⁹ Protected Area Fund is spent on wildlife management

³⁰ Likhabali, Banderdewa, Hapoli, Anjaw

interest) are accumulated with Ad-hoc CAMPA in the Compensatory Afforestation Fund for the State (31 March 2012) and can be released only for specified forestry related activities.

Ministry stated (April 2013) that late preparation of APO was inevitable as it involved multiple level offices, like field, CAMPA Cell, Executive Committee & Steering Committee. However, efforts would be made to prepare APO in advance in future.

4.2 Irregularities in utilisation of funds

(₹in crore)

Sl. No.	Nature of irregularity	Description	Amount
1	Expenditure not authorised by State CAMPA guidelines and NCAC	CAMPA funds should not be used for creating infrastructure at State Forest headquarters and ecotourism. However test check of records of State CAMPA revealed that expenditure was incurred on purchase of vehicles (₹ 0.79 crore), construction of residential buildings (₹ 2.19 crore), office equipment, mobiles and furniture (₹ 0.12 crore). Ministry stated (April 2013) that restrictions for incurring expenditure on certain items had been objected by the states and to settle these objections of states, a high level committee was constituted by NCAC. Decision of NCAC was awaited. Action would be taken in accordance with the decision taken in this regard.	3.16
2	Irregular expenditure on Integrated Agro-Horti-Silviculture Scheme	State CAMPA's proposal to implement "Rehabilitation of Jhumed areas through Integrated Agro-Horti-Silvicultural Cultivation" Scheme in the APO for 2010-11 was disallowed by the MoEF (Sept 2011) as such activity was not permitted from CAF. The State CAMPA wrote a letter to MoEF (Jan 2012) justifying the expenditure on the scheme and implemented it in Sanglee Forest division from CAF. Ministry stated (April 2013) that restrictions for incurring expenditure on certain items had been objected by the states and to settle these objections of states, a high level committee was constituted by NCAC. Decision of NCAC was awaited. Action would be taken in accordance with the decision taken in this regard (April 2013). It further added that Governing body had passed a resolution to continue with the scheme in view of weaning away the people from destruction of forest in the interest or conservation of forests and therefore it should be allowed being site specific scheme. The reply of the Ministry is not tenable as the said scheme was undertaken without the approval of MoEF/NCAC.	0.06
3	Excess Expenditure on	Banderdewa forest division incurred excess expenditure of ₹ 0.05 crore on procurement of 20 Global Positioning System (GPS) at the rate of ₹ 0.45 lakh/GPS in March 2011 whereas the	0.05

Sl. No.	Nature of irregularity	Description	Amount
	procurement of Global Positioning System (GPS).	same division purchased 40 GPS at the rate of ₹ 0.21 lakh/GPS in March 2012. Ministry stated that concerned division had been requested to furnish factual position justifying the action taken on this issue.	
4	Diversion of funds to activities other than Compensatory Afforestation	Anjaw Forest Division incurred excess expenditure of ₹ 2.58 lakh (₹ 7.03 lakh – ₹ 4.45 lakh) on Construction of SPT Type – II building whereas no expenditure was made on Compensatory afforestation and Human Resource Development though funds amounting to ₹ 2.82 lakh and ₹ 2.50 lakh respectively were released for the same. Ministry stated (April 2013) that DFO's had been directed to maintain financial discipline.	
	Total		3.27

4.3 Non-furnishing of information/records to Audit.

State CAMPA did not furnish the following information/records though called for in Audit.

- Records of collection of amounts from user agencies and its remittance to Ad-hoc CAMPA.
- Records of diverted forest lands falling within protected areas under Wildlife Act and in case of diversion whether a separate corpus fund created.
- Records of cases wherein non-forest land was provided/not provided by user agency in lieu of forest lands. Further, if provided whether it is declared as RF/PF.
- Details for Amount of CA spent on double degraded forest land and non-forest/degraded forest areas identified for Afforestation.
- Cases wherein non availability of non-forest land was certified by Chief Secretary and Afforestation was done over double area of degraded forest.
- Cases wherein exemption were allowed to certain categories of user agencies such as school, hospital, PWD road etc. for the period w.e.f. January 2006 to April 2008.
- Cases wherein diversion of forest land was made for mining purpose.
- Cases wherein rights of forest dwellers were infringed by the action/ steps taken by the department.
- Records regarding number and type of trees felled /planted in the process of diversion and Afforestation respectively and survival report of plantations.
- Cases wherein legal status of forest lands were changed.

Ministry stated (April 2013) that record of collection of amounts was provided to audit and other information /records were provided to audit in tabular form. The fact remains that Ministry/concerned divisions did not provide the original records as called for by audit for verification.

Photos of some selected field plantations



Beat Office of forests at Kimin under DFO Banderdewa



Plantation at Gogar Village at DFO Likhabali

5. Land Management

5.1 Fact Sheet

Particulars (2006-12)	
Forest land diverted	As per records of RO ³¹ – 684.14 ha ³² As per records of NO – 2,547.16 ha
Non forest land received in lieu	As per records of RO – 89.49 ha As per records of NO – 205.86 ha
Non forest land short received	As per records of RO – 594.65 ha As per records of NO – 2,341.30 ha
Chief Secretary Certificate on non availability of non forest land attached	No
Area identified for CA as per NO	On degraded forest land – NA On Non forest land – NA
Area on which CA done as per NO	On degraded forest land – NA On Non forest land – NA
Received Non forest land transferred/mutated	As per records of RO- Nil As per records of NO – NA
Non forest land received notified as reserved/protected forest	As per records of RO- Nil As per records of NO – NA

As is evident from the table, there were un-reconciled variations in the data provided by the Nodal Officer of the State CAMPA and the concerned Regional Office of MoEF. As per the records of RO, forest land diverted for non forestry purposes was 684.14 ha and the non forest land received in lieu thereof was only 13 *per cent* while as per records of NO the figures were 2,547.16 ha and eight *per cent*. As per records of RO and NO, no non forest land was transferred /mutated in favour of the forest department and notified as RF/PF, no afforestation was done on non forest land as well as on degraded forest land.

³¹ Regional Office (RO) of Ministry of Environment & Forests and Nodal Officer (NO) of State Forests Department

³² Excluding exempted projects

5.2 Irregularities observed in land management

Nature of irregularity	Description
Shortfall in execution of CA work	CA was done only on 6,748 ha land against 19,198 ha forest land diverted upto the year 2010-11 which was only 35 percent of total area. Further, against CA on 10,500 ha land planned <i>per cent</i> for the years 2010-11 to 2014-15, CA only on 2,047 ha land i.e. 19.50 only was done. Accepting the facts, Ministry stated (April 2013) that shortfall in execution of CA work was due to (i) fund constraint (ii) non completion of process for notification of identified land (iii) limitation of manpower resources in the field.

6. Status of Accounts and audit of State CAMPA Accounts

As per state CAMPA guidelines issued by MoEF, the accounts of state CAMPA were to be audited by the Accountant General at such intervals as may be specified by him. However, state CAMPA did not prepare its annual accounts for the years 2009-10 to 2011-12 in the prescribed format. In the absence of proper accounts, these could not be audited. During the test check of records of State CAMPA it was found that State CAMPA did not maintain cash book and subsidiary ledgers properly for the funds received from Ad-hoc CAMPA and expenditure incurred there from. In the absence of cash book and subsidiary ledgers, the receipts and payments of the year 2011-12 could not be verified in audit. No reconciliation of CAMPA balances was done with bank statements, the variations ranged between ₹ 0.01 crore and ₹ 0.55 crore for the period 2010-12.

Further, as per state CAMPA guidelines, the State Government and the MoEF had the powers to conduct special audit or performance audit of the state CAMPA. However, no such audit was conducted. Ministry accepted the audit observations (April 2013).

6.1 Less expenditure on compensatory afforestation in regular budget of State.

It was seen from detailed appropriation accounts for the year 2010-11 & 2011-12 that the expenditure against Compensatory Afforestation from the regular budget of the State Government decreased from ₹ 4.16 crore in 2010-11 to ₹ 1.25 crore in 2011-12. It indicated that the State Government had reduced its share of expenditure on CA.

7. Monitoring

As per the state CAMPA guidelines the Steering Committee was to meet twice in a year. During test check of records CAMPA it was found that there was shortfall in the meetings of Steering Committee and Executive Committee during the years 2009-10 to 2011-12. Steering Committee and Executive Committee did not meet in the year 2009-10 and these met only once in place of twice in the years 2010-11 and 2011-12. The Governing body met twice during 2009-12.

Accepting the facts Ministry stated (April 2013) that efforts were being made to conduct required number of meetings in future.

(₹in crore)

Year	Amount transferred to Ad-hoc CAMPA	Amount received by State CAMPA from Ad-hoc CAMPA	Expenditure incurred by State CAMPA	Accumulation of funds with State CAMPA ³⁴
2006-07	4.86	Nil	Nil	Nil
2007-08	5.39	Nil	Nil	Nil
2008-09	102.23	Nil	Nil	Nil
2009-10	13.91	12.38	NIL	12.38
2010-11	18.77	10.45	0.12	22.71
2011-12	12.66	Nil	11.42	11.29
TOTAL	157.82	22.83	11.54	

As can be seen from the table, in compliance with the orders of the Supreme Court, 14 per cent of the total Compensatory Afforestation funds remitted by State CAMPA to Ad-hoc CAMPA were released between 2009-12. Of ₹ 22.83 crore released against APOs, 49 per cent remained unutilised, leading to accumulation of funds with State CAMPA. Funds of ₹ 26.64 crore were not remitted by State CAMPA to Ad-hoc CAMPA and were deposited in State Government account.

3. Receipts into State CAMPA

The cases of non recovery/short recovery of NPV/CA/PCA etc. in Assam that came to the notice of audit are given below. The gist of these cases is also given in table 26 and 27 in Chapter 3.

(₹in crore)

Sl. No.	Description	Amount
1	The Supreme Court revised the rate of NPV in March 2008. However test check of records of Sivasagar division revealed that NPV was not collected from user agency (ONGC) at revised rates for diversion of 4.09 ha forest land. Ministry stated (June 2013) that there was no short realisation of NPV as 10 per cent discount was not allowed in this case. The reply of Ministry was not based on facts as 10 per cent discount on inadmissible items was allowed with the result NPV was short realised.	0.04
2	User agency (M/s NEEPCO Ltd.) unauthorisedly occupied 3,685.60 ha forest land in 1976-1977 for construction of Kapili hydroelectric project which was regularised by MoEF in 1993. The following irregularities were noted in this case <ul style="list-style-type: none"> NPV of ₹ 2.44 crore @ ₹ 6,625.55 per ha was collected instead of at minimum rate of NPV ₹ 5.80 lakh per ha fixed by the Supreme Court, resulting in short 	211.32

³⁴ Cumulative amount at the end of the year lying unutilised with State CAMPA out of the funds released by Ad-hoc CAMPA 2009 onwards.

Sl. No.	Description	Amount
	<p>realization of NPV of ₹ 211.32 crore and consequent loss of interest of ₹ 59.17 crore.</p> <ul style="list-style-type: none"> CA of ₹ 7.15 crore was also short realized due to non-consideration of double the area of forest diverted to cover CA which also resulted in loss of interest of ₹ 4.79 crore <p>Ministry stated (June 2013) that cost of CA and overheads were estimated as per the procedure prevailing at that point of time. The reply of Ministry is not tenable as cost of CA and overheads was short realised due to non-consideration of double the area of forest diverted as required in FC Act 1980.</p>	7.15
3	<p>NPV/CA etc. of ₹ 2.96 crore was not realized from the user agency (PWD, NEC Division) to whom 35.79 ha forest land was diverted for construction of Zamuang-Haripgow-Dullavcherra road in 2008. This also resulted in loss of interest of ₹ 0.53 crore.</p> <p>Ministry stated (June 2013) that the user agency had not deposited the amount of NPV/CA in compliance of stipulated conditions and the proposal had still not been finalised. The reply of Ministry is not tenable as the Ministry had not initiated any action to revoke the in principle approval granted in this case.</p>	2.96
4	<p>A bank draft for CA and other charges for ₹ 1.45 crore was received from user agency (NHPC Ltd, Dhemaji) in July 2004 in lieu of diversion of 245 ha forest land for lower Subarnasiridam project but the draft was not deposited into the account of Ad-hoc CAMPA in time due to which it became time barred and was returned to user agency. It was seen that revalidated draft for ₹ 1.45 crore was not received as of December 2012 resulting in non-realization of CA and other charges of ₹ 1.45 crore and consequent loss of interest thereof of ₹ 0.51 crore.</p> <p>Ministry stated (June 2013) that amount of CA and other charges of ₹ 1.45 crore with the interest had been realised from user agency and deposited into Ad-hoc CAMPA account. However, relevant details of deposits stated to have been enclosed with the reply were not furnished.</p>	1.45
5	<p>In Dhemaji forest division, NPV of ₹ 0.36 crore was short realized from a user agency to whom 816.3 ha forest land was diverted for two projects in 2004 resulting in loss of interest of ₹ 0.12 crore for eight years. No action was taken to recover outstanding amount of NPV of ₹ 0.36 crore and interest of ₹ 0.12 crore from the user agency.</p> <p>Ministry stated (June 2013) that NPV had been realised in these cases and deposited into CAMPA account/state government account. However, relevant details of deposits stated to have been enclosed with the reply was not furnished.</p>	0.36
	Total	223.28

4. Utilisation of CAMPA funds

4.1 Year wise and component wise breakup of funds allotted to State CAMPA and the utilisation of the funds released.

(₹ in crore)

Main-Components	2009-10			2010-11			2011-12		
	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure
NPV ³⁵		3.75			12.77	0		13.47	0.46
Compensatory Afforestation		2.01			0	0.12		66.62	1.06
Protected Area ³⁶		1.97			3.94	0		5.56	0
CAT Plan		0			0	0		0	0
Other specified activities		1.16			10.97	0		5.59	9.90
Total	12.38	8.89	Nil	10.45	27.68	0.12	Nil	91.24	11.42

Funds were released by Ad-hoc CAMPA for the year 2009-10 without submission of the APO. The percentage of expenditure incurred as against the amounts released by Ad-hoc CAMPA was zero *per cent* in 2009-10 and one *per cent* in 2010-11. No funds were released by Ad-hoc CAMPA in 2011-12. Further, the implementing agencies could not expend substantial portion of amount released by the State CAMPA in the years 2009-10 and 2010-11. The levels of expenditure were zero *per cent* in 2009-10, below one *per cent* in 2010-11 and 13 *per cent* in 2011-12 of the amounts released. Though the percentage of expenditure had increased progressively over the last three years, concerns remain on the absorptive capacity of the State considering that ₹ 353.81 crore (including interest) are accumulated with Ad-hoc CAMPA in the Compensatory Afforestation Fund for the State (31 March 2012) and can be released only for specified forestry related activities.

4.2 Irregularities in utilisation of funds

(₹in crore)

Sl. No.	Nature of irregularity	Description	Amount
1	Irregular release of funds	An amount of ₹ 0.33 crore was released in July 2010 by state CAMPA without ascertaining the availability of 4.5 ha suitable land for nursery and as such the entire amount remained unutilized in Jorhat & Karimganj forest division.	0.33

³⁵ NPV is spent on protection, conservation and management of forest

³⁶ Protected Area Fund is spent on wildlife management

Sl. No.	Nature of irregularity	Description	Amount
		Ministry stated (June 2013) that in Jorhat division, the work of establishment of nurseries had been undertaken and in Karimganj division, the work would be undertaken soon. The reply of Ministry is not tenable as the work to be taken up in the year 2010-11, was yet to be completed.	
2	Non creation of distinct corpus	No distinct corpus was created out of monies realized from the user agencies for undertaking protection and conservation of forest exclusively in protected areas of the State as required in the Supreme Court's orders and State CAMPA guidelines. Ministry stated (June 2013) that amount realised from user agency had been kept with Chief wild life warden and a separate corpus would be formed as soon as the money would be spent for wild life area. The reply of Ministry is not tenable as no distinct corpus was created for the funds received for protected areas as required under the Supreme Court's orders and State CAMPA guidelines.	
	Total		0.33

5. Land Management

5.1 Fact sheet

Particulars (2006-12)	
Forest land diverted	As per records of RO ³⁷ – 43.88 ha ³⁸ As per records of NO – 2,523.35 ha
Non forest land received in lieu	As per records of RO – 28.50 ha As per records of NO – Nil
Non forest land short received	As per records of RO – 15.38 ha As per records of NO – 2,523.35 ha
Chief Secretary Certificate on non availability of non forest land attached	No
Area identified for CA as per NO	On degraded forest land – 1,989.06 ha On Non forest land – 152.00 ha
Area on which CA done as per NO	On degraded forest land – 1,989.06 ha On Non forest land – 152.00 ha
Received Non forest land transferred/mutated	As per records of RO- Nil As per records of NO – Nil
Non forest land received notified as reserved/protected forest	As per records of RO- Nil As per records of NO – Nil

³⁷ Regional Office (RO) of Ministry of Environment & Forests and Nodal Officer (NO) of State Forests Department

³⁸ Excluding exempted projects

As is evident from the table, there were un-reconciled variations in the data provided by the Nodal Officer of the State CAMPA and the concerned Regional Office of MoEF. As per the records of RO, forest land diverted for non forestry purposes was 43.88 ha and the non forest land received in lieu thereof was only 65 *per cent* while as per records of NO the figures were 2,523.35 ha and zero *per cent*, respectively. As per records of RO and NO, no non forest land was transferred /mutated in favour of the forest department and notified as RF/PF. As per records of NO, afforestation was done on 152 ha non forest land and on 1,989.06 ha degraded forest land.

5.2 Irregularities in land management

Nature of irregularity	Description
Shortfall in execution of CA work	Against target of 1,389.06 ha degraded forest land, funds were released for CA on 165.79 ha land only for the year 2010-11. Reasons for short release of funds for execution of CA work were not on record. Accepting the facts, Ministry stated (June 2013) that remaining plantation had been undertaken during 2011-12 and was in progress.

6. Status of Accounts and audit of State CAMPA Accounts

As per state CAMPA guidelines issued by MoEF, the accounts of state CAMPA were to be prepared in the common format of accounts prescribed for Autonomous Bodies. However, State CAMPA did not prepare its annual accounts for the year 2009-10 in the prescribed format. In the absence of proper accounts, these could not be audited. Annual Accounts was prepared in prescribed format for the year 2010-11 only. During the test check of records of State CAMPA it was found that State CAMPA did not maintain cash book and subsidiary ledgers for the funds received from Ad-hoc CAMPA and expenditure incurred therefrom. In the absence of cash book and subsidiary ledgers, the receipts and payments of the years 2009-10 to 2011-12 could not be verified in audit.

Further, as per State CAMPA guidelines, the State Government and the MoEF had the powers to conduct special audit or performance audit of the state CAMPA. However, no such audit was conducted. Ministry stated (June 2013) that the accounting procedure adopted by state CAMPA had since been formulated and circulated to all concerned units for implementation.

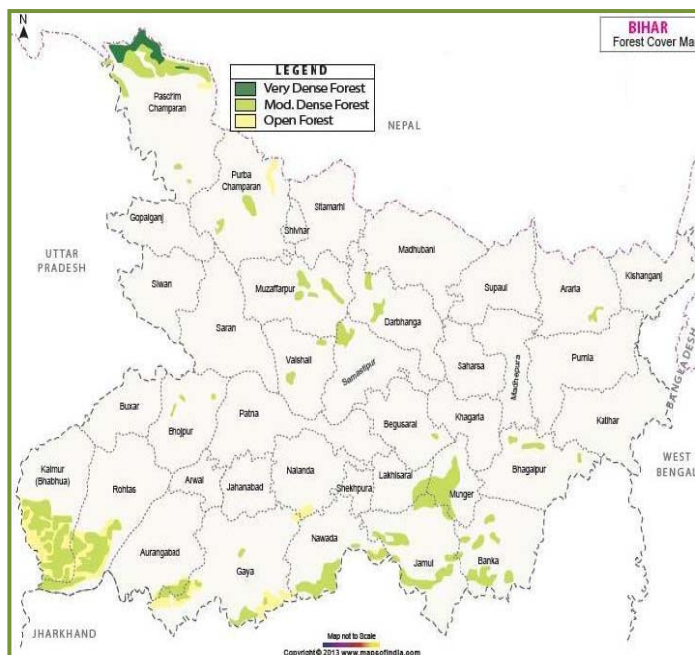
7. Monitoring

As per the state CAMPA guidelines the Steering Committee was to meet twice in a year. The Steering Committee of Assam CAMPA met once during 2009-12 as against six times. The Executive Committee met two times during 2009-12. The Governing body did not meet since its establishment in August 2009. Accepting the facts, Ministry stated (June 2013) that the meeting of governing body was being organised shortly.

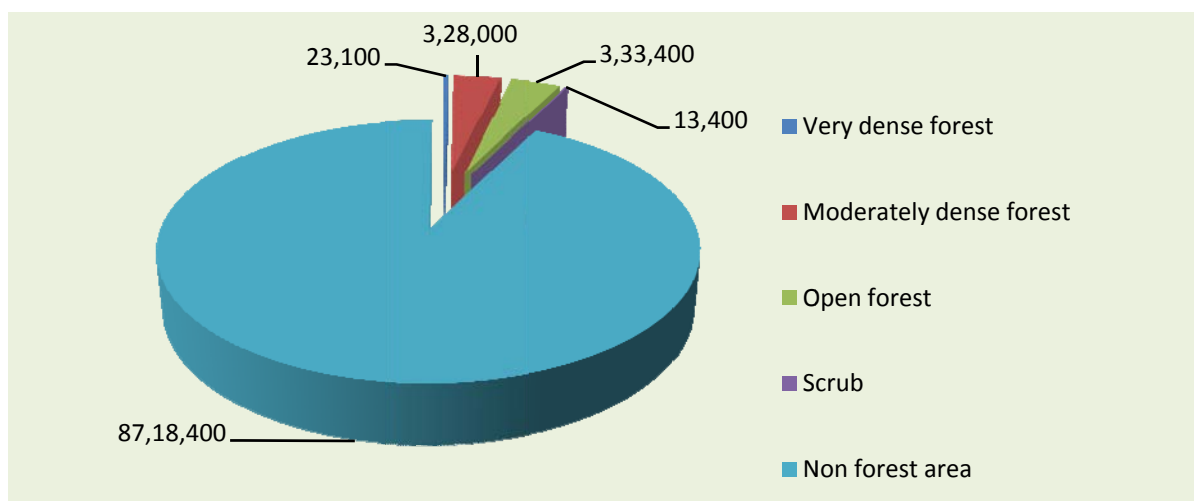
Bihar

1. Background³⁹

The total geographical area of Bihar is 94,16,300 hectare. Based on the interpretation of satellite data of November 2008- January 2009, the forest cover in the State was 6,84,500 hectare which was 7.27 *per cent* of the State's geographical area. In terms of forest canopy density classes, the State had 23,100 hectare of area under very dense forest, 3,28,000 hectare of area under moderately dense forest and 3,33,400 hectare of area under open forest. Compared with the previous assessment of 2009, the forest cover showed an increase of 4,100 hectare in the 2011 assessment.



Forest cover – Types of forest (in hectare)-2011



2. Compensatory Afforestation funds of the State

State CAMPA was constituted in January 2010. Funds remitted by State CAMPA to Ad-hoc CAMPA, funds released by Ad-hoc CAMPA to State CAMPA and expenditure incurred there against during the period 2006-07 to 2011-12 were as detailed below.

³⁹Source: India State of Forest Report 2011 published by Forest Survey of India.

(₹ in crore)

Year	Amount transferred to Ad-hoc CAMPA	Amount received by State CAMPA from Ad-hoc CAMPA	Expenditure incurred by State CAMPA	Accumulation of funds with State CAMPA ⁴⁰
2006-07	42.23	Nil	Nil	
2007-08	0.56	Nil	Nil	
2008-09	45.82	Nil	Nil	
2009-10	22.20	7.73	Nil	7.73
2010-11	22.80	8.67	5.60	10.80
2011-12	38.73	8.04	NA ⁴¹	18.84
Total	172.34	24.44	5.60	

As can be seen from the table, in compliance with the orders of the Supreme Court, 14 per cent of the total Compensatory Afforestation funds remitted by State CAMPA to Ad-hoc CAMPA were released between 2009 and 2012. Of ₹ 16.40 crore released between 2009 and 2011, 66 per cent remained unutilised, leading to accumulation of funds with State CAMPA. Funds of ₹ 1.44 crore were not remitted by State CAMPA to Ad-hoc CAMPA and were deposited in State Government account.

Ministry accepted the audit observation (April 2013).

3. Receipts into State CAMPA

The cases of non recovery/short recovery of NPV/CA/PCA etc in Bihar that came to the notice of audit are given below. The gist of these cases is also given in table27 in Chapter

(₹ in crore)

Sl. No.	Description	Amount
1	Against total demand of NPV/CA etc. of ₹ 75.83 crore raised during the years 2007-10, the user agencies ⁴² paid ₹ 68.57 crore as of December 2012 resulting in short realisation of ₹ 7.26 crore. Ministry stated (April 2013) that the user agencies were being directed for depositing the outstanding amount of NPV/CA.	7.26
2	In Nawada Forest division, though 'in principle' approval to diversion of 330.70 ha of forest land for construction of Koderma-Tilaiya Railway line was granted in June 2011, the demand for CA of ₹ 4.10 crore was sent to the Railway authorities in October 2012 i.e. after a delay on 16 months and it remained unpaid as of January 2013. Accepting the facts, Ministry stated (April 2013) that amount of CA was not deposited by the user agency despite several reminders.	4.10
	Total	11.36

⁴⁰Cumulative amount at the end of the year lying unutilised with State CAMPA out of the funds released by Ad-hoc CAMPA 2009 onwards.

⁴¹Information not provided by State CAMPA

⁴²National Highways Authority of India, Eastern Railways, IRCON, CPWD, Power Grid Corporation of India Ltd and State agencies

4. Utilisation of CAMPA funds

4.1 Year wise and component wise breakup of funds allotted to State CAMPA and utilisation of the funds released.

(₹ in crore)

Main-Components	2009-10			2010-11			2011-12		
	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure
NPV⁴³					4.05	3.26		5.33	NA
Compensatory Afforestation					1.09	0.95		3.25	NA
Protected Area⁴⁴					1.00	0.56		0	NA
CAT Plan					0	0		0	NA
Other specified activities					1.03	0.83		0.81	NA
Total	7.73	Nil	Nil	8.67	7.17	5.60	8.04	9.39	NA

From the table, it is evident that the implementing agencies could not expend substantial portion of amount released by the Ad-hoc CAMPA. The levels of expenditure were zero in 2009-10, and 64 per cent in 2010-11 of the amounts released. The low levels of spending could be attributed to delayed release of funds. The funds for 2009-10 were released in November 2009 and for 2010-11 in March 2011. In fact, the release for 2009-10 and 2010-11 was made without the receipt of APO. Further, there was delay of 12 and 15 months in preparation of APOs for the years 2010-11 and 2011-12, respectively. Thus, there was inadequate planning and identification of key activities to be taken up during the year by the State CAMPA, which may also have resulted in under utilization of funds released e.g. State CAMPA made provision of ₹ 0.09 crore for plantation under Added Natural Regeneration on forest land at Narayanur and Karmdih without ensuring availability of forestland in the year 2011-12 resulting in its non utilization. The slow pace of spending the released funds raises concerns about the absorptive capacity of the State considering that ₹ 167.20 crore (including interest) are accumulated with Ad-hoc CAMPA in the Compensatory Afforestation Fund for the State (31 March 2012) and can be released only for specified forestry related activities.

Accepting the facts, Ministry stated (April 2013) that there was delay in preparation of APOs due to collection of records and compilation and finalisation of future plan of action.

⁴³ NPV is spent on Protection, Conservation and Management of forest

⁴⁴ Protected Area Funds is spent on Wildlife Management

4.2 Irregularities in utilisation of funds

(₹in crore)

Sl. No.	Nature of irregularity	Description	Amount
1	Expenditure not authorised by State CAMPA guidelines and NCAC	<p>CAMPA funds should not be used for creating infrastructure at State Forest headquarters and ecotourism. However test check revealed that expenditure was incurred on purchase of vehicles (₹3.38 crore) during 2010-11 and 2011-12, construction of residential buildings (₹ 1.13 crore) during 2011-12.</p> <p>Ministry stated (April 2013) that audit observation is not correct as expenditure on purchase of vehicles and construction of departmental buildings was allowed in the State CAMPA guidelines. The reply of Ministry is not tenable as expenditure on purchase of vehicles and construction of buildings was allowed upto the range level officials In the instant case such expenditure was incurred for officials above the range level.</p>	4.51
2	Change of plantation site without prior approval of MoEF	<p>Plantation sites were changed without prior approval of MoEF for carrying out bamboo and iron gabion plantation in Singhi-Gundi Raod, Ara and Aurangabad-Amba-Hariharganj road which was in contravention of State CAMPA guidelines.</p> <p>The Ministry accepted the facts (April 2013).</p>	0.45
3	Sub-standard plantation	<p>In Jamui division, the survival rate of plantation was only 50 <i>per cent</i> which was much below the desirable norms of 80 <i>per cent</i> in first year. Thus, the expenditure incurred of ₹ 0.23 crore on substandard plantation was nugatory to the extent of cost of plantation not survived.</p> <p>Accepting the facts, Ministry stated (April 2013) that due to naxal problems all operations could not be carried out in time and excessive bushes covered the new plants which resulted in low survival.</p>	0.23
	Total		5.19

5. Land Management

5.1 Fact sheet

Particulars (2006-12)	
Forest land diverted	As per records of RO ⁴⁵ – 3,048.33 ha ⁴⁶ As per records of NO – 2,286.25 ha
Non forest land received in lieu	As per records of RO – 2,029.80 ha As per records of NO – 63.51 ha
Non forest land short received	As per records of RO – 1,018.53 ha ⁴⁷ As per records of NO – 2,222.74 ha
Chief Secretary Certificate on non availability of non forest land attached	No
Area identified for CA as per NO	On degraded forest land – 2,017.55 ha & 5.5 km On Non forest land – Nil
Area on which CA done as per NO	On degraded forest land – 3,300 ha ⁴⁸ (during 2010-12) On Non forest land – Nil
Received Non forest land transferred/mutated	As per records of RO- Nil As per records of NO – 2.51ha
Non forest land received notified as reserved/protected forest	As per records of RO- Nil As per records of NO – Nil

As is evident from the table, there were un-reconciled variations in the data provided by the Nodal Officer of the State CAMPA and the concerned Regional Office of MoEF. As per the records of RO, forest land diverted for non forestry purposes was 3,048.33ha and the non forest land received in lieu thereof was 2,029.8 ha while as per records of NO the figures were 2,286.25 ha and 63.51 ha, respectively. As per records of RO, no non forest land was transferred /mutated in favour of the forest department and notified as RF/PF while as per NO out of 2.51 ha non forest land transferred/ mutated in favour of forest department no non forest land was declared as RF/PF. As per records of NO, no afforestation was done on non forest land and afforestation was done on 3,300 ha degraded forest land.

⁴⁵ Regional Office (RO) of Ministry of Environment & Forests and Nodal Officer (NO) of State Forests Department

⁴⁶ Excluding exempted projects

⁴⁷ Arrear land received during this period.

⁴⁸ for 2010-11 to 2011-12

5.2 Irregularities in land management

Nature of irregularity	Description
Execution of works on forest land without approval of MoEF.	<p>MoEF granted in principle approval for diversion of 397.94 ha forest land in five forest divisions for non forest purposes subject to deposit of NPV/CA/PCA of ₹30.42 crore in 95 cases of Road Construction Department. Though the user agency deposited ₹ 6.77 crore, the work on forest land was started without final approval of MoEF.</p> <p>Accepting the facts, Ministry stated (April 2013) that in Bihar state, large scale developmental works were started from 2006-07 in which road construction, strengthening and widening were given top most priority and in 80 of 95 such cases of violation granting of post facto approval under process.</p>

6. Status of Accounts and audit of State CAMPA Accounts

As per state CAMPA guidelines issued by MoEF, the accounts of state CAMPA were to be audited by the Accountant General at such intervals as may be specified by him. However, State CAMPA did not prepare its annual accounts for the years 2010-11 and 2011-12 in the prescribed format. In the absence of proper accounts, these could not be audited.

Ministry stated (April 2013) that the annual accounts for 2010-11 had been prepared in the departmental format and the annual accounts for the year 2011-12 were being compiled and prepared in the prescribed format.

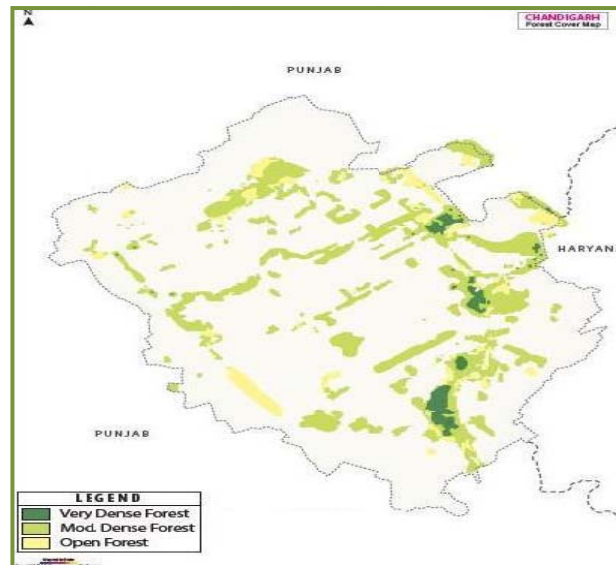
7. Monitoring

As per the state CAMPA guidelines the Steering Committee was to meet twice in a year. The Steering Committee of Bihar CAMPA met three times during 2009-12 as against six times. The Executive Committee met three times during 2009-12. The Governing body met once only during 2009-12.

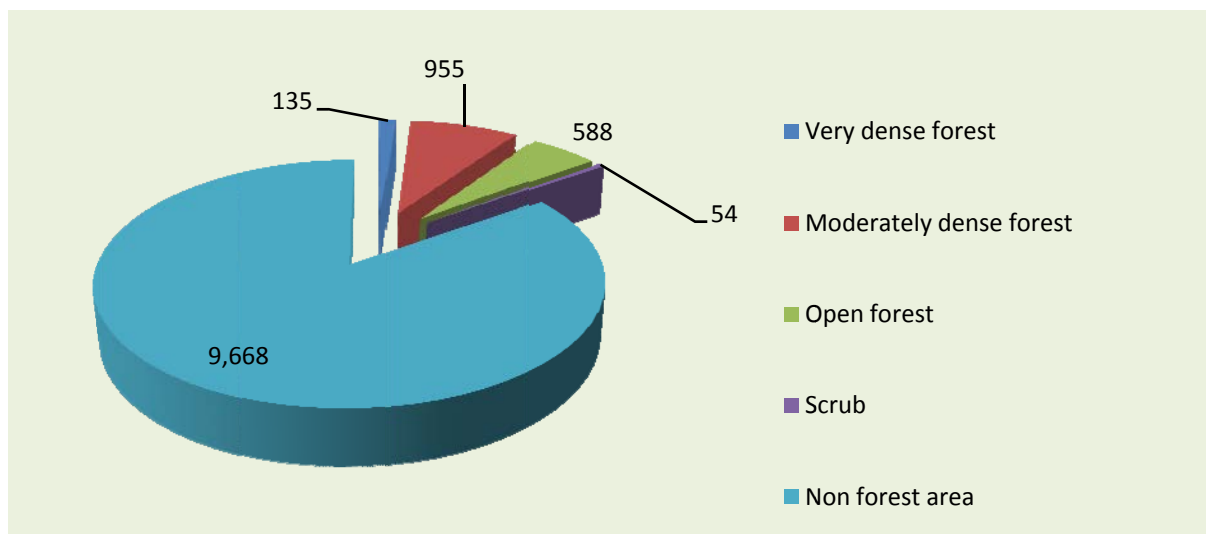
Chandigarh

1. Background⁴⁹

The total geographical area of Chandigarh is 11,400 hectare. Based on the interpretation of satellite data of October 2008, the forest cover in the Union Territory (UT) was 1,678 hectare which was 14.72 per cent of the UT's geographical area. In terms of forest canopy density classes, the UT had 135 hectare of area under very dense forest, 955 hectare of area under moderately dense forest and 588 hectare of area under open forest. Compared with the previous assessment of 2009, the forest cover showed no change in the 2011 assessment.



Forest cover – Types of forest (in hectare)-2011



2. Compensatory Afforestation Fund of the UT

State CAMPA was constituted in August 2009. Funds remitted by State CAMPA to Ad-hoc CAMPA, funds released by Ad-hoc CAMPA to State CAMPA and expenditure incurred there against during the period 2006-07 to 2011-12 were as detailed below.

⁴⁹Source: India State of Forest Report 2011 published by Forest Survey of India.

(₹in crore)

Year	Amount transferred to Ad-hoc CAMPA	Amount received by UT CAMPA from Ad-hoc CAMPA	Expenditure incurred by UT CAMPA	Accumulation of funds with UT CAMPA ⁵⁰
2006-07	1.25	Nil	Nil	Nil
2007-08	0.79	Nil	Nil	Nil
2008-09	Nil	Nil	Nil	Nil
2009-10	Nil	0.18	Nil	0.18
2010-11	0.26	0.13	0.27	0.04
2011-12	0.05	Nil	0.03	0.01
Total	2.35	0.31	0.30	

As can be seen from the table, in compliance with the orders of the Supreme Court, 13 per cent of the total Compensatory Afforestation funds remitted by UT CAMPA to Ad-hoc CAMPA were released between 2009-12.

3. Utilisation of CAMPA funds

3.1 Year wise and component wise breakup of funds allotted to UT CAMPA and the utilisation of the funds released.

(₹in crore)

Main-Components	2009-10			2010-11			2011-12		
	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure
NPV ⁵¹		0			0	0			0
Compensatory Afforestation		0			0	0			0
Protected Area ⁵²		0			0	0			0
CAT Plan		0			0	0			0
Other specified activities		0.18			0.13	0.27			0.03
Total	0.18	0.18	Nil	0.13	0.13	0.27	Nil	Nil	0.03

UT Chandigarh CAMPA did not prepare APO for the financial year 2010-11 and APO for the financial year 2011-12 was prepared at the fag end of financial year in March 2012. From the

⁵⁰ Cumulative amount at the end of the year lying unutilised with UT CAMPA out of the funds released by Ad-hoc CAMPA 2009 onwards.

⁵¹ NPV is spent on protection, conservation and management of forest

⁵² Protected Area Fund is spent on wildlife management

table, it is evident that the UT CAMPA did not incur any expenditure out of ₹ 0.18 crore released by Ad-hoc CAMPA based on APO during the year 2009-10. However, it incurred expenditure of ₹ 0.27 crore out of ₹ 0.31 crore available during the year 2010-11. Further, no funds were released to State CAMPA by Ad-hoc CAMPA for the year 2011-12 as APO for the year 2011-12 was not approved by Ad-hoc CAMPA. However, ₹ 6.89 crore (including interest) were accumulated with Ad-hoc CAMPA in the Compensatory Afforestation Fund for the State (31 March 2012) and can be released only for specified forestry related activities.

Accepting the facts, Ministry stated (June 2013) that due to non-receipt of funds against APO for 2009-10, APO for 2010-11 was not submitted and APO for 2011-12 had been submitted to Ad-hoc CAMPA in March 2012, the funds against which had still not been received.

3.2 Irregularities in utilisation of funds

(₹ in crore)

Nature of irregularity	Description	Amount
Unfruitful expenditure	The forest division incurred ₹ 27.14 lakh on stone masonry wall for chain link fencing during 2010-11 and ₹ 3.47 lakh for purchase of construction materials during 2011-12. It was seen that construction work of stone masonry wall was completed and chain link fencing was yet to be installed as of December 2012. Further, no plantation work was done on the site though the cost of plantation/maintenance and fixing of chain link fence was included in the sanctioned APO. Thus, the entire expenditure of ₹0.31 crore remained unfruitful. Ministry stated (June 2013) that chain link fence and plantation work could not be completed due to non-release of funds by Ad-hoc CAMPA in time.	0.31

4. Land Management

4.1 Fact sheet

Particulars (2006-12)	
Forest land diverted	As per records of RO ⁵³ – 6.20 ha ⁵⁴ As per records of NO – 8.67 ha
Non forest land received in lieu	As per records of RO – 6.87 ha As per records of NO – 8.14 ha
Non forest land short received	As per records of RO – (-) 0.67 ha As per records of NO – 0.53 ha

⁵³ Regional Office (RO) of Ministry of Environment & Forests and Nodal Officer (NO) of State Forests Department

⁵⁴ Excluding exempted projects

Particulars (2006-12)	
Chief Secretary Certificate on non availability of non forest land attached	N/A- All the forest land diverted/transferred in lieu of non-forest areas received from user agencies
Area identified for CA as per NO	On degraded forest land – U.T Chandigarh has no degraded forest land. On Non forest land – 6.80 ha
Received Non forest land transferred/mutated	As per records of RO- Nil As per records of NO – Nil
Area on which CA done as per NO	On degraded forest land – Nil On Non forest land – Nil
Non forest land received notified as reserved/protected forest	As per records of RO- Nil As per records of NO – Nil

As is evident from the table, there were un-reconciled variations in the data provided by the Nodal Officer of the State CAMPA and the concerned Regional Office of MoEF. As per the records of RO, forest land diverted for non forestry purposes was 6.20ha and the non forest land received in lieu thereof was 6.87 ha while as per records of NO the figures were 8.67 ha and 8.14 ha, respectively. As per records of RO and NO, no non forest land was transferred /mutated in favour of the forest department and notified as RF/PF. As per records of NO, afforestation was not done on non forest land.

Ministry stated (June 2013) that mutation of non-forest land received in lieu of forest land diverted was under process and after mutation, this land would be declared as RF.

4.2 Irregularities observed in land management

Nature of irregularity	Description
Non maintenance of permanent record register of forest land	Permanent record register was not maintained in forest division of UT Chandigarh. In the absence of this record it could not be ascertained correctly as to which area/type of forest land was diverted/transferred for non-forest use and also which non-forest land was received in lieu of forest land for compensatory afforestation. Accepting the facts, Ministry stated (June 2013) that permanent record register of forest land had since been maintained.

5. Status of Accounts and audit of State CAMPA Accounts

As per state CAMPA guidelines issued by MoEF, the accounts of States/UTs CAMPA were to be audited by the Accountant General at such intervals as may be specified by him. However, UT Chandigarh CAMPA did not prepare its annual accounts for the years 2009-10 to 2011-12 in the prescribed format. In the absence of proper accounts, these accounts could not be audited.

Accepting the facts, Ministry stated (June 2013) that accounts would be maintained for the years 2009-10 to 2011-12 as well as in future in the prescribed format.

Further, as per State CAMPA guidelines, the State Government and the MoEF had the powers to conduct special audit or performance audit of the States/UTs CAMPA. However, no such audit was conducted in UT Chandigarh CAMPA.

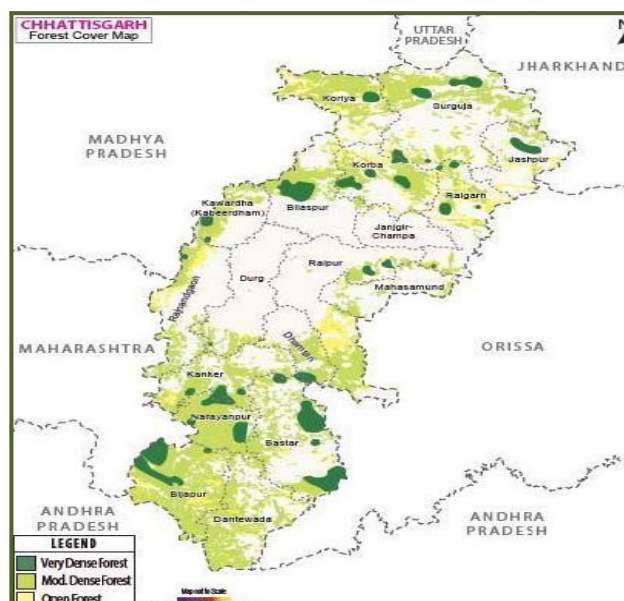
6 Monitoring

As per the state CAMPA guidelines the Steering Committee was to meet twice in a year. The Steering Committee of Chandigarh CAMPA met three times during 2009-12 as against six times. The Executive Committee met two times during 2009-12.

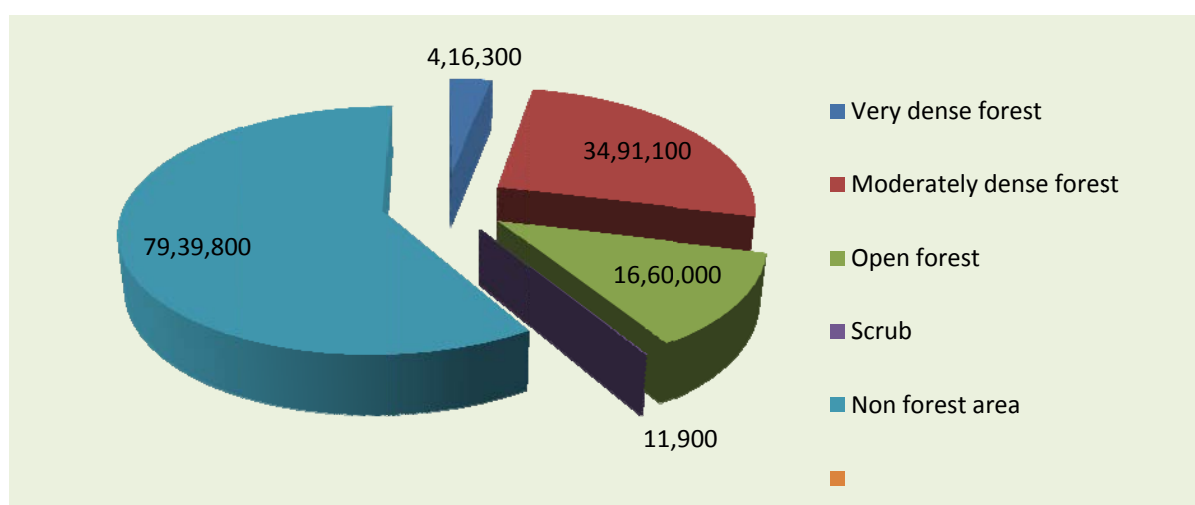
Chhattisgarh

1. Background⁵⁵

The total geographical area of Chhattisgarh is 1,35,19,100 hectare. Based on the interpretation of satellite data of October 2008 - January 2009, the forest cover in the State was 55,67,400 hectare which was 41.18 *per cent* of the State's geographical area. In terms of forest canopy density classes, the State had 4,16,300 hectare of area under very dense forest, 34,91,100 hectare of area under moderately dense forest and 16,60,000 hectare of area under open forest. Compared with the previous assessment of 2009, the forest cover showed a loss of 400 hectare in the 2011 assessment.



Forest cover – Types of forest (in hectare)-2011



2. Compensatory Afforestation Funds of the State

State CAMPA was constituted in July 2009. Funds remitted by State CAMPA to Ad-hoc CAMPA, funds released by Ad-hoc CAMPA to State CAMPA and expenditure incurred there against during the period 2006-07 to 2011-12 were as detailed below:

⁵⁵Source: India State of Forest Report 2011 published by Forest Survey of India.

(₹ in crore)

Year	Amount transferred to Ad-hoc CAMPA	Amount received by State CAMPA from Ad-hoc CAMPA	Expenditure incurred by State CAMPA	Accumulation of funds with State CAMPA ⁵⁶
2006-07	45.82	Nil	Nil	Nil
2007-08	42.87	Nil	Nil	Nil
2008-09	127.03	Nil	Nil	Nil
2009-10	450.59	123.21	3.94	119.27
2010-11	68.66	135.20	20.18	234.29
2011-12	379.84	99.54	93.92	239.91
Total	1,114.81	357.95	118.04	

As can be seen from the table, in compliance with the orders of the Supreme Court, 32 percent of the total Compensatory Afforestation funds remitted by State CAMPA to Ad-hoc CAMPA were released between 2009-12. Of ₹ 357.95 crore released against APOs, 67 percent remained unutilised, leading to accumulation of funds with State CAMPA. Funds of ₹ 0.17 crore were not remitted by State CAMPA to Ad-hoc CAMPA and were deposited in State Government account.

3. Receipts into State CAMPA

The cases of non recovery/short recovery of NPV/CA/PCA etc. in Chhattisgarh that came to the notice of audit are given below. The gist of these cases is also given in table 24, 26 and 27 in Chapter 3.

(₹ in crore)

Sl. No.	Description	Amount
1.	There were 17 cases ⁵⁷ involving forest land of 1,160.42 ha in which NPV was not collected from the user agencies ⁵⁸ to whom in principle approval was granted before October 2002 and the final approval was granted after that.	67.30 ⁵⁹
2	The Supreme Court revised the rate of NPV in March 2008. However test check of records of CCF (Land Management) revealed that in 23 cases ⁶⁰ NPV was not collected at revised rates. The Ministry accepted the facts (April 2013).	34.06

⁵⁶ Cumulative amount at the end of the year lying unutilised with State CAMPA out of the funds released by Ad-hoc CAMPA 2009 onwards.

⁵⁷ As per status report of MoEF issued on 16 March 2012.

⁵⁸ State Government departments, Bhilai Steel Plant, M/s OCL India Ltd., M/s SECL (Coal Mining), M/s Nagpur Alloys Casting Ltd., etc.

⁵⁹ Audit estimated the total amount of NPV due in these cases on a conservative basis by applying the minimum rate of ₹5.80 lakh per hectare (1160.423 X 5.80)

⁶⁰ M/s Savitri Power Project Pvt. Ltd., M/s CG Energy Consortium Pvt. Ltd., M/s Godavari Power & Steel Ltd., M/s SECL, M/s Prakash Industries, Powergrid Corporation, M/s Jindal Steel & Power Ltd., Bhilai Steel Plant, NTPC, state agencies etc.

Sl. No.	Description	Amount
3.	There was under assessment of CA in 46 cases due to non-inclusion of 10 <i>per cent</i> annual increase in rates of CA on account of inflation in wages. Ministry stated (April 2013) that recovery had been made from user agencies as per instructions issued by State Government in March 2002. The reply is not tenable as the rates of CA prescribed for the year 2001-02 were applied for the year 2002-03. This led to short realisation of cost of CA.	5.15
4.	Demand for payment of NPV/CA/PCA raised against Prakash Industries Limited in 2009 remained unrecovered (November 2012).Ministry stated (April 2013) that the matter of recovery of NPV/CA/PCA from user agency was sub-judice and action for the recovery of NPV/CA/PCA would be taken after decision of the court.	3.43
5.	Against diversion of 61.64 ha of forest land for construction of Pasid reservoir the user agency transferred 4.13 ha of revenue land and 57.07 ha of orange land ⁶¹ . Despite orders of the Regional CCF, Bhopal that cost of CA on double degraded forest land (i.e. 114.14 ha) amounting to ₹1.35 crore should be deposited, it was yet to be deposited (December 2012).The Ministry accepted the facts(April 2013).	1.35
	Total	111.29

4. Utilisation of CAMPA funds

4.1 Year wise and component wise breakup of funds allotted to State CAMPA and utilisation of the funds released.

(₹in crore)

Main-Components	2009-10			2010-11			2011-12		
	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure
NPV ⁶²		64.83	3.79		39.90	10.84		88.04	83.97
Compensatory Afforestation		18.14	NIL		16.90	8.87		11.00	9.47
Protected Area ⁶³		0	0		0	0		0	0
CAT Plan		0	0		0	0		0	0
Other specified activities		15.00	0.15		10.00	0.47		0.50	0.48
Total	123.21	97.97	3.94	135.20	66.80	20.18	99.54	99.54	93.92

⁶¹Orange land is a forest land that has not been demarcated and its notification as forest land has not been made.

⁶² NPV is spent on protection, conservation and management of forest

⁶³ Protected Area Fund is spent on wildlife management

From the table, it is evident that the State CAMPA did not release the entire amount received from Ad-hoc CAMPA against APOs to the implementing agencies. The amount released was 80 per cent in 2009-10, 49 per cent in 2010-11 and 100 per cent in 2011-12. The percentage of expenditure incurred as against the amounts released by Ad-hoc CAMPA was three per cent in 2009-10, 15 per cent in 2010-11 and 94 per cent in 2011-12. Further, the implementing agencies could not expend substantial portion of amount released by the State CAMPA in the years 2009-10 and 2010-11. The levels of expenditure were four per cent in 2009-10 and 31 per cent in 2010-11 of the amounts released. Though the percentage of expenditure had increased progressively over the last three years, concerns remain on the absorptive capacity of the State considering that ₹ 2,239.09 crore (including interest) are accumulated with Ad-hoc CAMPA in the Compensatory Afforestation Fund for the State (31 March 2012) and can be released only for specified forestry related activities.

4.2 Irregularities in utilisation of funds.

(₹in crore)

Sl. No.	Nature of irregularity	Description	Amount
1.	Expenditure not authorised by State CAMPA guidelines and NCAC	CAMPA funds should not be used for creating infrastructure at State Forest headquarters and ecotourism. However test check revealed that expenditure was incurred on purchase of vehicles viz. Tata Safari, Toyota Etios etc. (₹ 1.30 crore), construction of DFO office, residence etc. (₹ 5.82 crore of that ₹ 2.03 crore already spent) and eco-tourism (₹4.86 crore of that ₹ 0.71 crore already spent).Ministry stated (April 2013) that there was no instruction in the guidelines regarding restriction of purchase of vehicles for officers above range level. The reply of Ministry is not tenable as it was clearly mentioned in the State CAMPA guidelines that the funds would be used to strengthen infrastructure upto the range level only.	11.98
2.	Compensatory Afforestation done in dense forest	In Dharamjaigarh, East Raipur and East Surguja divisions, CA was undertaken in dense forests kept in Selection cum Improvement working circle ⁶⁴ instead of degraded forests. Ministry stated (April 2013) that CA was not done in the dense forest. The reply of Ministry was not based on facts as the audit had given particular instances where CA was done on dense forest in the above divisions.	1.40
3.	Doubtful expenditure on Compensatory Afforestation	In East Surguja division plantation was undertaken on 52.43 ha of blank/under stock area during 2006-08 and again in 2010-11 on 50 ha in the same area under CAMPA, whereas no area was available for further plantation raising doubts	0.18

⁶⁴Dense forests of higher quality, middle and mature age are kept in selection cum improvement working circles where activities like assisted natural regeneration and main felling are taken up.

Sl. No.	Nature of irregularity	Description	Amount
		about genuineness of the plantation. Ministry stated (April 2013) that matter would be examined and intimated to audit.	
4	Plantation on unsuitable site	In Bilaigarh bamboo plantation was done on a site dominated by red soil and boulders/rocks. Joint physical verification of the site by audit and department officials (June 2012) revealed that most of the plants had either died or were dying. As such, the site selected for bamboo plantation was not appropriate for the plantation. Ministry stated (April 2013) that bamboo plants had lost the leaves due to excessive heat in summer season. The reply Ministry is not tenable as physical verification of site revealed that terrain was rocky and full of boulders and the plantation was unsuccessful.	0.29
Total			13.85



Photos of some selected plantations

5. Land Management

5.1 Fact sheet

Particulars (2006-12)	
Forest land diverted	As per records of RO ⁶⁵ - 20,456.19 ha ⁶⁶ As per records of NO – 8,389.40 ha
Non forest land received in lieu	As per records of RO – Nil As per records of NO – 323.08 ha
Non forest land short received	As per records of RO - 20,456.19 ha As per records of NO – 8,066.31 ha
Chief Secretary Certificate on non availability of non forest land attached	No, despite Revenue department indicating that 5.78 lakh ha revenue land being available
Area identified for CA as per NO	On degraded forest land – 5,143.14 ha On Non forest land – 134.82 ha
Area on which CA done as per NO	On degraded forest land – 3,668.73 ha On Non forest land – 33.18 ha
Received Non forest land transferred/mutated	As per records of RO- Nil As per records of NO – Nil
Non forest land received notified as reserved/protected forest	As per records of RO- Nil As per records of NO – Nil

As is evident from the table, there were un-reconciled variations in the data provided by the Nodal Officer of the State CAMPA and the concerned Regional Office of MoEF. As per the records of RO, forest land diverted for non forestry purposes was 20,456.19ha and the non forest land received in lieu there of was zero *per cent* while as per records of NO the figures were 8,389.40 ha and four *per cent*, respectively. As per records of RO and NO, no non forest land was transferred /mutated in favour of the forest department and notified as RF/PF. As per records of NO, afforestation was done on 33.18 ha non forest land and afforestation done on degraded forest land was 71 *per cent of the area* to be afforested.

5.2 Irregularities in land management

Sl. No.	Nature of irregularity	Description
1.	Use of forest land without payment of NPV/CA/PCA	In Janjgir-Champa, 44 ha of revenue land were transferred to Madhya Pradesh State Industrial Development Corporation which in turn leased the land (1990) to Prakash Industries Limited (user agency). The forest department objected as this was forest land and consequently, the allotment was cancelled in 1991. Based on an application made by the user agency, MoEF accorded an 'in principle' approval in 1993 for the same land. The demand for payment of NPV/CA/PCA of ₹ 3.43 crore was raised as late as 2009, after a gap of 16 years but it remained unpaid (November

⁶⁵ Regional Office (RO) of Ministry of Environment & Forests and Nodal Officer (NO) of State Forests Department

⁶⁶ Excluding exempted projects

Sl. No.	Nature of irregularity	Description
		2012). In the meantime, the user agency continued to use the forest land. Ministry stated (April 2013) that the matter of recovery of NPV/CA/PCA from user agency was sub-judice and action for the recovery of NPV/CA/PCA would be taken after decision of the court.
2.	Use of forest land for non-forestry purpose without MoEF approval	In Bastar 77.50 ha of reserve forest land was used to develop Wildlife Conservation and Education Centre (Lamni Park) to encourage tourism, which was a non-forest activity without the approval of MoEF. Ministry stated (April 2013) that development of Wildlife Conservation and Education Centre was under the provision of FC Act 1980. The reply of Ministry is not tenable as the work of development of said centre was undertaken without approval of MoEF for diversion of forest land.

6. Status of Accounts and audit of State CAMPA Accounts

The Steering Committee of State CAMPA, in its meeting held on 3 May 2010 decided that the State CAMPA shall adopt the accounting procedures applicable to the State Forest Department. The compiled accounts of State CAMPA were to be submitted to CCF (Finance/Budget) along with the accounts of Forest Department and a copy forwarded to State CAMPA. At State CAMPA headquarters, fund management, auditing etc. was to be done by the Chartered Accountants appointed by the State CAMPA. The prepared accounts were to be submitted to the Steering Committee during 31 March to 30 June each year. However, the accounts for the years 2009-10 to 2011-12 were still to be prepared in the prescribed format and submitted for audit as per State CAMPA Guidelines(December 2012).

Further, as per State CAMPA guidelines, the State Government and the MoEF had the powers to conduct special audit or performance audit of the state CAMPA. However, no such audit was conducted.

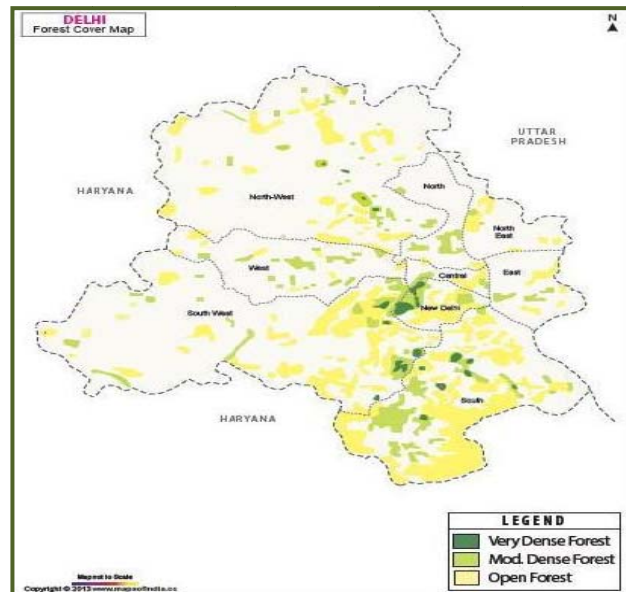
7. Monitoring

As per the state CAMPA guidelines the Steering Committee was to meet twice in a year. The Steering Committee of Chhattisgarh CAMPA met four times during 2009-12 as against six times. The Executive Committee met seven times during 2009-12.

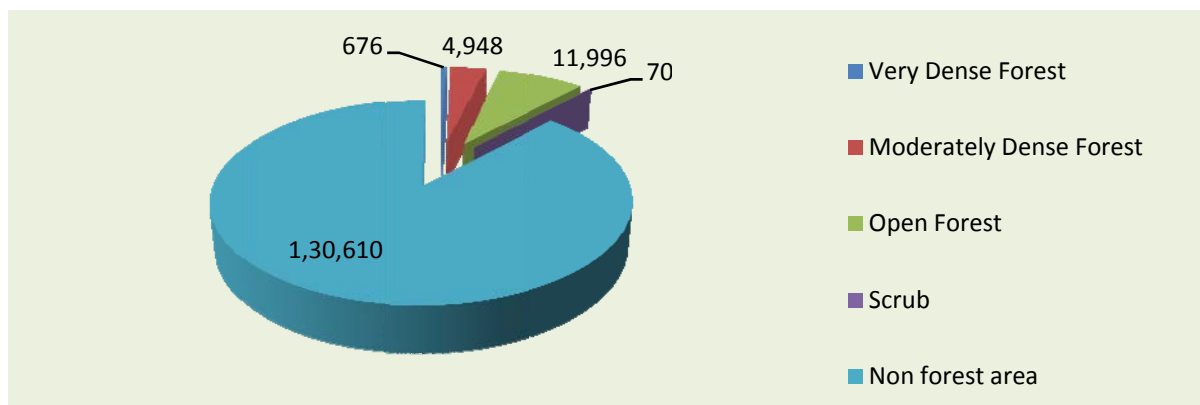
Delhi

1. Background⁶⁷

The total geographical area of Delhi is 1,48,300 hectare. Based on the interpretation of satellite data of November - December 2008, the forest cover in the State was 17,620 hectare which was 11.88 *per cent* of the State's geographical area. In terms of forest canopy density classes, the State had 676 hectare of area under very dense forest, 4,948 hectare of area under moderately dense forest and 11,996 hectare of area under open forest. Compared with the previous assessment of 2009, the forest cover showed a loss of 38 hectare in the 2011 assessment.



Forest cover – Types of forest (in hectare)-2011



2. Compensatory Afforestation Fund of the State

State CAMPA was constituted in October 2009. Funds remitted by State CAMPA to Ad-hoc CAMPA, funds released by Ad-hoc CAMPA to State CAMPA and expenditure incurred there against during the period 2006-07 to 2011-12 were as detailed below.

⁶⁷Source: India State of Forest Report 2011 published by Forest Survey of India.

(₹in crore)

Year	Amount transferred to Ad-hoc CAMPA	Amount received by State CAMPA from Ad-hoc CAMPA	Expenditure incurred by State CAMPA	Accumulation of funds with State CAMPA ⁶⁸
2006-07	Nil	Nil	Nil	
2007-08	5.17	Nil	Nil	
2008-09	12.81	Nil	Nil	
2009-10	Nil	1.85	Nil	1.85
2010-11	3.66	1.40	0.01	3.24
2011-12	13.12	Nil	1.19	2.05
Total	34.76	3.25	1.20	

As can be seen from the table, in compliance with the orders of the Supreme Court, nine *per cent* of the total Compensatory Afforestation funds remitted by State CAMPA to Ad-hoc CAMPA were released between 2009 and 2012. Of ₹ 3.25 crore released, 63 *per cent* remained unutilised, leading to accumulation of funds with State CAMPA.

3. Receipts into State CAMPA

The cases of non recovery/short recovery of NPV/CA/PCA etc in Delhi that came to the notice of audit are given below. The gist of these cases is also given in table 26 and 27 in Chapter 3.

(₹in crore)

Sl. No.	Description	Amount
1	The Supreme Court revised the rate of NPV in March 2008. However test check revealed that in 4 cases ⁶⁹ NPV was not collected at revised rates. Ministry stated (April 2013) that NPV at the rate of ₹ 9.20 lakh per ha had been justified in above four cases. The reply is not tenable as the NPV was not recovered as per the rates revised by the Supreme Court in March 2008.	0.25
2	DMRC occupied the following areas of forest land without proper authorization and did not pay the NPV/CA <ul style="list-style-type: none"> i. 1.35 ha excess forest land for Airport Link Express Project in 2008. ii. 0.38 ha forest land for construction of diaphragm wall of underground railway line in November, 2002. Ministry stated (April 2013) that the diversion of area of 4.37 ha was approved on payment of NPV/CA etc. The reply was silent regarding recovery of NPV/CA for unauthorised occupation of 1.35 ha excess area for Airport Link Express Project and 0.38 ha area for construction of diaphragm wall of underground railway line.	0.56 0.12

⁶⁸ Cumulative amount at the end of the year lying unutilised with State CAMPA out of the funds released by Ad-hoc CAMPA 2009 onwards.

⁶⁹ Delhi Tourism & Transport Development Corporation, National Highways Authority of India, Delhi Development Authority and Central Public Works Department.

Sl. No.	Description	Amount
3	Two cases (Delhi PWD and New Delhi Municipal Corporation) were treated as central government projects, and Compensatory afforestation was under assessed /recovered. Ministry stated (April 2013) that in all projects were examined by Regional Office, MoEF, at Chandigarh and CA was realised. The Ministry's reply was general in nature and was silent regarding non-recovery of CA of ₹ 0.98 crore in two cases due to non-furnishing of certificate from Chief Secretary to the effect that non-forest was not available in the state.	0.98
	Total	1.91

4. Utilisation of CAMPA funds

4.1 Year wise and component wise breakup of funds allotted to State CAMPA and the utilisation of the funds released

(₹in crore)

Main-Components	2009-10			2010-11			2011-12		
	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure
NPV ⁷⁰									0.16
Compensatory Afforestation									1.01
Protected Area ⁷¹									0
CAT Plan									0
Other specified activities						0.01			0.02
Total	1.85	NA	Nil	1.40	NA	0.01	Nil	NA	1.19

No APO was prepared and submitted for the years 2009-10 and 2010-11. APO for the year 2011-12 was approved in July 2011, no funds were released by Ad-hoc CAMPA for 2011-12. Expenditure was incurred in 2010-11 and 2011-12 without approval of APO. From the table, it is evident that the percentage of expenditure incurred against the amounts released by Ad-hoc CAMPA was zero *per cent* in 2009-10 and less than one *per cent* in 2010-11. In 2011-12, expenditure was incurred without any specific release for that year. Though the expenditure had increased progressively over the last three years, concerns remain on the absorptive capacity of the State considering that ₹ 37.20 crore (including interest) are

⁷⁰ NPV is spent on protection, conservation and management of forests.

⁷¹ Protected Area Fund is spent of wildlife management

accumulated with Ad-hoc CAMPA in the Compensatory Afforestation Fund for the State (31 March 2012) and can be released only for specified forestry related activities.

4.2 Irregularities in utilisation of funds

(₹ in crore)

Sl. No.	Nature of irregularity	Description	Amount
1	Expenditure not authorised by State CAMPA guidelines and NCAC	CAMPA funds should not be used for creating infrastructure at State Forest headquarters and ecotourism. However test check revealed that expenditure was incurred on purchase of vehicles - Maruti gypsy (₹ 0.05 crore), six mobile phones (₹ 0.29 lakh) and a laptop (₹ 0.01 crore). Ministry stated (April 2013) that Steering Committee had accorded ex-post facto approval for expenditure incurred on these items. The reply of Ministry is not tenable as the expenditure on these items was not authorised by State CAMPA guidelines and NCAC.	0.06
2	Expenditure without approval of the APO	The expenditure incurred by State CAMPA was unauthorised as APO for the year 2010-11 was not prepared and APO for 2011-12 though approved by the Steering Committee was not approved by Ad-hoc CAMPA. Ministry stated (April 2013) that ex-post facto approval of steering committee had been obtained for the said expenditure. The reply is not tenable as the expenditure was incurred without approval of APO by MoEF/Ad-hoc CAMPA.	1.20
	Total		1.26

5. Land Management

5.1 Fact sheet

Particulars (2006-12)	
Forest land diverted	As per records of RO ⁷² – 22.15 ha ⁷³ As per records of NO – 40.29 ha
Non forest land received in lieu	As per records of RO – Nil As per records of NO – Nil
Non forest land short received	As per records of RO – 22.15 ha As per records of NO – 40.29 ha

⁷² Regional Office (RO) of Ministry of Environment & Forests and Nodal Officer (NO) of State Forests Department

⁷³ Excluding exempted projects

Particulars (2006-12)	
Chief Secretary Certificate on non availability of non forest land attached	In two of 10 cases, (2.22 ha), Chief Secretary's Certificate was not obtained.
Area identified for CA as per NO	On degraded forest land – 100.00 ha On Non forest land – Nil
Area on which CA done as per NO	On degraded forest land – 100.00 ha On Non forest land – Nil
Received Non forest land transferred/mutated	As per records of RO – Nil As per records of NO – Nil
Non forest land received notified as reserved/protected forest	As per records of RO – Nil As per records of NO – Nil

As is evident from the table, there were un-reconciled variations in the data provided by the Nodal Officer of the State CAMPA and the concerned Regional Office of MoEF. As per the records of RO, forest land diverted for non forestry purposes was 22.15 ha and the non forest land received in lieu thereof was zero *per cent* while as per records of NO the figures were 40.29 ha and zero *per cent*, respectively. As per records of RO and NO, no non forest land was transferred /mutated in favour of the forest department and notified as RF/PF. As per records of NO, no afforestation was done on non forest land and afforestation done on degraded forest land was 100 *per cent*.

6. Status of Accounts and audit of State CAMPA Accounts

State CAMPA did not prepare its annual accounts for the years 2009-10 to 2011-12 in the prescribed format. In the absence of proper accounts, these could not be audited. Further, as per State CAMPA guidelines, the State Government and the MoEF had the powers to conduct special audit or performance audit of the state CAMPA. However, no such audit was conducted. Ministry replied that the statutory audit of field accounts had been completed till 31 March 2012.

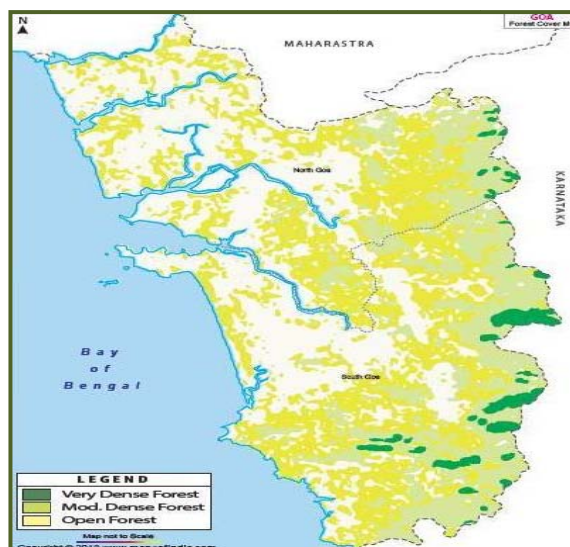
7. Monitoring

As per the state CAMPA guidelines the Steering Committee was to meet twice in a year. The Steering Committee of Delhi CAMPA met twice during 2009-12 as against six times. The Executive Committee met thrice during 2009-12. Accepting the facts, Ministry stated (April 2013) that henceforth meetings of the committees would be organised as per provisions of guidelines.

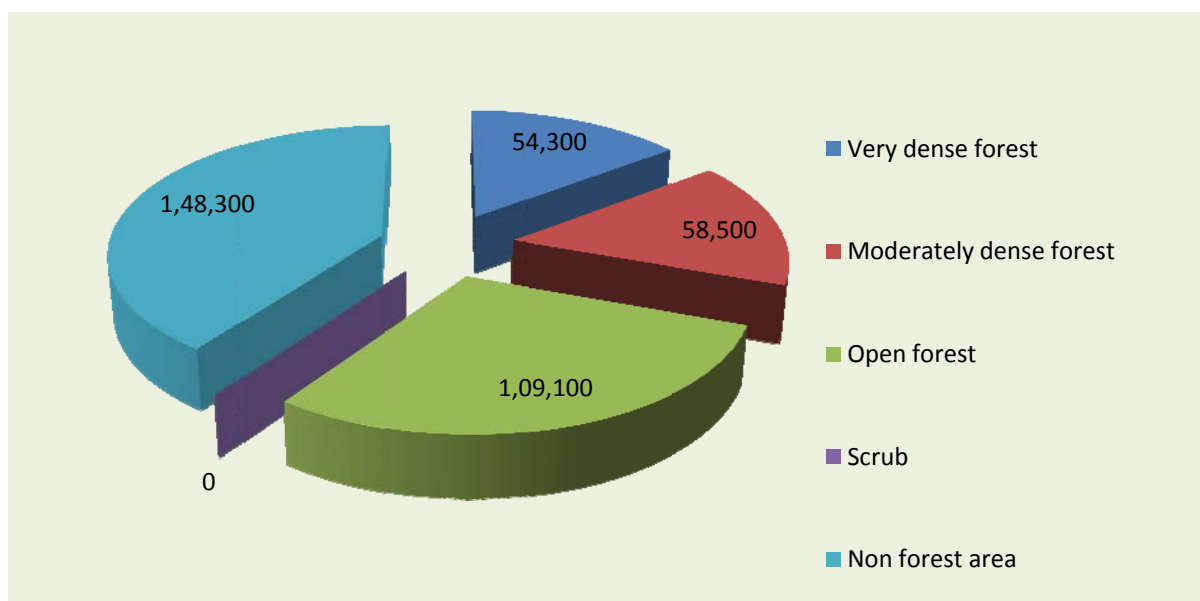
Goa

1. Background⁷⁴

The total geographical area of Goa is 3,70,200 hectare. Based on the interpretation of satellite data of February 2009, the forest cover in the State was 2,21,900 hectare which was 59.94 per cent of the State's geographical area. In terms of forest canopy density classes, the State had 54,300 hectare of area under very dense forest, 58,500 hectare of area under moderately dense forest and 1,09,100 hectare of area under open forest. Compared with the previous assessment of 2009, the forest cover showed an increase of 700 hectare in the 2011 assessment.



Forest cover – Types of forest (in hectare)-2011



2. Compensatory Afforestation Fund of the State

State CAMPA was constituted in January 2010. Funds remitted by State CAMPA to Ad-hoc CAMPA, funds released by Ad-hoc CAMPA to State CAMPA and expenditure incurred there against during the period 2006-07 to 2011-12 were as detailed below.

⁷⁴Source: India State of Forest Report 2011 published by Forest Survey of India.

(₹ in crore)

Year	Amount transferred to Ad-hoc CAMPA	Amount received by State CAMPA from Ad-hoc CAMPA	Expenditure incurred by State CAMPA	Accumulation of funds with State CAMPA ⁷⁵
2006-07	28.21	Nil	Nil	Nil
2007-08	68.93	Nil	Nil	Nil
2008-09	20.40	Nil	Nil	Nil
2009-10	23.25	12.12	Nil	12.12
2010-11	4.40	10.25	4.91	17.46
2011-12	1.78	Nil	5.98	11.48
Total	146.97	22.37	10.89	

As can be seen from the table, in compliance with the orders of the Supreme Court, 15 per cent of the total Compensatory Afforestation funds remitted by State CAMPA to Ad-hoc CAMPA were released between 2009-12. Of ₹ 22.37 crore released against APOs, 51 per cent remained unutilised, leading to accumulation of funds with State CAMPA.

3. Receipts into State CAMPA

The cases of non recovery/short recovery of NPV/CA/PCA etc. in Goa that came to the notice of audit are given below. The gist of these cases is also given in table 26 and 27 in Chapter 3.

(₹ in crore)

Sl. No.	Description	Amount
1	The Supreme Court revised the rate of NPV in March 2008. However test check revealed that in 5 cases ⁷⁶ NPV was not collected at revised rates. Ministry stated (April 2013) that final action taken in this regard would be intimated to audit.	13.67
2	NPV of ₹ 0.73 crore was short collected from lease holder M/s Chandrakant F. Naik/ Sh. Rajesh P. Timblo as the NPV was collected for 22.25 ha instead of 38.60 ha land actually diverted. Ministry stated (April 2013) that NPV at the rates prevailing at the time had been recovered for the total forest area of 38.60 ha in the lease. The reply of Ministry was not supported with the relevant documents.	0.73

⁷⁵ Cumulative amount at the end of the year lying unutilised with State CAMPA out of the funds released by Ad-hoc CAMPA 2009 onwards.

⁷⁶ M/s Sociedade TimbloImpros Ltd., M/s G.N. Agarwal at Bimbol Iron Ore Mine, M/s Emco Goa Pvt. Ltd, M/s Dempo & Co. Pvt. Ltd, M/s Badruddin H. Mavani & M/s Sova.

Sl. No.	Description	Amount
3	As per the order of the Supreme Court of 4 January 2008, if the mine owner was unable to provide degraded forest land for carrying out compensatory afforestation in lieu of fresh broken up area sanctioned for mining lease then the mine owner had to pay an amount equal to twice the forest area included in the new mining lease to Government at the rate of ₹ 92,368 per ha. However, in one case, CA of ₹ 0.16 crore ⁷⁷ was not recovered from the mining lease holder who was granted fresh broken up area of 8.44 ha in October 2010 which also resulted in loss of interest of ₹ 0.01 crore. Ministry endorsed (April 2013) the reply of State CAMPA wherein it was stated that no response was received from the Ministry despite repeated reminders for clarification sought for the recovery of CA of ₹ 0.16 crore from user agency.	0.16
	Total	14.56

4. Utilisation of CAMPA funds

4.1 Year wise and component wise breakup of funds allotted to State CAMPA and the utilisation of the funds released.

(₹in crore)

Main-Components	2009-10			2010-11			2011-12		
	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure
NPV ⁷⁸					1.87	0.86		1.28	0.77
Compensatory Afforestation					1.42	0.85		1.50	1.46
Protected Area ⁷⁹					0	0		0	0
CAT Plan					0	0		0	0
Other specified activities					0.81	3.20		3.05	3.75
Total	12.12	Nil	Nil	10.25	4.10	4.91	Nil	5.83	5.98

Funds for the year 2009-10 were released by Ad-hoc CAMPA without APO. APO for the year 2011-12 was approved by Steering Committee in August 2011 and no funds were released by Ad-hoc CAMPA for 2011-12.

From the table it is evident that the State CAMPA did not release the entire amount received from Ad-hoc CAMPA against APOs to the implementing agencies. The amount

⁷⁷(8.44x2x ₹ 92,368)

⁷⁸ NPV is spent on protection, conservation and management of forest

⁷⁹ Protected Area Fund is spent on wildlife management

released by State CAMPA to its various units was nil in 2009-10, 40 *per cent* in 2010-11. The levels of expenditure were zero *per cent* in 2009-10 and 48 *per cent* in 2010-11 of the amounts released. Though the percentage of expenditure had increased progressively over the last three years, concerns remain on the absorptive capacity of the State considering that ₹ 171.71 crore (including interest) are accumulated with Ad-hoc CAMPA in the Compensatory Afforestation Fund for the State (31 March 2012) and can be released only for specified forestry related activities.

4.2 Irregularities in utilisation of funds

(₹ in crore)

Sl. No.	Nature of irregularity	Description	Amount
1	Expenditure not authorised by State CAMPA guidelines and NCAC	<p>CAMPA funds should not be used for creating infrastructure at State Forest headquarters and ecotourism. However test check revealed that expenditure was incurred on purchase of executive table, vehicles, computers/laptops etc.</p> <p>Ministry stated (April 2013) that vehicles, computers, small furniture, etc. were purchased for the maintenance of records and protection of forests and these items were purchased by head office and distributed to sub-ordinate offices. The reply of Ministry is not tenable as purchases of these items were not covered under State CAMPA guidelines.</p>	0.75
2	Deficiencies in plantations	<p>Test check of records of 19 sites of plantations under State CAMPA revealed the following deficiencies in plantations.</p> <ul style="list-style-type: none"> • Plantations were carried out in area with existing plantation and some in areas surrounded with dense vegetation. The area of plantations seemed to already have a density of 0.40 and above. • Plantation register did not contain the reasons for selecting the area for plantation. • Density of the area of plantation had not been mentioned in the plantation register against any of the plantation. • The plantations had been carried out in places with already existing Acacia and Eucalyptus plantation. • The plantations were to be carried out in degraded forest land and not in areas with high density of forest with fully grown matured trees. However, in none of the area selected this criterion was followed. <p>Ministry stated (April 2013) that CA plantations were carried out on degraded forest land to improve the tree cover so as to compensate for the loss of forest cover over the area diverted. However, in future directions would be issued to the concerned divisions to record the plantation density at the time of raising the plantation.</p>	



Photos of some selected plantations

5. Land Management

5.1 Fact sheet

Particulars(2006-12)	
Forest land diverted	As per records of RO ⁸⁰ – 1,513.09 ha ⁸¹ As per records of NO – 728.94 ha
Non forest land received in lieu	As per records of RO – 60.85 ha As per records of NO – 28.50 ha
Non forest land short received	As per records of RO – 1,452.24 ha As per records of NO – 700.44 ha
Chief Secretary Certificate on non availability of non forest land attached	No
Area identified for CA as per NO	On degraded forest land – 350.67 ha On Non forest land – 24.10 ha
Area on which CA done as per NO	On degraded forest land – 1,007.98 ha On Non forest land – Nil
Received Non forest land transferred/mutated	As per records of RO- Nil As per records of NO – 24.10 ha
Non forest land received notified as reserved/protected forest	As per records of RO- Nil As per records of NO – 4.40 ha

As is evident from the table, there were un-reconciled variations in the data provided by the Nodal Officer of the State CAMPA and the concerned Regional Office of MoEF. As per the records of RO, forest land diverted for non forestry purposes was 1,513.09 ha and the non forest land received in lieu thereof was four *per cent* while as per records of NO the figures were 728.94 ha and four *per cent*, respectively. As per records of RO, no non forest land was transferred /mutated in favour of the forest department and notified as RF/PF while as per NO out of 24.10 ha non forest land transferred/ mutated in favour of forest department only 4.40 ha non forest land was declared as RF/PF. As per records of NO, no afforestation was done on non forest land and afforestation was done on 1,007.98 ha degraded forest land.

⁸⁰ Regional Office (RO) of Ministry of Environment & Forests and Nodal Officer (NO) of State Forests Department

⁸¹ Excluding exempted projects

6. Status of Accounts and audit of State CAMPA Accounts

As per state CAMPA guidelines issued by MoEF, the accounts of state CAMPA were to be audited by the Accountant General at such intervals as may be specified by him. However, State CAMPA did not prepare its annual accounts for the year 2009-10 to 2011-12 in the prescribed format. In the absence of proper accounts, these could not be audited. The State CAMPA did not maintain cash book and subsidiary ledgers for the funds received from Ad-hoc CAMPA and expenditure incurred therefrom. In the absence of cash book and subsidiary ledgers, the receipts and payments of the years 2009-10 to 2011-12 could not be verified in audit. There was a difference of ₹ 1.33 crore between the amount deposited by State CAMPA and the amount acknowledged by Ad-hoc CAMPA which remained un-reconciled (December 2012). UCs for a sum of ₹ 0.81 crore released during 2010-11 and ₹ 0.52 crore released during 2011-12 to implementing divisions were not received in State CAMPA.

Further, as per State CAMPA guidelines, the State Government and the MoEF had the powers to conduct special audit or performance audit of the state CAMPA. However, no such audit was conducted. Ministry accepted the audit observations (April 2013).

7. Monitoring

As per the state CAMPA guidelines the Steering Committee was to meet twice in a year. The Steering Committee of Goa CAMPA met two times during 2009-12 as against six times. The Executive committee met three times during 2009-12. The Governing body did not meet in the year 2010-11. Ministry stated (April 2013) that it was not possible to convene the minimum number of meetings of various committees because of sessions of State Legislative Assembly, election to State Legislative Assembly and other local bodies. The reply of Ministry is not tenable as minimum two meetings of Steering Committee in a year were prescribed.

(₹in crore)

Year	Amount transferred to Ad-hoc CAMPA	Amount received by State CAMPA from Ad-hoc CAMPA	Expenditure incurred by State CAMPA	Accumulation of funds with State CAMPA ⁸³
2006-07	64.74	Nil	Nil	
2007-08	55.84	Nil	Nil	
2008-09	81.96	Nil	Nil	
2009-10	170.44	24.96	8.57	16.39
2010-11	112.11	29.16	32.77	12.78
2011-12	98.40	26.30	28.77	10.31
Total	583.49	80.42	70.11	

As can be seen from the table, in compliance with the orders of the Supreme Court, 14 per cent of the total Compensatory Afforestation funds remitted by State CAMPA to Ad-hoc CAMPA were released between 2009-12. Of ₹ 80.42 crore released against APOs, 13 per cent remained unutilised, leading to accumulation of funds with State CAMPA.

3. Receipts into State CAMPA

The cases of non recovery/short recovery of NPV/CA/PCA etc. in Gujarat that came to the notice of audit are given below. The gist of these cases is also given in table 24, 26 and 27 in Chapter 3.

(₹in crore)

Sl. No.	Description	Amount
1	There were 18 cases ⁸⁴ involving forest land of 275.94 hectare in which NPV was not collected from the user agencies ⁸⁵ to whom in principle approval was granted before October 2002 and the final approval was granted after that.	16.00 ⁸⁶
2	The Supreme Court revised the rate of NPV in March 2008. However test check of records of three forest divisions ⁸⁷ revealed that NPV was not collected from user agency (NHAI) at revised rates. Ministry stated (April 2013) that user agency had been requested to deposit outstanding amount of NPV.	89.47
3	MoEF accorded in principle approval for diversion of 1,840 ha and 168.42 ha reserve forest land in May and June 2004, respectively, in favour of MPSEZL (earlier known as M/s Adani Chemicals Ltd) subject to deposit of NPV. However NPV of ₹ 15.16 crore for 168.41 ha forest land was assessed and recovered in October 2007 at a rate of ₹9 lakh per ha, thereafter it was wrongly revised and	66.86

⁸³ Cumulative amount at the end of the year lying unutilised with State CAMPA out of the funds released by Ad-hoc CAMPA 2009 onwards.

⁸⁴ As per status report of MoEF issued on 16 March 2012.

⁸⁵ M/s ESSAR Steel Co., Bharat Oman Refineries etc.

⁸⁶ Audit estimated the total amount of NPV due in these cases on a conservative basis by applying the minimum rate of ₹5.80 lakh per hectare (275.94 x 5.8)

⁸⁷ Patan, Palanpur and Rajkot

Sl. No.	Description	Amount
	<p>reassessed at ₹ 4.38 lakh per ha in March 2009, which was not permissible under the rules and excess amount of ₹ 7.78 crore was adjusted against the NPV amount recovered of diversion of 1,840 ha land.</p> <p>Similarly, NPV for diversion of 1,840 ha forest land was assessed (March 2009) and recovered in July 2009 at a rate of ₹ 4.38 lakh per ha considering thorny forest though it was littoral and swamp forest which required to be assessed at ₹ 7.30 lakh per ha. This resulted in short assessed and recovery of ₹53.73 crore. Thus, total short recovery of NPV worked out to ₹61.51 crore (₹ 7.78 crore + ₹ 53.73 crore).</p> <p>Audit also noticed that MPSEZL had not paid ₹ 5.35 crore recoverable on account of difference in cost of fire wood in 168.41 ha forest land. The MPSEZL was also to furnish bank guarantee of ₹7.73 crore and ₹ 19 lakh on account of fencing and protection works as required in State Government's order of 17 November 2009. However, no bank guarantee was given by MPSEZL as of December 2012.</p> <p>Ministry stated (April 2013) that diverted forest land was under Eco-class-IV, Tropica and Thorn forest and not under the category of Eco-class-II in Littoral and Swamp forest and therefore the NPV was charged from user agencies at the rate of ₹4.38 lakh per ha for Eco-class-IV. The reply is not tenable as the area diverted under these projects was under Eco-class II Littoral and Swamp forest and the NPV was to be charged from user agencies at the rates revised by the Supreme Court. As regards recovery of ₹5.35 crore being difference in cost of firewood from user agency, Ministry stated that the user agency had been asked to deposit the money.</p>	
4	<p>In Bhuj forest division (East), additional CA of ₹2.43 crore was credited by NHAI into account of Dy. CF Bhuj (East) operated in Indian Bank at Bhuj on 9 September 2011 for diversion 171 ha forest land for widening of Gandhidam Kandla National Highway. Instead of remitting the amount to State CAMPA for onward transmission to Ad-hoc CAMPA, it was utilised by the DFO directly in contravention of the Supreme Court's directions.</p> <p>Ministry stated (April 2013) that the amount of ₹ 2.43 crore was deposited in the account of Deputy Conservator of Forest, Kachchh East division in Indian bank as the same was not pertaining to NPV or CA and was utilised on the work to avoid delay in implementation of the scheme. The reply is not tenable as the amount of ₹ 2.43 crore was utilised unauthorisedly and the same was to be remitted to Ad-hoc CAMPA as per State CAMPA guidelines.</p>	2.43
5	<p>In Valsad (South) forest division, NPV of ₹ 1.26 crore was not recovered from Dakshin Gujarat Vij Company Limited, (SGVCL), Valsad to whom in principle (stage I) approval was granted by MoEF for diversion of 14 ha forest land in January 2003. Despite periodical reminders by the DyCF, Valsad (South), DGVCL had not paid NPV till October 2012.</p> <p>Ministry stated (April 2013) that the matter of recovery of NPV was being pursued vigorously.</p>	1.26
	Total	176.02

4. Utilisation of CAMPA funds

4.1 Year wise and component wise breakup of funds allotted to State CAMPA and the utilisation of the funds released.

(₹ in crore)

Main-Components	2009-10			2010-11			2011-12		
	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure
NPV ⁸⁸		8.31	2.92		14.90	13.00		18.40	12.24
Compensatory Afforestation		15.60	5.65		15.60	19.77		7.67	16.53
Protected Area ⁸⁹		0	0		0	0		0	0
CAT Plan		0	0		0	0		0	0
Other specified activities		0	0		0	0		0	0
Total	24.96	23.91	8.57	29.16	30.50	32.77	26.30	26.07	28.77

From the table it is evident that the percentage of expenditure incurred as against the amounts released by Ad-hoc CAMPA was 34 per cent in 2009-10. Though the percentage of expenditure has increased progressively over the last three years, concerns remain on the absorptive capacity of the State considering that ₹ 691.44 crore (including interest) are accumulated with Ad-hoc CAMPA in the Compensatory Afforestation Fund for the State (31 March 2012) and can be released only for specified forestry related activities.

4.2 Irregularities in utilisation of funds

(₹ in crore)

Sl. No.	Nature of irregularity	Description	Amount
1	Plantation of clone eucalyptus in contravention of the Supreme Court orders	As per the Supreme Court's orders of 30 January 2002 and State CAMPA guidelines, the plantation of clone eucalyptus was not to be taken up which was also objectionable as per Bio-diversity Act. In Nadiad and Anand forest divisions, work of plantation of clone eucalyptus was done in 95 ha and 60 ha in 2011-12 at an expenditure of ₹ 2.30 crore (with the approval of the Steering Committee despite the Additional PCCF objecting to it). Subsequently, clone Eucalyptus Plantation was also done in another 50 ha in 2011-12 and 2012-13 at ₹0.80 crore from the savings of the earlier year, in anticipation of approval of Steering Committee.	3.10

⁸⁸ NPV is spent on Protection, Conservation & Management of forest

⁸⁹ Protected Area Funds is spent on Wildlife Management

Sl. No.	Nature of irregularity	Description	Amount
2	Wasteful expenditure on CA works	In Bhuj forest division, though the proposal for diversion of forest land was under consideration, the steering committee of Gujarat State CAMPA, approved compensatory afforestation in 161.27 ha, to be taken up during 2009-10 to 2011-12 which included CA in 88.27 ha on Bhuj-Bhachau road being widened. An expenditure of ₹0.60 crore had been incurred on CA without final approval of MoEF for diversion of forest land. Since the widening work was in progress in the road width, taking up CA work on same area would result into wasteful expenditure of ₹ 0.60 crore as planted trees would be removed from the land width under consideration for diversion. Ministry stated (April 2013) that henceforth CA was avoided on the road side and the same was being taken up in the block forest areas.	0.60
Total			3.70

5. Land Management

5.1 Fact sheet

Particulars (2006-12)	
Forest land diverted	As per records of RO ⁹⁰ – 1,767.37 ha ⁹¹ As per records of NO – 5,795.82 ha
Non forest land received in lieu	As per records of RO – Nil As per records of NO – 591.65 ha
Non forest land short received	As per records of RO – 1,767.37 ha As per records of NO – 5,204.17 ha
Chief Secretary Certificate on non availability of non forest land attached	No
Area identified for CA as per NO	On degraded forest land – 5,800.24 ha On Non forest land – 2,737.39 ha
Area on which CA done as per NO	On degraded forest land – Nil On Non forest land – Nil
Received Non forest land transferred/mutated	As per records of RO- Nil As per records of NO – 591.65 ha
Non forest land received notified as reserved/protected forest	As per records of RO- Nil As per records of NO – 5.43 ha

⁹⁰ Regional Office (RO) of Ministry of Environment & Forests and Nodal Officer (NO) of State Forests Department

⁹¹ Excluding exempted projects

As is evident from the table, there were un-reconciled variations in the data provided by the Nodal Officer of the State CAMPA and the concerned Regional Office of MoEF. As per the records of RO, forest land diverted for non forestry purposes was 1,767.37ha and the non forest land received in lieu thereof was only zero *per cent* while as per records of NO the figures were 5,795.82 ha and ten *per cent*, respectively. As per records of RO, no non forest land was transferred /mutated in favour of the forest department and notified as RF/PF while as per NO out of 591.65 ha non forest land was transferred/ mutated in favour of forest department only 5.43 ha non forest land was declared as RF/PF. As per records of NO, no afforestation was done on non forest land and degraded forest land.

6. Status of Accounts and audit of State CAMPA Accounts

As per state CAMPA guidelines issued by MoEF, the accounts of state CAMPA were to be audited by the Accountant General at such intervals as may be specified by him. However, State CAMPA did not prepare its annual accounts for the years 2009-10 to 2011-12 in the prescribed format. In the absence of proper accounts, correctness of its income and expenditure for the year 2009-10 to 2011-12 could not be verified and ascertained in audit. State CAMPA did not maintain cash book and subsidiary ledgers for the funds received from Ad-hoc, in the absence of which the receipts and payments of the years 2009-10 to 2011-12 could not be verified in audit. In Bhavnagar forest division it was found that an amount of ₹ 0.23 crore was lying unspent with the executive engineer, Panchayat R & B Division, Bhavnagar (December 2012) for construction of road, no action was taken to recover the amount. In Valsad (north) forest division the RFO failed to produce vouchers for forest advance of ₹ 0.41 crore relating to plantations for the year 2010-11.

Further, as per State CAMPA guidelines, the State Government and the MoEF had the powers to conduct special audit or performance audit of the state CAMPA. However, no such audit was conducted.

Ministry stated (April 2013) that the annual accounts had now been prepared and would be submitted to executive committee and steering committee for approval and the cash book for 2011-12 would be prepared shortly. As regards non-submission of vouchers of ₹ 0.41 crore, it was stated that the said vouchers had been located and kept in division office.

7. Monitoring

As per the state CAMPA guidelines the Steering Committee was to meet twice in a year. The Steering Committee of Gujarat CAMPA met two times during 2009-12 as against six times. The Executive Committee met four times during 2009-12.

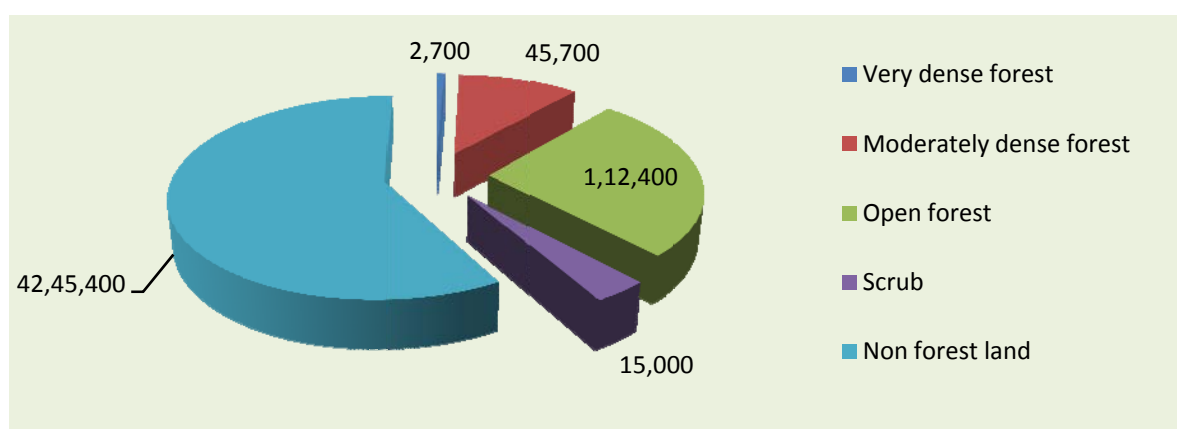
Haryana

1. Background⁹²

The total geographical area of Haryana is 44,21,200 hectare. Based on the interpretation of satellite data of October- November 2008, the forest cover in the State was 1,60,800 hectare which was 3.64 per cent of the State's geographical area. In terms of forest canopy density classes, the State had 2,700 hectare of area under very dense forest, 45,700 hectare of area under moderately dense forest and 1,12,400 hectare of area under open forest. Compared with the previous assessment of 2009, the forest cover showed a gain of 1,400 hectare in the 2011 assessment.



Forest cover – Types of forest (in hectares)-2011



2. Compensatory Afforestation Fund of the State

State CAMPA was constituted in January 2010. Funds remitted by State CAMPA to Ad-hoc CAMPA, funds released by Ad-hoc CAMPA to State CAMPA and expenditure incurred there against during the period 2006-07 to 2011-12 were as detailed below.

⁹²Source: India State of Forest Report 2011 published by Forest Survey of India.

(₹ in crore)

Year	Amount transferred to Ad-hoc CAMPA	Amount received by State CAMPA from Ad-hoc CAMPA	Expenditure incurred by State CAMPA	Accumulation of funds with State CAMPA ⁹³
2006-07	28.01	Nil	Nil	Nil
2007-08	18.26	Nil	Nil	Nil
2008-09	50.25	Nil	Nil	Nil
2009-10	103.10	19.11	Nil	19.11
2010-11	49.57	18.89	11.23	26.77
2011-12	30.81	0.00	16.17	10.60
Total	280.00	38.00	27.40	

As can be seen from the table, in compliance with the orders of the Supreme Court, 14 per cent of the total Compensatory Afforestation funds remitted by State CAMPA to Ad-hoc CAMPA were released between 2009 and 2012. Of ₹ 38 crore released against APOs, 28 per cent remained unutilised, leading to accumulation of funds with State CAMPA. Funds of ₹ 18.94 crore were not remitted by State CAMPA to Ad-hoc CAMPA and were deposited in State Government account.

3. Receipts into State CAMPA

The cases of non recovery/short recovery of NPV/CA/PCA etc. in Haryana that came to the notice of audit are given below. The gist of these cases is also given in table 24, 26 and 27 in Chapter 3.

(₹ in crore)

Sl. No.	Description	Amount
1	There was one case ⁹⁴ involving forest land of 8.48 ha in which NPV was not collected from the user agency to whom in principle approval was granted before October 2002 and the final approval was granted after that.	0.49 ⁹⁵
2	The Supreme Court revised the rate of NPV in March 2008. State Government had also fixed an NPV at uniform rate of ₹ 9.20 lakh per ha. However test check of records of Hisar forest division revealed that NPV was not collected from user agency at revised rates. Ministry stated (April 2013) that final approval of the project was yet to be granted and balance amount, if any, would be recovered from the user agency soon.	0.36
3	In seven cases of six forest divisions ⁹⁶ NPV/CA was short realized from user agencies for diversion of 37.28 ha forest land during the years 2006-07 to 2008-09. Ministry stated (April 2013) that action for the recovery of outstanding amount of NPV/CA from user agencies was being taken.	3.57
	Total	4.42

⁹³ Cumulative amount at the end of the year lying unutilised with State CAMPA out of the funds released by Ad-hoc CAMPA 2009 onwards.

⁹⁴ As per status report of MoEF issued on 16 March 2012.

⁹⁵ Audit estimated the total amount of NPV due in these cases on a conservative basis by applying the minimum rate of ₹5.80 lakh per hectare(8.48 x 5.8)

⁹⁶ Sonipat, Jind, Hisar, Kurukshetra, Pinjore and Mahendergarh

4. Utilisation of CAMPA funds

4.1 Year wise and component wise breakup of funds allotted to State CAMPA and the utilisation of the funds released.

(₹in crore)

Main-Components	2009-10			2010-11			2011-12		
	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure
NPV ⁹⁷					11.17	6.26		12.59	10.31
Compensatory Afforestation					7.10	4.41		6.61	5.09
Protected Area ⁹⁸					0	0		0	0
CAT Plan					1.28	0.56		0	0.77
Other specified activities					0.03	0		0	0
Total	19.11	Nil	Nil	18.89	19.58	11.23	Nil	19.20	16.17

APOs for the years 2009-10 and 2010-11 were not submitted to Ad-hoc CAMPA and APO for the year 2011-12 was submitted in May 2012 after close of financial year. Thus the funds were released by Ad-hoc CAMPA without APOs for the years 2009-12. From the table it is evident that the State CAMPA did not release the amount received from Ad-hoc CAMPA against APOs to the implementing agencies in the year 2009-10. The State CAMPA released ₹ 19.58 crore to implementing agencies during 2010-11 out of funds received during 2009-10 and 2010-11. In 2011-12, though the Ad-hoc CAMPA did not release any funds, State CAMPA released funds from the monies accumulated in the previous two years. The levels of expenditure were 57 per cent in 2010-11 and 84 per cent in 2011-12 when compared with amounts released to implementing agencies. Though the percentage of expenditure had increased progressively over the last three years, concerns remain on the absorptive capacity of the State considering that ₹ 390.34 crore (including interest) are accumulated with Ad-hoc CAMPA in the Compensatory Afforestation Fund for the State (31 March 2012) and can be released only for specified forestry related activities.

⁹⁷ NPV is spent on protection, conservation and management of forest

⁹⁸ Protected Area Fund is spent on wildlife management

4.2 Irregularities in utilisation of funds

(₹in crore)

Sl. No.	Nature of irregularity	Description	Amount
1	Expenditure not authorised by State CAMPA guidelines and NCAC.	CAMPA funds should not be used for creating infrastructure at State Forest headquarters and ecotourism. However test check revealed that expenditure was incurred on renovation of Van Bhawan building, State Forest Headquarters. Ministry stated (April 2013) that NCAC in its meeting held on 24 June 2010 decided that infrastructure at the headquarters level would be developed from the interest earned on FDs and renovation of Van Bhawan was done with the approval of Executive Committee who is authorized to provide financial and administrative sanctions up to an expenditure of ₹ 0.50 crore in any case. The reply is not tenable as the expenditure of ₹ 0.15 crore was incurred on renovation of Van Bhawan in contravention of State CAMPA guidelines.	0.15
2	Compensatory Afforestation done in unapproved sites.	In four divisions ⁹⁹ of the 11 forest divisions test checked it was found that CA was carried out on 25 unapproved sites over an area of 336.35 RKM ¹⁰⁰ .	0.93
	Total		1.08

5. Land Management

5.1 Fact sheet

Particulars(2006-12)	
Forest land diverted	As per records of RO ¹⁰¹ – 1,218.21 ha ¹⁰² As per records of NO – 2,154.89 ha
Non forest land received in lieu	As per records of RO – 43.79 ha As per records of NO – 51.67 ha
Non forest land short received	As per records of RO – 1,174.42 ha As per records of NO – 2,103.22 ha
Chief Secretary Certificate on non availability of non forest land attached	No
Area identified for CA as per NO	On degraded forest land – 4,182.00 ha On Non forest land – 52.85 ha
Area on which CA done as per NO	On degraded forest land – Nil On Non forest land – Nil
Received Non forest land transferred/mutated	As per records of RO- Nil As per records of NO – 51.67 ha
Non forest land notified as reserved/protected forest	As per records of RO- Nil As per records of NO – 7.77 ha

⁹⁹ Panipat, Karnal, Sonapat and Gurgoan¹⁰⁰ Route Kilometre¹⁰¹ Regional Office (RO) of Ministry of Environment & Forests and Nodal Officer (NO) of State Forests Department¹⁰² Excluding exempted projects

As is evident from the table, there were un-reconciled variations in the data provided by the Nodal Officer of the State CAMPA and the concerned Regional Office of MoEF. As per the records of RO, forest land diverted for non forestry purposes was 1,218.21 ha and the non forest land received in lieu thereof was only four *per cent* while as per records of NO the figures were 2,154.89 ha and two *per cent*, respectively. As per records of RO, no non forest land was transferred /mutated in favour of the forest department and notified as RF/PF while as per NO out of 51.67 ha non forest land transferred/ mutated in favour of forest department only 7.77 ha non forest land was declared as RF/PF. As per records of NO, no afforestation was done on non forest land and degraded forest land.

5.2 Irregularities in land management

Nature of irregularity	Description
Diversion of forest land without fulfilling all conditions	<p>i. In seven cases of six forest divisions¹⁰³ 37.28 ha forest land was diverted to user agencies during the years 2006-07 to 2008-09 without recovery of NPV/CA of ₹ 3.57 crore (December 2012).</p> <p>ii. In Pinjore division, Irrigation Department executed the work on 11.70 ha of forest land without final approval of MoEF and depositing NPV/CA.</p> <p>Ministry stated (April 2013) that state forest department had taken possession of non-forest land and mutation of the lands in favour of the department was under process. Ministry's reply was silent regarding recovery of outstanding amount of NPV/CA.</p>

6. Status of Accounts and audit of State CAMPA Accounts

The annual accounts for 2010-11 and 2011-12 were submitted by State CAMPA as per prevalent system of Forest Department which were not approved by the Principal Accountant General, as these were not in the prescribed format. Further, as per State CAMPA guidelines, the State Government and the MoEF had the powers to conduct special audit or performance audit of the state CAMPA. However, no such audit was conducted.

7. Monitoring

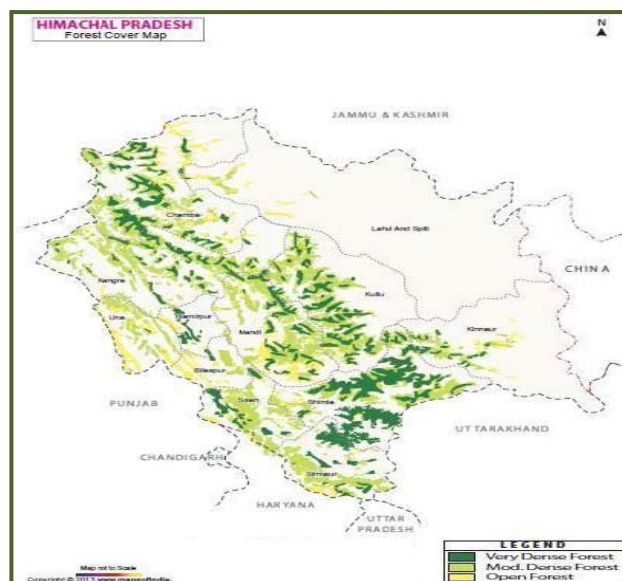
As per the state CAMPA guidelines the Steering Committee was to meet twice in a year. The Steering Committee of Haryana CAMPA met four times during 2009-12 as against six times. The Executive Committee met four times during 2009-12.

¹⁰³Sonipat, Jind, Hisar, Kurukshetra, Pinjore and Mahendergarh

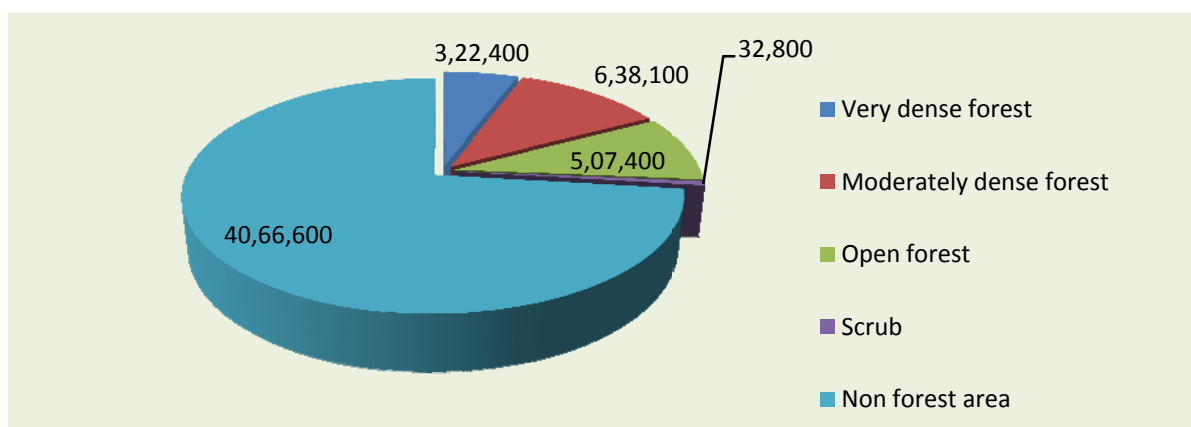
Himachal Pradesh

1. Background¹⁰⁴

The total geographical area of Himachal Pradesh is 55,67,300 hectare. Based on the interpretation of satellite data of October-December 2008, the forest cover in the State was 14,67,900 hectare which was 26.37 per cent of the State's geographical area. In terms of forest canopy density classes, the State had 3,22,400 hectare of area under very dense forest, 6,38,100 hectare of area under moderately dense forest and 5,07,400 hectare of area under open forest. Compared with the previous assessment of 2009, the forest cover showed an increase of 1,100 hectare in the 2011 assessment.



Forest cover – Types of forest (in hectare)-2011



2. Compensatory Afforestation Fund of the State

State CAMPA was constituted in August 2009. Funds remitted by State CAMPA to Ad-hoc CAMPA, funds released by Ad-hoc CAMPA to State CAMPA and expenditure incurred there against during the period 2006-07 to 2011-12 were as detailed below.

¹⁰⁴Source: India State of Forest Report 2011 published by Forest Survey of India.

(₹ in crore)

Year	Amount transferred to Ad-hoc CAMPA	Amount received by State CAMPA from Ad-hoc CAMPA	Expenditure incurred by State CAMPA	Accumulation of funds with State CAMPA ¹⁰⁵
2006-07	61.11	Nil	Nil	Nil
2007-08	22.97	Nil	Nil	Nil
2008-09	35.80	Nil	Nil	Nil
2009-10	99.37	36.68	1.35	35.33
2010-11	370.07	42.17	37.07	40.43
2011-12	39.12	57.13	41.55	56.01
Total	628.44	135.98	79.97	

As can be seen from the table, in compliance with the orders of the Supreme Court, 22 per cent of the total Compensatory Afforestation funds remitted by State CAMPA to Ad-hoc CAMPA were released between 2009-12. Of ₹ 135.98 crore released, 41 per cent remained unutilised, leading to accumulation of funds with State CAMPA. Funds of ₹ 21.51 crore were not remitted by State CAMPA to Ad-hoc CAMPA and were deposited in State Government account.

3. Receipts into State CAMPA

The cases of non recovery/short recovery of NPV/CA/PCA etc. in Himachal Pradesh that came to the notice of audit are given below. The gist of these cases is also given in table 24 and 27 in Chapter 3.

(₹ in crore)

Sl. No.	Description	Amount
1	There were seven cases ¹⁰⁶ involving forest land of 140.86 ha in which NPV was not collected from the user agencies to whom in principle approval was granted before October 2002 and the final approval was granted after that.	8.17
2	State CAMPA did not recover NPV of ₹ 26.99 crore from user agencies for diversion of forest land during the period October 2002 to March 2009.	26.99
3	Test check of records of State CAMPA revealed that CA of ₹ 1.37 crore was recoverable in 121 cases of illegal construction of roads. No action was taken by State CAMPA to recover CA from user agencies as of December 2012.	1.37
	Total	36.53

¹⁰⁵ Cumulative amount at the end of the year lying unutilised with State CAMPA out of the funds released by Ad-hoc CAMPA 2009 onwards.

¹⁰⁶ As per status report of MoEF issued on 16 March 2012.

In respect of above observations Ministry stated (April 2013) that recovery of NPV involved considerable number of user agencies, hence it would take some more time and progress in this regard would be intimated to audit in due course of time.

4. Utilisation of CAMPA funds

4.1 Year wise and component wise breakup of funds allotted to State CAMPA and the utilisation of the funds released.

(₹in crore)

Main-Components	2009-10			2010-11			2011-12		
	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure
NPV (Protection, Conservation & Management of forest)		4.44	0.18		11.48	10.72		15.43	12.71
Compensatory Afforestation (CA)		0	0		0.70	0.60		2.54	2.12
Wildlife Management (PA)		0	0		0	0		0	0
CAT Plan		2.85	1.17		21.83	22.59		16.38	15.69
Other specified activities, if any		0	0		4.41	3.16		8.77	6.30
Misc refunds		0	0		0	0		0	4.73
Total	36.68	7.29	1.35	42.17	38.42	37.07	57.13	43.12	41.55

From the table it is evident that the State CAMPA did not release the entire amount received from Ad-hoc CAMPA against APOs to the implementing agencies. The amount released was 20 per cent in 2009-10, 91 per cent in 2010-11 and 75 per cent in 2011-12. The percentage of expenditure incurred against the amounts released by Ad-hoc CAMPA was four per cent in 2009-10, 88 per cent in 2010-11 and 73 per cent in 2011-12. Though the percentage of expenditure has increased progressively over the last three years, concerns remain on the absorptive capacity of the State considering that ₹ 1,131.44 crore (including interest) are accumulated with Ad-hoc CAMPA in the Compensatory Afforestation Fund for the State (31 March 2012) and can be released only for specified forestry related activities.

4.2 Irregularities in utilisation of funds.

(₹in crore)

Sl. No.	Nature of irregularity	Description	Amount
1	Non utilization of funds on maintenance and protection of Wild Life	State CAMPA could utilise ₹ 17.59 crore out of ₹ 29.31 crore received from Ad-hoc CAMPA during the years 2009-10 to 2011-12 leaving a balance of ₹ 11.72 crore unutilised as of March 2012. This indicates that APOs were prepared on unrealistic basis besides important activities viz. conservation, development, maintenance and protection of forests and wild life etc. could not be undertaken as planned for the years 2009-12. Ministry stated (April 2013) that spending of State CAMPA on various activities constantly increased during the years 2009-12. The reply of Ministry is not tenable as during the years 2009-12 out of ₹135.98 crore only ₹79.97 crore could be utilised i.e. 59 percent leaving a balance of ₹56.01 crore which could have been utilised on maintenance and protection of wildlife.	11.72
2	Non achievement of physical and financial targets under a scheme	Under a scheme "Uhal stage III" HEP CAT Plan was prepared for ₹ 10.00 crore to execute various activities such as enrichment planting, subsidiary silvicultural operation, consolidation and demarcation, forest protection, construction of roads, construction of buildings, soil conservation and contingency. The plan was to be executed with in a period of 10 years from 2002-03 to 2012-13. Against the target of 540 ha forest land, plantation work only on 291 ha forest land could be done at a cost of ₹ 4.00 crore upto 2011-12 leaving 249 ha forest land yet to be planted with the unspent amount of ₹ 6.00 crore as of December 2012. Ministry stated (April 2013) that with the funds available with State CAMPA the implementation of CAT Plan had been geared up and was expected to be completed innext two or three years.	6.00
3	Diversion of NPV funds on monkey sterilisation program	State CAMPA released a sum of ₹ 4.97 crore during the year 2011-12 for implementation of monkey sterilisation program whereas as per appropriation account of state government for the years 2009-10 to 2011-12 expenditure of ₹ 4.77 crore was incurred by the State government on this program. Thus, prior to release of funds by Ad-hoc CAMPA to State CAMPA for implementation of this program, the expenditure was borne by the state government. Therefore, State CAMPA	4.97

Sl. No.	Nature of irregularity	Description	Amount
		<p>incurred an irregular expenditure of ₹4.97 crore on implementation of said scheme.</p> <p>Ministry stated (April 2013) that monkey sterilisation programme was included in the APO and approved by State CAMPA steering committee. The fact remains that upto the year 2011-12, the said programme was being executed by the State Government.</p>	
4	Irregular expenditure on purchase of stores items	<p>In six forest divisions, some stores items were purchased during the years 2009-12 at a cost of ₹ 2.53 crore without competitive bidding and approval of competent authority and adopting proper financial procedures which was in contravention of GFRs and therefore, the entire expenditure of ₹ 2.53 crore was irregular.</p> <p>Ministry stated (April 2013) that details of offices as well as articles were being obtained and reply to audit observation would be furnished in due course of time.</p>	2.53
5	Unauthorised expenditure on procurement of GPS instruments	<p>State CAMPA purchased 200 GPS instruments from M/s Asim Industries, New Delhi at a cost of ₹0.20 crore in December 2010. However as per orders of the Supreme Court, GPS instruments were to be provided by Forest Survey of India, Dehradun to the concerned State. Thus, the expenditure of ₹ 0.20 crore incurred on procurement of GPS instruments was in contravention of orders of the Supreme court of India.</p> <p>Ministry stated (April 2013) that it was not aware of the fact that GPS instruments would be supplied by FSI, Dehradun.</p>	0.20
6	Uneconomical plantation through outside agency	<p>User agency had deposited ₹ 9.15 crore for rim plantation over an area of 1,531 ha near Kol Dam reservoir at departmental financial norms of ₹ 0.60 lakh per ha. The work was allotted to Eco Task Force (ETF) in February 2006.</p> <p>Audit observed that despite incurring an excess expenditure of ₹ 7.34 crore over ₹ 9.15 crore deposited by the user agency, plantation on 581 ha land was still to be done. To complete this work the department had diverted ₹ 7.34 crore from other components of Kol Dam HEP CAT Plan, which would affect the scope of other activities of CAT Plan.</p> <p>In another case, total cost of Larji HEP CAT Plan was ₹ 12.80 crore of which ₹ 8.93 crore was earmarked for execution and maintenance of afforestation over an area of 2,859 ha at departmental financial norms of ₹ 0.31 lakh per ha. The</p>	

Sl. No.	Nature of irregularity	Description	Amount
		<p>department did not carry out the work itself but the same was allotted to ETF-B in March 2010. During 2010-12, the ETF carried out plantations in 614 ha and was paid ₹ 7.87 crore (including establishment costs of ₹ 1.50 crore diverted from Sainj HEP CAT Plan). It was seen that only 21 <i>per cent</i> (614 hectare) of the work was completed after utilisation of 88 <i>per cent</i> of total earmarked funds. The remaining work would be completed by incurring an additional expenditure of ₹ 23.29 crore at the present rate of ETF. Thus, the allotment of work to ETF was uneconomical.</p> <p>Ministry stated (April 2013) that the case for reconsideration of the establishment of ETF had been taken up with the State Government and the final outcome in the matter would be intimated in due course of time.</p>	
7	Loss to environment due to non-execution of CA work	<p>As per state CAMPA guidelines, compensatory afforestation (CA) in double the area diverted was required to be carried out within one year of final approval.</p> <p>In 106 cases of diversion of forest land for non-forestry purpose which were approved between June 2002 and November 2011 by MoEF, CA was not carried out by the department within one year of approval although the user agencies had deposited the cost of CA of ₹ 8.20 crore resulting in loss to the environment. Ministry stated (April 2013) that state government had geared up the implementation of CA works and was also concentrating to clear the entire backlog.</p>	
8	Non survival of plants under CA	<p>State forest department planted 71,87,592 plants of different species during the period 2009-10 to 2011-12. Out of these 15,50,217 plants lived out mid way due to heavy draught, fire incidents and poor soil conditions. The mortality of plants was 22 <i>per cent</i>.</p> <p>Ministry stated (April 2013) that survival of plantations were 78 <i>percent</i> which was good in hilly terrain of the state and climatic conditions. The fact remains that the mortality of plants was 22 <i>per cent</i>.</p>	
	Total		25.42

5. Land Management

5.1 Fact sheet

Particulars (2006-12)	
Forest land diverted	As per records of RO ¹⁰⁷ –932.85 ha ¹⁰⁸ As per records of NO – 4,080.23 ha
Non forest land received in lieu	As per records of RO – Nil As per records of NO – Nil
Non forest land short received	As per records of RO – 932.85 ha As per records of NO – 4,080.23 ha
Chief Secretary Certificate on non availability of non forest land attached	Certificate for Chief Secretary obtained for CA on 8,240.04 ha double degraded land, certificate for 7.56 ha was not obtained
Area identified for CA as per NO	On degraded forest land – 8,247.61 ha On Non forest land – Nil
Area on which CA done as per NO	On degraded forest land – 2,789.51 ha On Non forest land – Nil
Received Non forest land transferred/mutated	As per records of RO- Nil As per records of NO – Nil
Non forest land received notified as reserved/protected forest	As per records of RO- Nil As per records of NO – Nil

As is evident from the table, there were un-reconciled variations in the data provided by the Nodal Officer of the State CAMPA and the concerned Regional Office of MoEF. As per the records of RO, forest land diverted for non forestry purposes was 932.85ha and the non forest land received in lieu thereof was zero *per cent* while as per records of NO the figures were 4,080.23 ha and zero *per cent*, respectively. As per records of RO and NO, no non forest land was transferred /mutated in favour of the forest department and notified as RF/PF. As per records of NO, no afforestation was done on non forest land and afforestation done on degraded forest land was 34 *per cent* of the area to be afforested.

5.2 Irregularities observed in land management

Sl. No.	Nature of irregularity	Description
1	Diversion of forest land without prior approval of MoEF	In Karsog forest division, HPPWD and Block Development officer had constructed 27 roads measuring 42.9 km without prior approval of MoEF during the period 1997-98 to 2008-09 on 34.2 ha forest land. No action

¹⁰⁷ Regional Office (RO) of Ministry of Environment & Forests and Nodal Officer (NO) of State Forests Department

¹⁰⁸ Excluding exempted projects

Sl. No.	Nature of irregularity	Description
		<p>was taken by state CAMPA to obtain approval of MoEF for the diversion of forest land.</p> <p>Ministry stated (April 2013) that the matter of diversion of forest land was under consideration of High Court of Himachal Pradesh and final action would be initiated as per orders of the High Court.</p>
2	Irregular diversion of forest land	<p>16.28 ha forest land was diverted in 1987 for construction of Larjil HEP in Mandi and Kullu districts without receipt of non forest land from user agency and the CA was allowed on 32.56 ha degraded forest land during 1992-94 without certificate of Chief Secretary of the state to the effect that non forest land was not available in the state. Accepting the facts, Ministry stated (April 2013) that the case was being referred to government of Himachal Pradesh for obtaining the signature of chief secretary.</p>

6. Status of Accounts and audit of State CAMPA Accounts

As per state CAMPA guidelines issued by MoEF, the accounts of state CAMPA were to be audited by the Accountant General at such intervals as may be specified by him. However, State CAMPA did not prepare its annual accounts for the years 2009-10 to 2011-12 in the prescribed format as of December 2012. In the absence of proper accounts, these could not be audited.

Further, as per State CAMPA guidelines, the State Government and the MoEF had the powers to conduct special audit or performance audit of the state CAMPA. However, no such audit was conducted as of December 2012. Accepting the facts, Ministry stated (April 2013) that compilation of annual accounts for the years 2009-10 to 2011-12 had been assigned to a chartered accountant firm and the final accounts would be submitted to audit on its receipt from the CA firm.

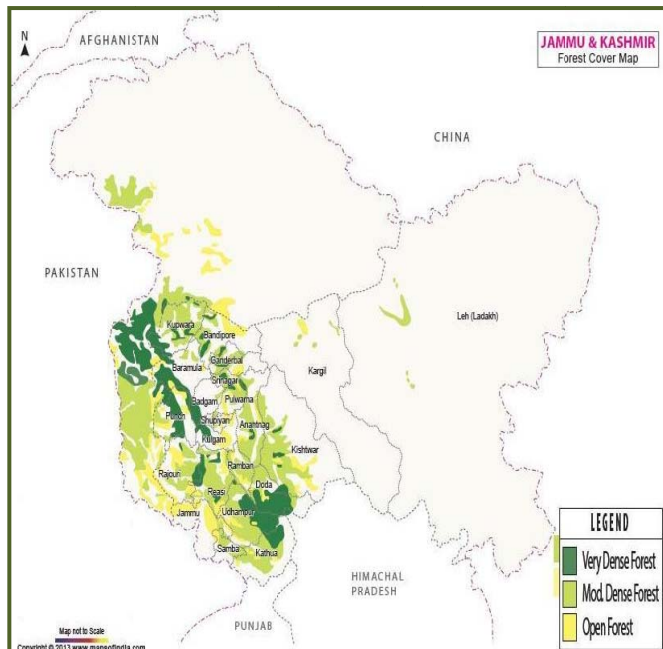
7. Monitoring

As per the state CAMPA guidelines the Steering Committee was to meet twice in a year. However, the Executive Committee met four times as against six times during 2009-12. The Steering Committee met seven times during 2009-12. The Governing Body did not meet during 2009-12. Accepting the facts, Ministry stated (April 2013) that since the accounts and final reports had not been compiled, the meeting of general body could not be convened. Now, the accounts were being compiled and were in the advanced stage of completion, thus the meeting of Governing body would be convened in near future.

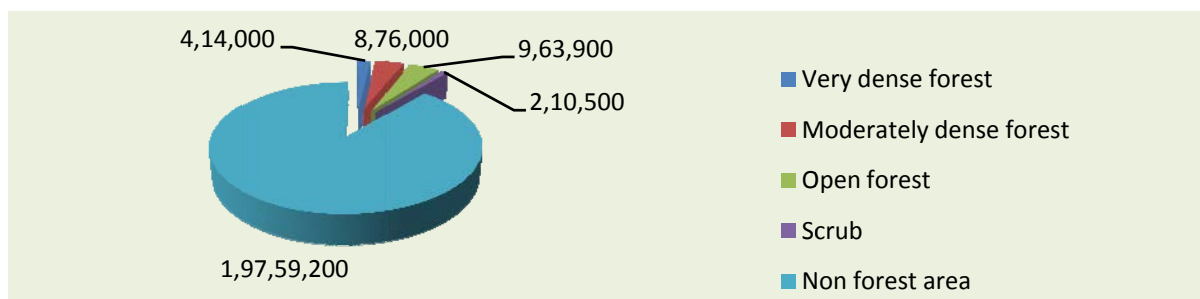
Jammu & Kashmir

1. Background¹⁰⁹

The total geographical area of Jammu & Kashmir is 2,22,23,600 hectare. Based on the interpretation of satellite data of October - December 2008, the forest cover in the state was 22,53,900 hectare which was 10.14 per cent of the State's geographical area. In terms of forest canopy density classes, the State had 4,14,000 hectare of area under very dense forest, 8,76,000 hectare of area under moderately dense forest and 9,63,900 hectare of area under open forest. Compared with the previous assessment of 2009, the forest cover showed a marginal increase of 200 hectare in the 2011 assessment.



Forest cover – Types of forest (in hectare)-2011



2. Compensatory Afforestation funds of the State

Central Forest (Conservation) Act, 1980 is applicable to all States except Jammu & Kashmir (J&K). J&K State Forest Department is governed by J&K Forest Conservation Act (FCA) 1997. As per directions (February 2010) of Central Empowered Committee (CEC) State CAMPA of J&K had to deposit only NPV with Ad-hoc CAMPA and rest viz. CA/ ACA etc. was to be retained by the State CAMPA. Further CEC recommended that the amount received towards the CA by J&K State CAMPA could be used for the implementation of the APOs for the financial years 2009-10 and 2010-11 subject to the overall ceiling imposed by the Supreme

¹⁰⁹Source: India State of Forest Report 2011 published by Forest Survey of India.

Court, and Ad-hoc CAMPA would release the required amounts for the implementation of the APOs for the subsequent years.

Since J&K is governed by its own Conservation Act, 1997, the APOs of the State CAMPA are, therefore, not sent to Ad-hoc CAMPA for approval. The implementing agencies have prepared project proposals (PPs) for the five years (2010-15) as a first phase in respect of their respective territorial divisions. APOs are being carved out from these PPs and submitted to Executive Committee of the CAMPA for recommendations and submission to Steering Committee for final approval.

State CAMPA was constituted in April 2011. Funds remitted by State CAMPA to Ad-hoc CAMPA, funds released by Ad-hoc CAMPA to State CAMPA and expenditure incurred there against during the period 2006-07 to 2011-12 were as detailed below.

(₹ in crore)

Year	Amount transferred to Ad-hoc CAMPA	Releases made by J&K State CAMPA	Expenditure incurred by State CAMPA	Accumulation of funds with State CAMPA ¹¹⁰
2006-07	₹ 74.05 crore transferred to Ad-hoc CAMPA on 27-04-2011 and FDRs amounting ₹ 291.85 crore were shown pledged in the name of Central Ad-hoc CAMPA.	Nil	Nil	NA
2007-08		Nil	Nil	NA
2008-09		Nil	Nil	NA
2009-10		11.15	2.75	8.40
2010-11		15.70	16.00	8.10
2011-12		40.24	36.93	11.41
Total	365.90	67.09	55.68	

It was observed that Ad-hoc CAMPA did not release any funds to J&K State CAMPA during 2009-12. J&K CAMPA also did not maintain head-wise /user-wise account of receipts, instead all money i.e. NPV/ CA etc. had been mingled.

3. Receipts into State CAMPA

The cases of non recovery/short recovery of NPV/CA/PCA etc. in Jammu & Kashmir that came to the notice of audit are given below. The gist of these cases is also given in table 26 and 27 in Chapter 3.

¹¹⁰Cummulative amount at the end of the year lying untulised with State CAMPA out of the funds released by Ad-hoc CAMPA 2009 onwards.

(₹ in crore)

Sl. No.	Description	Amount
1	The Supreme Court revised the rate of NPV in March 2008. However test check of records of eight divisions ¹¹¹ revealed that NPV was not collected at revised rates.	21.04
2	Forest department diverted (1991 to March 2012) 10,683.86 ha of land to user agencies for non-forest purposes but NPV/CA of ₹ 795.75 crore was not realised from user agencies.	795.75
3	Diversion of Wild Life Sanctuary land (679.12 hectare)– <ul style="list-style-type: none"> In October 2007, NPV of ₹ 25.04 crore was short realised from user agency (Mugal Road Division Shopian) in lieu of diversion of land from wild life sanctuary for construction of Mugal road due to non-application of revised rates of NPV and non-charging five times of the normal rate of NPV prescribed for wildlife sanctuary. Further, NPV/CA etc. of ₹ 13.72 crore was also outstanding against the user agency as of December 2012. In six cases, against diversion of 600.68 ha forest land during March–July 2010, CA of ₹3.00 crore was also not recovered from user agencies (Border Road Task Force and Indo Tibet Border Police) as of December 2012. In February 2007, NPV of ₹ 3.25 crore was short realized from user agency in lieu of diversion of land from wild life sanctuary for construction of tunnel on NH1A from Banihal to Srinagar. 	45.01
	Total	861.80

4. Utilisation of CAMPA funds

4.1 Year wise and component wise breakup of funds allotted to State CAMPA and utilisation of the funds released.

(₹ in crore)

Main-Components	2009-10			2010-11			2011-12		
	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure
NPV ¹¹²		0	0		0	0		0	0
Compensatory Afforestation		0	0		0	0		0	0
Protected Area ¹¹³		0	0		0	0		0	0
CAT Plan		0	0		0	0		0	0
Other specified activities		11.15	2.75		15.70	16.00		40.24	36.93
Total	Nil	11.15	2.75	Nil	15.70	16.00	Nil	40.24	36.93

¹¹¹Bhaderwah, Jammu, Kamraj, Anantnag, Langate, Udhampur, Lidder, Shopian

¹¹² NPV is spent on Protection, Conservation & Management of forest

¹¹³ Protected Area Funds is spent on Wildlife Management

Head-wise / Component wise details of availability of funds vis-à-vis allocation / expenditure in respect of implementing agencies (IAs) were not available with State CAMPA. Transactions had been mingled in one account / single book of accounts. Accounts were not consolidated at any stage due to pending accounts and progress reports from IAs. As a result actual consolidated position of amount spent by all IAs was not available and also could not be ascertained. However, works projected in the APOs 2010-11 were taken in advance during the year 2009-10.

Ministry stated (June 2013) that the financial and physical figures in terms of outlays and achievements were being compiled for the state. However, the details thereof stated to have been enclosed with the reply, had not been furnished.

4.2 Irregularities in utilisation of funds.

(₹ in crore)

Sl. No.	Nature of irregularity	Description	Amount
1	Unauthorised expenditure	As the central Act was not applicable to Jammu and Kashmir, state level steering committee (SLSC) decided in April 2007 that CAMPA funds shall not be utilised by the state government till the matter was resolved by the Supreme Court. During test check of records of state CAMPA it was found that contrary to SLSC's aforesaid decision state CAMPA spent ₹ 5.25 crore of CAMPA funds on payment of loan, advances, sports meet, payment to private hotels etc. This resulted in an unauthorised expenditure of ₹ 5.25 crore.	5.25
2	Diversion of CA funds	Test check of records of 20 state forest divisions revealed that ₹8.78 crore in 2010-11 and ₹12.55 crore in 2011-12 was spent on plantations, of which ₹5.04 crore in 2010-11 and ₹8.41 crore in 2011-12 was spent on chain-link fencing/angle iron etc. which was 57 per cent in 2010-11 and 67 per cent in 2011-12 of the expenditure incurred on plantations. This had resulted in diversion of funds to that extent and consequently deprived of prime objective of plantation and consequent afforestation. Accepting the facts, Ministry stated (June 2013) that effective fencing mechanism was required during the last turbulent period in Jammu & Kashmir and to make the fencing more effective, low cost barbed wire fencing was being supplemented with live hedge fencing from the year 2013-14 onwards. This would keep the proportion of fencing expenditure to minimum.	13.45

Sl. No.	Nature of irregularity	Description	Amount
3	Expenditure not authorised by State CAMPA guidelines and NCAC	CAMPA funds should not be used for creating infrastructure at State Forest headquarters and ecotourism. However test check revealed that expenditure was incurred on purchase of carpets, LEDs, ACs, i-pods, sofa sets, projectors, installation of office cabins, sofa sets, installation of electric transformer, vehicles etc.	0.31
4	Underutilisation of funds	During the years 2009-12, unspent balance of funds available with the State CAMPA ranged from 24 to 75 <i>per cent</i> at the end of the financial year. Ministry stated (June 2013) that during last two years the unspent amount ranged between 30 <i>per cent</i> to 33 <i>per cent</i> due to the reason that scheme was in its infancy stage and in many cases based on the ground conditions. The fact remained that state CAMPA could not fully utilise the funds provided for NPV schemes during the years 2009-12.	
5	Large variation in figures of allocation and expenditure of state CAMPA and forest divisions	Test check of records of eight State forest divisions revealed that there was large variation in figures of allocation and expenditure of state CAMPA and forest divisions for the year 2011-12. The variation in allocation of funds ranged from ₹ 0.03 lakh to ₹ 93.52 lakh and variation in expenditure ranged from ₹ 31.27 lakh to ₹ 1.43 lakh in the year 2011-12. Thus, reconciliation of figures of allocation and expenditure of forest divisions was not done with the figures of state CAMPA. Accepting the facts, Ministry stated (June 2013) that for the year 2011-12 division wise allocation was made with the details of expenditure and unspent balance. However, the supporting documents stated to have been furnished with the reply, had not been furnished.	
6	Non follow up of decisions of Steering Committee regarding confirmation of CA	Steering Committee decided in April 2011 that before any area was taken up for afforestation, its coordinates in terms of latitude and longitude was to be recorded and the existing condition of the area was to be documented in terms of photography / videography as well as on satellite imaginaries. It was noticed that no follow up action regarding confirmation of CA was taken by state CAMPA as of December 2012.	
	Total		19.01

5. Land Management

5.1 Fact sheet

Particulars (2006-12)	
Forest land diverted	As per records of RO ¹¹⁴ - NA As per records of NO – 3,967.46 ha
Non forest land received in lieu	As per records of RO – NA As per records of NO – Nil
Non forest land short received	As per records of RO - NA As per records of NO – 3,967.46 ha
Chief Secretary Certificate on non availability of non forest land attached	In respect of J&K the certificate is to be issued by Deputy/Divisional Commissioner. Majority of certificates were not issued by the competent authority and in some cases, certificates were issued by the user agencies themselves.
Area identified for CA as per NO	On degraded forest land – 14,312.00 ha On Non forest land – NA
Area on which CA done as per NO	On degraded forest land – 7,838.00 ha(2010-11 &2011-12) On Non forest land – Nil
Received Non forest land transferred/mutated	As per records of RO- NA As per records of NO – Nil
Non forest land received notified as reserved/protected forest	As per records of RO- NA As per records of NO – Nil

FC Act, 1980 is not applicable to the state of Jammu and Kashmir. As per records of NO, the forest land diverted for non forestry purposes was 3,967.46 ha and no non forest land was received in lieu thereof. Afforestation done on degraded forest land was 55 *per cent* of the area identified to be afforested during the years 2010-12.

5.2 Irregularities in land management

Nature of irregularity	Description
Diversion of Wild Life Sanctuary land	During test check of records of state CAMPA it was found that in six cases, against diversion of 600.68 ha forest land in sanctuary during March–July 2010, non forest land for carrying out CA was not transferred to State forest department as of December 2012.

¹¹⁴ Regional Office (RO) of Ministry of Environment & Forests and Nodal Officer (NO) of State Forests Department

6. Status of Accounts and audit of State CAMPA Accounts

Accounting procedure for CAMPA has to be evolved in consultation with Accountant General, Jammu and Kashmir in accordance with the State Government provisions of SRO-354. The audit of the accounts of the State CAMPA has to be conducted under section 19 (3) of CAGs (DPC) 1971.

As per state CAMPA guidelines issued by MoEF, the accounts of state CAMPA were to be audited by the Accountant General at such intervals as may be specified by him. However, State CAMPA did not prepare its annual accounts in the prescribed format.

It was observed that important records/registers required to be maintained as per CAMPA guidelines viz. assets register, stock registers, materials purchase register, works registers and muster roll register etc. were not maintained by state CAMPA and its various divisions.

Accepting the facts, Ministry stated (June 2013) that the finalisation of CAMPA accounts manual was under process and as regards maintenance of important records and registers, implementing agencies had been instructed for strict compliance wherever the discrepancies existed in this regard.

Further, as per State CAMPA guidelines, the State Government and the MoEF had the powers to conduct special audit or performance audit of the state CAMPA. However, no such audit was conducted.

The state CAMPA did not maintain cash book and subsidiary ledgers properly for the funds received from user agencies and expenditure incurred therefrom. Due to improper maintenance of cash book and subsidiary ledgers, the receipts and payments of the years 2007-08 to 2011-12 could not be verified in audit. Some of the deficiencies because of this were:

- Non reconciliation of figures with the bank: There were large variations ranging from ₹ 0.09 crore to ₹ 5.41 crore of figures of balances shown in the cash book maintained by state CAMPA and figures shown in the bank statement at the end of financial year during 2007-12.

Accepting the facts, Ministry stated (June 2013) that cash book would now be maintained properly as required under the rules. It was also stated that variation of figures between the progress report and cash book as pointed out by audit was being reconciled.

- Withdrawals shown by the Bank but not existing in the Cash Book: As per bank statement ₹ 90.62 crore were shown withdrawn during March 2005 to January 2011 from bank account of state CAMPA which included ₹ 84.00 crore on account of seven FDRs. However, no such entries were found in the cash book of the CAMPA.

- Missing cheques of ₹ 33.27 crore: As per entries recorded in the cash book, there were 25 cheques numbers 8659423, 8659425, 8659428, 8659432 to 8659444, 8659446 to 8659450, 7285401, 7285402, 7285405, 7285409 found missing. The details of these missing cheques was not recorded in the cash book. Further 162 cheques of ₹ 33.27 crore were found missing in the account of state CAMPA. This resulted in a loss of ₹ 33.27 crore.
- Non-accountal of credit of NPV/CA of ₹ 66.58 crore: Cheques / demand drafts of ₹ 66.58 crore were received on account of NPV, CA etc. but credit thereof was not traceable from the bank accounts. Thus, the receipts appearing in the cash book but not in bank accounts of state CAMPA indicated either cheques were not remitted to bank or credits thereof were not afforded by the bank. This resulted in loss/non-accountal of credits of ₹ 66.58 crore.
- Non-accountal of advances in cash book: The entries for ₹ 8.49 lakh withdrawn from bank on account of self cheques and advance of ₹ 5.00 lakh paid in July 2007 were not made either on the receipt or payment side in the cash book. Further genuineness of opening balance of ₹ 33 lakh as of March 2008 and opening balance of ₹ 7.06 crore as of July 2007 could not be ascertained in Audit due to non-maintenance of proper records.
- There was variation of ₹ 3.07 crore and ₹ 2.01 crore in amounts released to implementing agencies as shown in progress reports and those depicted in cash book maintained by state CAMPA during the years 2010-11 and 2011-12 respectively.
- Non maintenance of records of FDRs: No FDRs register indicating FDR's opening balance/fresh/renewals/closing balance etc. was maintained by state CAMPA Also, bank confirmations indicating actual amount of FDRs, actual date of investments, reinvestment, date of maturity, interest earned etc. was not available with State CAMPA. As per details available on loose papers, the principal amount of FDRs was ₹ 545.30 crore with accruable interest of ₹ 71.91 crore and maturity value was ₹ 617.21 crore.

Ministry stated (June 2013) that complete computerised record of FDRs was available in the PCCF office. However, the relevant documents stated to have been enclosed with the reply had not been furnished. Thus there was no system in place for follow up of standard rules and procedures in maintenance of annual accounts and cashbooks and other connected records and for reconciliation of bank and cashbook balances. As a result, cases of misappropriation could not be ruled out.

7. Investment of Compensatory Afforestation funds

7.1 Absence of investment policy framework

- Amount which was not required for immediate disbursement was to be kept in the FDR.No such policy of investment of funds was prepared and adopted and approved

by the apex body of the State CAMPA. Non framing of investment policy had resulted in loss of interest that could have been realized in case funds were kept in FDR.

- To obtain maximum returns for investing the CAMPA money in deposits, the CAMPA should have called quotation from the various nationalized banks. This was also directed by the EC (December 2009). However, no quotations were called from nationalized banks and FDRs were kept with J&K Bank only despite lapse of considerable time periods. Besides, no follow up action was taken by the EC in their subsequent meetings on this count.

The impact of non-existence of a laid down investment policy are reflected in the cases reported below.

7.2 Loss of interest¹¹⁵ of ₹ 14.60 crore due to non-investment of CAMPA funds in FDs

During test check of records of state CAMPA it was found that funds of NPV/CA etc. received from various user agencies were deposited by state CAMPA in current account instead of investing it in FDs or in interest bearing accounts during the period January 2007 to March 2012 resulting in loss of interest of ₹ 8.94 crore (if funds deposited in savings account) to ₹ 14.60 crore (if invested in FDs).

Further, during test check of records of various forest division it was found that the divisions kept the funds in current account instead of interest bearing account resulting in loss of interest of ₹ 0.27 crore.

7.3 Loss of interest of ₹ 8.12 crore due to delay in remittance of funds to state CAMPA by user agencies.

During test check of records of various state forest divisions it was found that there was delay ranging from one to 95 months in remittance of CA funds by various user agencies during the years 2002-12 resulting in loss of interest of ₹ 8.12 crore.

7.4 Loss of interest of ₹ 1.68 crore due to delay in remittance of funds to State CAMPA by state wildlife department

During test check of records of Leh forest division it was found that user agency deposited funds of ₹ 55.87 crore with State wildlife department in September 2010 instead of State CAMPA in lieu of diversion of 124.80 ha forest land for construction of Chushmule-demchok road. The funds were transferred to State CAMPA by wildlife department in June 2011 after a delay of more than nine months resulting in loss of interest of ₹ 1.68 crore.

¹¹⁵ Interest calculated at 4 per cent.

7.5 Non reconciliation of CA funds received by various state forest divisions

During test check of records of state CAMPA and its various forest divisions it was found that no reconciliation was done by state CAMPA with its various forest divisions for CA funds received from various user agencies in lieu of diversion of forest land to ascertain amount due, amount received and the amount outstanding of CA funds.

7.6 Loss of interest of ₹ 2.62 crore due to delay in deposit of cheques in bank

During test check of records of state CAMPA it was found that there was loss of interest of ₹ 2.62 crore due to delay ranged from 8 to 369 days in remittance of 352 cheques for credit to bank account during 2007-12.

7.7 Unauthorised deposit of funds of ₹ 32.08 crore by other departments/agencies

During test check of records of state CAMPA it was found that in 37 cases, various departments/agencies had deposited funds of ₹ 32.08 crore with state CAMPA without any proposal for diversion of forest land during the years 2007-12.

Thus, in the absence of investment policy/procedure there were cases of loss of interest of substantial amounts due to delay in investment of funds by State CAMPA and delay in receipt of funds from State forest divisions/user agencies.

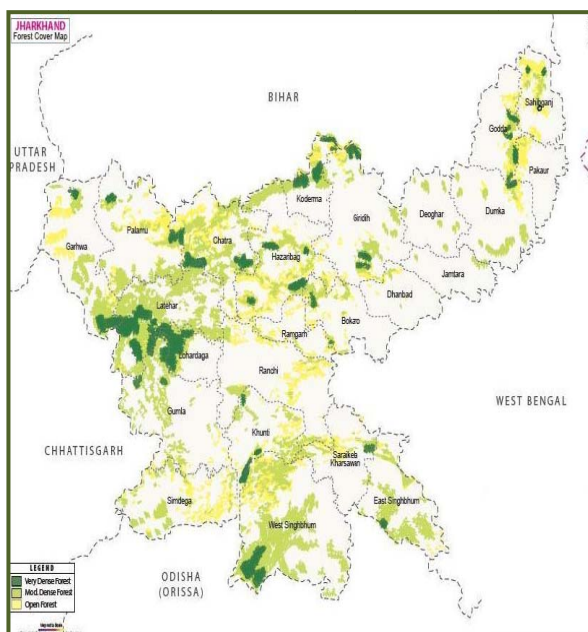
8. Monitoring

Executive Committee and Steering Committee had to hold its meetings after every six months. It was observed that EC had met with an intervening period ranging from 1 month to 10 months. The SC had met with an intervening period ranging from 4 months to 11 months. There was no defined time schedule for holding meetings of ECs / SCs.

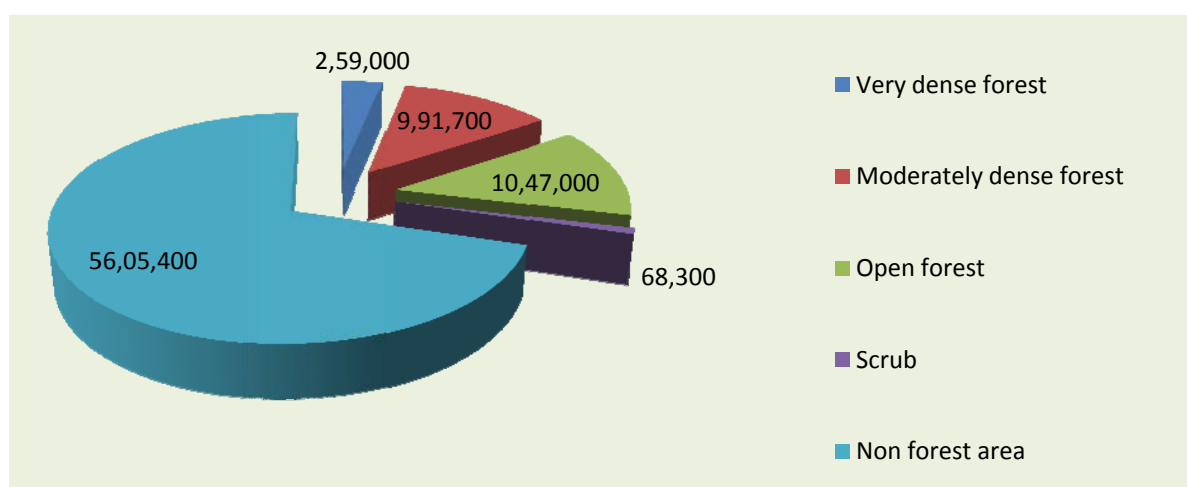
Jharkhand

1. Background¹¹⁶

The total geographical area of Jharkhand is 79,71,400 hectare. Based on the interpretation of satellite data of November 2008- January 2009, the forest cover in the State was 22,97,700 hectare which was 28.82 per cent of the State's geographical area. In terms of forest canopy density classes, the State had 2,59,000 hectare of area under very dense forest, 9,91,700 hectare of area under moderately dense forest and 10,47,000 hectare of area under open forest. Compared with the previous assessment of 2009, the forest cover showed an increase of 8,300 hectare in the 2011 assessment.



Forest cover – Types of forest (in hectare)-2011



2. Compensatory Afforestation funds of the State

State CAMPA was constituted in October 2009. Funds remitted by State CAMPA to Ad-hoc CAMPA, funds released by Ad-hoc CAMPA to State CAMPA and expenditure incurred there against during the period 2006-07 to 2011-12 were as detailed below:

¹¹⁶Source: India State of Forest Report 2011 published by Forest Survey of India.

(₹in crore)

Year	Amount transferred to Ad-hoc CAMPA	Amount received by State CAMPA from Ad-hoc CAMPA	Expenditure incurred by State CAMPA	Accumulation of funds with State CAMPA ¹¹⁷
2006-07	822.09	Nil	Nil	Nil
2007-08	76.23	Nil	Nil	Nil
2008-09	55.82	Nil	Nil	Nil
2009-10	187.64	95.00	Nil	95.00
2010-11	272.00	103.16	75.52	122.64
2011-12	184.54	62.50	109.79	75.35
Total	1,598.32	260.66	185.31	

As can be seen from the table, in compliance with the orders of the Supreme Court, 16 per cent of the total Compensatory Afforestation funds remitted by State CAMPA to Ad-hoc CAMPA were released between 2009-12. Of ₹ 260.66 crore received, 29 per cent remained unutilised, leading to accumulation of funds with State CAMPA. Funds of ₹ 28.06 crore were not remitted by State CAMPA to Ad-hoc CAMPA and were deposited in State Government account.

3. Receipts into State CAMPA

The cases of non recovery/short recovery of NPV/CA/PCA etc. in Jharkhand that came to the notice of audit are given below. The gist of these cases is also given in table 24 and 27 in Chapter 3.

(₹in crore)

Sl. No.	Description	Amount
1	There were 12 cases ¹¹⁸ involving forest land of 607.57 ha in which NPV was not collected from the user agencies ¹¹⁹ to whom in principle approval was granted before October 2002 and the final approval was granted after that.	35.24 ¹²⁰
2	In eleven forest divisions, NPV/CA of ₹ 70.05 crore was not realized from user agencies ¹²¹ to whom in principle/final approval was granted by MoEF between November 1993 and July 2012 for diversion of 2,334.99 ha forest land for non forestry purposes. The State forest department, while accepting the facts, stated that an amount of ₹ 0.60 crore pertaining to Koderma forests divisions had since been collected (November-December 2012).	69.45

¹¹⁷ Cumulative amount at the end of the year lying unutilised with State CAMPA out of the funds released by Ad-hoc CAMPA 2009 onwards.

¹¹⁸ As per status report of MoEF issued on 16 March 2012.

¹¹⁹ TATA Iron and Steel Co. Ltd., M/s CCL, Sports Authority of India, M/s Eastor Coal Field Ltd., M/s SAIL, Bharat Raj Singh etc.

¹²⁰ Audit estimated the total amount of NPV due in these cases on a conservative basis by applying the minimum rate of ₹5.80 lakh per hectare (607.57 x 5.8)

¹²¹ DVC, NTPC, Nilanchal Iron & Power Ltd., CCL, JSEB, NHAI and State Government agencies etc.

Sl. No.	Description	Amount
	Accepting the facts, Ministry stated (June 2013) that amounts had since been realised from user agencies in two out of eleven forest divisions and deposited into CAMPA account. However, Ministry did not furnish any supporting documents.	
3	In six forest divisions, demand for recovery of CA of ₹ 5.69 crore was not raised from five user agencies to whom in principle /final approval was granted by MoEF during January 1995 to June 2012 for diversion of 415.10 ha forest land for non forestry purposes even after lapse of 6 to 25 months as of November 2012. Accepting the facts, Ministry stated (June 2013) that position in this regard was being reconciled by the concerned DFOs and final outcome would be reported to audit.	5.69
4	In ten forest divisions, CA of ₹4.32 crore was short realized from seven user agencies to whom in principle/final approval was granted during October 2003 to May 2012 for diversion of 833.87 ha forest land for non forestry purposes. Accepting the facts, Ministry stated (June 2013) that demand for realisation of balance amount of CA had since been raised from user agency.	4.32
5	In Chatra (South) forest division, demand for recovery of PCA of ₹1.48 crore was not raised from user agency (CCL) who continued the mining of coal beyond the lease period i.e. 16 February 2012 on 43.30 ha forest land. Accepting the facts, Ministry stated (June 2013) that demand for recovery of PCA of ₹ 1.48 crore had since been raised from user agency.	1.48
	Total	116.18

4. Utilisation of CAMPA funds

4.1 Year wise and component wise breakup of funds allotted to State CAMPA and utilisation of the funds released.

(₹in crore)

Main-Components	2009-10			2010-11			2011-12		
	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure
NPV¹²²		95.00			103.16	75.52		62.50	109.79
Compensatory Afforestation		0			0	0		0	0
Protected Area¹²³		0			0	0		0	0
CAT Plan		0			0	0		0	0
Other specified activities		0			0	0		0	0
Total	95.00	95.00	Nil	103.16	103.16	75.52	62.50	62.50	109.79

¹²² NPV is spent on Protection, Conservation & Management of forest

¹²³ Protected Area Funds is spent on Wildlife Management

During 2009-10 an amount of ₹ 95 crore was received in March 2010 by State CAMPA from the Ad-hoc CAMPA for execution of different schemes, but no money was transferred to any divisions due to non approval of APO for the year 2009-10. This indicated lack of co-ordination between the Ad-hoc CAMPA and the State CAMPA. Though the percentage of expenditure increased progressively over the last three years, concerns remain on the absorptive capacity of the State considering that ₹2,057.88 crore (including interest) are accumulated with Ad-hoc CAMPA in the Compensatory Afforestation Fund for the State (31 March 2012) and can be released only for specified forestry related activities.

Accepting the facts, Ministry stated (June 2013) that due to non-approval of APO in the year 2009-10 and late receipt of fund from Ad-hoc CAMPA, no money could be transferred to forest divisions.

4.2 Irregularities in utilisation of funds

(₹ in crore)

Sl. No.	Nature of irregularity	Description	Amount
1	Irregular expenditure	<p>i. In eight forest divisions¹²⁴, expenditure was incurred on various schemes during the years 2010-11 and 2011-12 without obtaining the technical sanction of site and specific estimate of the competent authority resulting in irregular expenditure.</p> <p>Accepting the facts, Ministry stated (June 2013) that all concerned officers had been directed to start the execution of any scheme after obtaining technical sanction of site and specific estimate from the competent authority.</p>	23.40
		<p>ii. Despite instructions of steering committee given in June 2010 that no entry point activities were to be carried out under establishment of natural forest and greening of hills scheme, test check of records of five forest divisions revealed that entry point activities were carried out during the years 2010-11.</p> <p>Ministry stated (June 2013) that in schedule of rates of establishment of natural forests and greening of hills scheme for the year 2010-11 no entry point activities were included. The reply of Ministry is not tenable as entry point activities were carried out in five forest divisions during 2010-11.</p>	0.16

¹²⁴Chatra North, Chatra South, Dhanbad, Hazaribagh Afforestation, Hazaribagh East, Giridh Afforestation, Ranchi West and Ranchi Wildlife

Sl. No.	Nature of irregularity	Description	Amount
		and Bandhdih, respectively instead of 20 ha and 30 ha land which was available for execution of works as per survey report resulting in extra expenditure of ₹ 0.13 crore.	
	Total		24.36

Photos of some selected plantations



5. Land Management

5.1 Fact Sheet

Particulars (2006-12)	
Forest land diverted	As per records of RO ¹²⁵ – 8,320.00 ha ¹²⁶ As per records of NO – 15,881.06 ha
Non forest land received in lieu	As per records of RO – 2,989.82 ha As per records of NO – 530.11 ha
Non forest land short received	As per records of RO – 5,330.18 ha As per records of NO – 15,350.95 ha
Chief Secretary Certificate on non availability of non forest land attached	No
Area identified for CA as per NO	On degraded forest land – 16,992.14 ha & 49 km (In Jharkhand the bifurcated data of area of non-forest land and degraded forest land was not mentioned in the APOs). On Non forest land – NA
Area on which CA done as per NO	On degraded forest land – 10,636.87 ha & 49 km (during 2010-12) On Non forest land – NA

¹²⁵ Regional Office (RO) of Ministry of Environment & Forests and Nodal Officer (NO) of State Forests Department

¹²⁶ Excluding exempted projects

Particulars (2006-12)	
Received Non forest land transferred/mutated	As per records of RO - Nil As per records of NO – 530.11 ha
Non forest land received notified as reserved/protected forest	As per records of RO - Nil As per records of NO – Nil

As is evident from the table, there were un-reconciled variations in the data provided by the Nodal Officer of the State CAMPA and the concerned Regional Office of MoEF. As per the records of RO, forest land diverted for non forestry purposes was 8,320.00ha and the non forest land received in lieu thereof was only 36 *per cent* while as per records of NO the figures were 15,881.06 ha and three *per cent*, respectively. As per records of RO, no non forest land was transferred /mutated in favour of the forest department and notified as RF/PF while as per NO out of 530.11 ha non forest land transferred/ mutated in favour of forest department no non forest land was declared as RF/PF. As per records of NO, 10,636.87 ha & 49 km (during 2010-12) of forest land was afforested.

Ministry stated (June 2013) that notification of non-forest land made available by user agencies was in progress and concerned DFOs had been directed to get it notified as RF/PF.

5.2 Irregularities observed in land management

Nature of irregularity	Description
Excess diversion of 5.87 ha forest land	In Dhalbhum forest division, MoEF granted final approval (Stage II) in April 2005 for diversion of 130.82 ha forest land despite request of user agencies for diversion of 124.95 ha forest land resulting in excess diversion of 5.87 ha forest land. Ministry stated (June 2013) that there was no excess diversion of forest land as user agency had applied for diversion of 130.82 ha forest land. The reply of Ministry was not based on facts as user agency had applied for diversion of 124.95 ha forest land.

6. Status of Accounts and audit of State CAMPA Accounts

As per state CAMPA guidelines issued by MoEF, the accounts of state CAMPA were to be audited by the Accountant General at such intervals as may be specified by him. However, State CAMPA did not prepare its annual accounts for the years 2010-11 and 2011-12 in the prescribed format. In the absence of proper accounts, these could not be audited.

Scrutiny of the records made available revealed that in Dhalbhum Social Forestry, Jamshedpur and Ranchi forest divisions an amount of ₹ 5.67 crore and in Bokaro, Deoghar and Dhanbad forest divisions, interest of ₹ 0.12 crore was not accounted for in the cash

book. In Giridh afforestation division cash book was not monthly closed in 2010-11 due to non adjustment of vouchers of ₹ 0.92 crore. In Deoghar and Chatra South forest divisions forest advances of ₹ 0.31 crore were lying outstanding. Further, the bank reconciliation was not done by the State CAMPA for the years 2010-11 and 2011-12.

Further, as per State CAMPA guidelines, the State Government and the MoEF had the powers to conduct special audit or performance audit of the state CAMPA. However, no such audit was conducted.

Accepting the facts, Ministry stated (June 2013) that format of accounts was being finalised and meanwhile the accounts at division level were being maintained in the same way as being maintained for the department funds and the accounts would be got audited by C&AG empanelled CA in the year 2013-14. As regards, non-accountal of government money/bank interest and non-adjustment of outstanding forest advances, Ministry stated that action was being taken to comply with the audit observations.

7. Monitoring

As per the state CAMPA guidelines the Steering Committee was to meet twice in a year. The Steering Committee of Jharkhand CAMPA met four times during 2009-12 as against six times. The Executive Committee met four times during 2009-12.

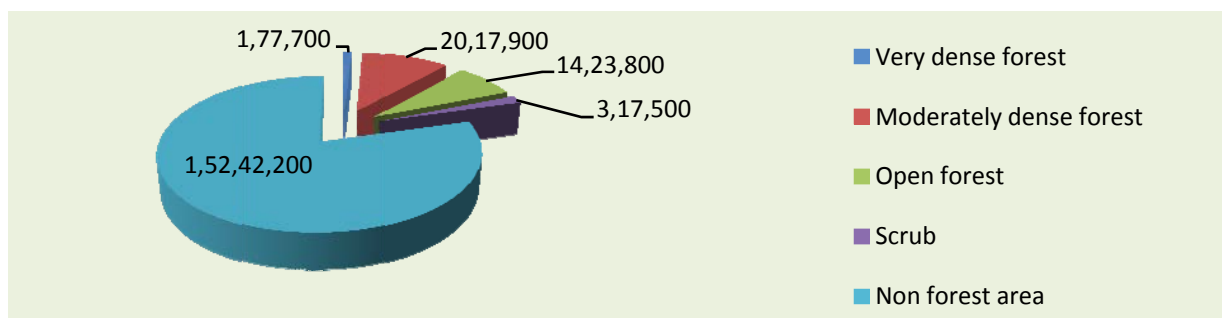
Karnataka

1. Background¹²⁷

The total geographical area of Karnataka is 1,91,79,100 hectare. Based on the interpretation of satellite data of October 2008- February 2009, the forest cover in the State was 36,19,400 hectare which was 18.87 per cent of the State's geographical area. In terms of forest canopy density classes, the State had 1,77,700 hectare of area under very dense forest, 20,17,900 hectare of area under moderately dense forest, 14,23,800 hectare of area under open forest and 3,17,500 hectare of area under scrub. Compared with the previous assessment of 2009, the forest cover showed an increase of 400 hectare in the 2011 assessment.



Forest cover – Types of forest (in hectare)-2011



2. Compensatory Afforestation funds of the State

State CAMPA was constituted in June 2010. Funds remitted by State CAMPA to Ad-hoc CAMPA, funds released by Ad-hoc CAMPA to State CAMPA and expenditure incurred there against during the period 2006-07 to 2011-12 were as detailed below.

¹²⁷Source: India State of Forest Report 2011 published by Forest Survey of India.

(₹in crore)

Year	Amount transferred to Ad-hoc CAMPA	Amount received by State CAMPA from Ad-hoc CAMPA	Expenditure incurred by State CAMPA	Accumulation of funds with State CAMPA ¹²⁸
Before 2006	235.69	Nil	Nil	Nil
2006-07	238.10	Nil	Nil	Nil
2007-08	69.53	Nil	Nil	Nil
2008-09	38.11	Nil	Nil	Nil
2009-10	62.27	58.56	Nil	58.56
2010-11	111.37	50.91	80.65	28.82
2011-12	81.32	41.57	58.73	11.66
Total	836.39	151.04	139.38	

As can be seen from the table, in compliance with the orders of the Supreme Court, 18 per cent of the total Compensatory Afforestation funds remitted by State CAMPA to Ad-hoc CAMPA were released between 2009-12. Of ₹ 151.04 crore released against APOs, eight per cent remained unutilised, leading to accumulation of funds with State CAMPA. Funds of ₹ 9.66 crore were not remitted by State CAMPA to Ad-hoc CAMPA and were deposited in State Government account.

3. Receipts into State CAMPA

The cases of non recovery/short recovery of NPV/CA/PCA etc. in Karnataka that came to the notice of audit are given below. The gist of these cases is also given in table 24, 26 and 27 in Chapter 3.

(₹in crore)

Sl. No.	Description	Amount
1	There were 20 cases ¹²⁹ involving forest land of 1336.36 ha in which NPV was not collected from the user agencies ¹³⁰ to whom in principle approval was granted before October 2002 and the final approval was granted after that.	77.51 ¹²⁴
2	The Supreme Court revised the rate of NPV in March 2008. However test check of records of seven forest divisions ¹³¹ revealed that in 12 cases ¹³² NPV was not collected at revised rates.	3.28

¹²⁸ Cumulative amount at the end of the year lying unutilised with State CAMPA out of the funds released by Ad-hoc CAMPA 2009 onwards.

¹²⁹ As per status report of MoEF issued on 16 March 2012.

¹³⁰ M/s Balaji Mines & Minerals (P) Ltd, Mysore Cements Ltd., M/s Kirloskar Ferrous Industries Ltd., M/s Mysore Minerals Ltd., M/s Tungbhadra Minerals Ltd. M/s Subhash Project and Marketing Ltd., M/s S A Tawab

¹²⁴ Audit estimated the total amount of NPV due in these cases on a conservative basis by applying the minimum rate of Rs. 5.80 lakh per hectare (1336.36 x 5.8)

¹³¹ Hassan, Belgaum, Bangalore Urban, Ramanagar, Sagar, Bangalore Rural, Bannerghatta.

¹³² WPP, KNNL, BMIC Project, KPTCL etc.

Sl. No.	Description	Amount
3	NPV/CA/PCA/CATP/ SMC works etc. were not realized in eight cases ¹³³ of diversion of 2,535.90 ha forest land in six forest divisions during 2002-12as of December 2012.	188.37
4	In twelve cases, where 489.58 ha forest land was diverted during the years 2002-12, NPV of ₹ 28.40 crore was not realized from user agencies ¹³⁴ as of December 2012. Of this, in one case recovery of NPV of ₹ 2.88 crore was reported to be pending in the court.	28.40
5	In 11 cases, CA of ₹ 18.47 crore was short realised from user agencies ¹³⁵ due to non-application of correct rates of CA, felling trees, cost towards payment of medicinal plants, cost of raising strip plantation.	18.47
6	CA of ₹ 1.08 crore and CATP of ₹ 2.01 crore in two cases was not realized from user agencies as on December 2012 for diversion of 449.55 ha of forest land for Upper Tunga Project.	3.09
	Total	319.12

4. Utilisation of CAMPA funds

4.1 Year wise and component wise breakup of funds allotted to State CAMPA and the utilisation of the funds released.

(₹in crore)

Main-Components	2009-10			2010-11			2011-12		
	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure
NPV ¹³⁶		56.64			37.67	68.98		26.51	42.32
Compensatory Afforestation		3.54			10.63	9.19		13.09	12.22
Protected Area ¹³⁷		0			0	0		0	0
CAT Plan		0.68			2.50	2.48		5.31	4.19
Other specified activities		0			0	0		0	0
Total	58.56	60.86	Nil	50.91	50.80	80.65	41.57	44.91	58.73

¹³³The user agencies included M/s KIOCL Ltd., M/s KNNL, M/s Sarjan Realities Ltd., M/s Suzlon Energy Ltd, M/s Enercon India PvtLtd.etc.

¹³⁴The user agencies included M/s KNNL, M/s Subash Project and Marketing, M/s KMPSSL, M/s Hind Traders etc.

¹³⁵The user agencies included M/s KPTCL, M/s KIOCL, M/s KNNL, M/s Suzlon Energy Ltd., Railways, Army etc.

¹³⁶ NPV is spent on Protection, Conservation & Management of forest

¹³⁷ Protected Area Funds is spent on Wildlife Management

APO for the years 2009-12 was approved by steering committee in May- June, after a delay of six months. Though the percentage of expenditure has increased progressively during the years 2009-10 & 2010-11, concerns remain on the absorptive capacity of the State considering that ₹ 1028.60 crore (including interest) are accumulated with Ad-hoc CAMPA in the Compensatory Afforestation Fund for the State (31 March 2012) and can be released only for specified forestry related activities.

4.2 Irregularities in utilisation of funds.

(₹in crore)

Sl. No.	Nature of irregularity	Description	Amount
1	Expenditure not authorised by State CAMPA guidelines and NCAC	CAMPA funds should not be used for creating infrastructure at State Forest headquarters and ecotourism. However test check revealed that expenditure was incurred on purchase of vehicles (₹3.36 crore), maintenance of guest house/office building (₹ 2.55 crore), financial assistance to defunct VFC's (₹ 0.61 crore) and improvement of tree parks (₹ 0.19 crore). Ministry stated (April/June 2013) that there were no instructions in State CAMPA guidelines and NCAC that expenditure on creation of infrastructure at State forest headquarters and purchase of vehicles etc. would not be incurred. The reply of Ministry is not tenable as it was decided in the third meeting of NCAC that expenditure on creation of infrastructure at headquarters should not be incurred from CAMPA funds and it was allowed upto the range level officers.	6.71
2	Non-maintenance of separate accounts	As per state CAMPA guidelines, moneys realised from the user agencies in pursuance of the Supreme court's orders or decision taken by the National Board for Wildlife involving cases of diversion of forestland in protected areas shall form a distinct corpus and shall be used exclusively for undertaking protection and conservation activity. However, no separate account for the amount of ₹ 8.08 crore received towards conservation and protection of protected areas was maintained by state CAMPA. Accepting the facts, Ministry stated (April/June 2013) that action would be taken to maintain the separate bank account for money collected from user agencies for diversion of forest land in protected areas.	8.08
3	Irregular sanction of forest advances to range forest officers	As per instructions issued by state CAMPA, forest advance upto ₹ 0.02 crore only should be sanctioned in exceptional cases and it should be adjusted within one month. However, in thirteen state forest divisions, forest advance upto ₹ 0.58 crore was sanctioned by State forest divisions during 2010-12. Further, forest advances amounting to ₹ 0.41 crore paid in March 2011 were adjusted during May 2011 and September 2011 i.e. after delay of 2 to 6 months.	0.58

Sl. No.	Nature of irregularity	Description	Amount
		Accepting the facts, Ministry stated (April/June 2013) that all controlling officers and implementing officers had been instructed to strictly follow the instructions issued by the State CAMPA in regard to sanction of forest advance and its adjustment.	
4	Excess expenditure	Bandipur forest division incurred an extra expenditure of ₹ 0.12 crore on work of desilting from tank/channel bed in slushy condition at higher rate of ₹ 107 per cum in place of ₹ 58 per cum prescribed in SR of forest department. In another case, the division incurred an extra expenditure of ₹ 0.04 crore due to payment for work of excavation for formation of tank at the rate higher than prescribed in SR of forest department. Ministry stated (April/June 2013) that these works were executed at the technically scrutinised rates and there was no excess expenditure in these cases. The reply of Ministry is not tenable as the rates prescribed in SR of forest department for these works were not adopted and the works were executed at higher rates.	0.16
	Total		15.53

5. Land Management

5.1 Fact sheet

Particulars (2006-12)	
Forest land diverted	As per records of RO ¹³⁸ – 5,098.91 ha ¹³⁹ As per records of NO – 3,354.11 ha
Non forest land received in lieu	As per records of RO – 3,053.74 ha As per records of NO – 2,231.96 ha
Non forest land short received	As per records of RO – 2,045.17 ha As per records of NO – 1,122.15 ha
Chief Secretary Certificate on non availability of non forest land attached	No
Area identified for CA as per NO	On degraded forest land – 2,187.28 ha On Non forest land – 2,594.07 ha
Area on which CA done as per NO	On degraded forest land – 19.60 ha On Non forest land – Nil
Received Non forest land transferred/mutated	As per records of RO - Nil As per records of NO – 2,231.96 ha
Non forest land received notified as reserved/protected forest	As per records of RO- Nil As per records of NO – NA

¹³⁸ Regional Office (RO) of Ministry of Environment & Forests and Nodal Officer (NO) of State Forests Department

¹³⁹ Excluding exempted projects

As is evident from the table, there were un-reconciled variations in the data provided by the Nodal Officer of the State CAMPA and the concerned Regional Office of MoEF. As per the records of RO, forest land diverted for non forestry purposes was 5,098.91 ha and the non forest land received in lieu thereof was 60 *per cent* while as per records of NO the figures were 3,354.11 ha and 67 *per cent*, respectively. As per records of RO, no non forest land was transferred /mutated in favour of the forest department and notified as RF/PF while as per NO out of 2,231.96 ha non forest land was transferred/ mutated in favour of forest department no non forest land was declared as RF/PF. As per records of NO, no afforestation was done on non forest land and afforestation done on degraded forest land was less than one *per cent* of the area to be afforested.

5.2 Irregularities in land management.

Sl. No.	Nature of irregularity	Description
1	Instances of violation of FC Act, 1980	In six cases of four forest divisions, forest area of 323.05 ha was diverted in violation of FC Act. Cases noticed included forest land leased to golf club, usage of forest area beyond the lease area, commencement of works by user agency even before granting Stage II approval, etc.
2	Non compliance with the Supreme Court's orders	In Karkala forest division, as per the Supreme Court's orders of October 2002 mining operations on 4,605 ha forest land diverted to KIOCL in Kudremukh National Park were stopped from 1 January 2006. In spite of the Supreme Court's above orders, in January 2007, state forest department notified an area of 3,703.55 ha as forest land which included major part of 3,203.55 ha on which mining operations were stopped from 1 January 2006. No action was taken by State forest department to resume control of 3,203.55 ha forest land from user agency as of December 2012.
3	Inaction of state forest department for 600.16 ha unutilised forest land lying with user agency	<ul style="list-style-type: none"> In Banglore (Rural) forest division, 102 ha forest land was found unutilised out of 565 ha forest land diverted in August 2002 for establishing Banglore International Airport. MoEF directed (June 2010) PCCF to conduct survey and resume back excess forest land lying unutilized with the lessee. However, no further progress was made in this regard (October 2012). In another case, 411.16 ha forest land was found unutilized which was diverted in July 2000 for rehabilitation of displaced persons of "Sea Bird" project. Further, forest land was changed to revenue land in revenue records without approval of MoEF. In yet another case, 87 ha forest land lying unutilized out of 330 ha forest land diverted to PGCIL for laying higher power transmission line in 2002-03 was not taken back by forest department.
4	Non execution of CA work	In 224 cases, against diversion of 8,692.96 ha forest land during 2002-09, CA was to be carried out on 8,363.87 ha non forest land (3,853.29 ha degraded forest land and 4,510.58 ha non-forest land). As of 31 March 2012, CA was carried out in 5,658.82 ha (2,918.89 ha degraded forest land and 2,739.93 ha non-forest land) and CA in 2,917.14 ha (1,079.60 ha

Sl. No.	Nature of irregularity	Description
		degraded forest land and 1,837.54 ha non-forest land) was yet to be undertaken. Ministry stated (April/June 2013) that efforts were being made to gear up the machinery to take up CA works on priority by sorting out the difficulties in execution of CA works.
5	Incorrect identification of non-forest land for CA works	<ul style="list-style-type: none"> In Bellary forest division, CA could not be taken up on 659.30 ha non forest land as the area identified was hill rock area and was not fit for raising plantations. Further, in Bhadravati forest division 72.52 ha non forest land identified in October 2010 was in the possession of State Forest Department from 2003-04 and 12.98 ha out of 72.52 ha non forest land was already afforested in 1990-91. <p>Ministry stated (April/June 2013) that non-forest land received from user agencies for CA had already been mutated in favour of forest department. The reply is not tenable as non-forest land received from user agencies was not fit for raising plantations.</p>

6. Status of Accounts and audit of State CAMPA Accounts

As per state CAMPA guidelines issued by MoEF, the accounts of state CAMPA were to be audited by the Accountant General at such intervals as may be specified by him. However, State CAMPA did not prepare its annual accounts for the years 2009-10 to 2011-12 in the prescribed format. In the absence of proper accounts, these could not be audited.

Further, as per State CAMPA guidelines, the State Government and the MoEF had the powers to conduct special audit or performance audit of the state CAMPA. However, no such audit was conducted.

7. Monitoring

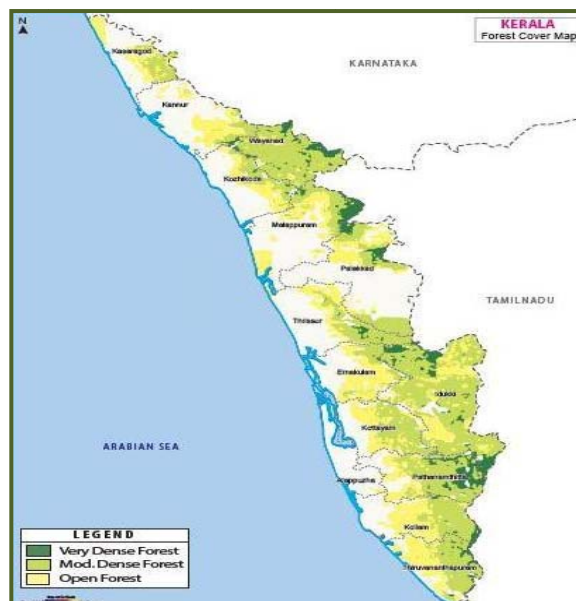
As per the state CAMPA guidelines, the Steering Committee was to meet twice in a year. The Steering Committee of Karnataka CAMPA met three times during 2009-12 as against six times.

Ministry stated (April/June 2013) that since the Chief Secretary of the state was chairman of Steering Committee, many times the meeting were cancelled due to busy schedules of Chief Secretary and it would be difficult to convene the meeting of steering once in six month as per State CAMPA guidelines. However, necessary action would be taken to convene the meetings of Steering Committee as per guidelines.

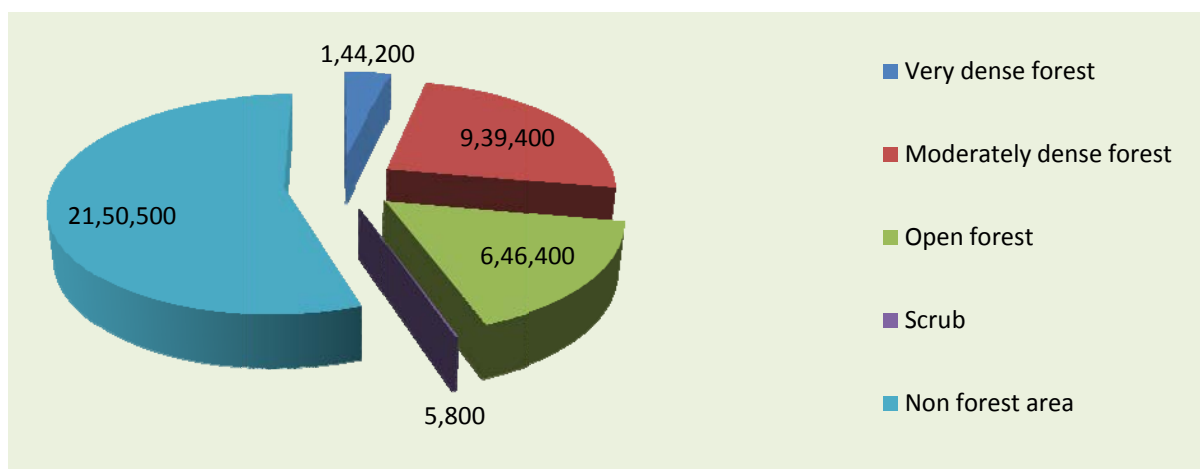
Kerala

1. Background¹⁴⁰

The total geographical area of Kerala is 38,86,300 hectare. Based on the interpretation of satellite data of February 2009, the forest cover in the State was 17,30,000 hectare which was 44.52 per cent of the State's geographical area. In terms of forest canopy density classes, the State had 1,44,200 hectare of area under very dense forest, 9,39,400 hectare of area under moderately dense forest and 6,46,400 hectare of area under open forest. Compared with the previous assessment of 2009, the forest cover showed a decrease of 2,400 hectare in the 2011 assessment.



Forest cover – Types of forest (in hectare)-2011



2. Compensatory Afforestation funds of the State

State CAMPA was constituted in November 2009. Funds remitted by State CAMPA to Ad-hoc CAMPA, funds released by Ad-hoc CAMPA to State CAMPA and expenditure incurred there against during the period 2006-07 to 2011-12 were as detailed below.

¹⁴⁰Source: India State of Forest Report 2011 published by Forest Survey of India.

(₹in crore)

Year	Amount transferred to Ad-hoc CAMPA	Amount received by State CAMPA from Ad-hoc CAMPA	Expenditure incurred by State CAMPA	Accumulation of funds with State CAMPA ¹⁴¹
Before 2006	11.69	Nil	Nil	Nil
2006-07	10.98	Nil	Nil	Nil
2007-08	5.93	Nil	Nil	Nil
2008-09	0.59	Nil	Nil	Nil
2009-10	0.34	1.37	0.97	0.40
2010-11	0.03	Nil	Nil	0.40
2011-12	1.43	Nil	Nil	0.40
Total	30.99	1.37	0.97	

As can be seen from the table, in compliance with the orders of the Supreme Court, four *per cent* of the total Compensatory Afforestation funds remitted by State CAMPA to Ad-hoc CAMPA were released during 2009-12. Of ₹ 1.37 crore released, 30 *per cent* remained unutilised, leading to accumulation of funds with State CAMPA.

3. Receipts into State CAMPA

The cases of non recovery/short recovery of NPV/CA/PCA etc. in Kerala that came to the notice of audit are given below. The gist of these cases is also given in table 24 and 27 in Chapter 3.

(₹ in crore)

Sl. No.	Description	Amount
1	There were 2 cases ¹⁴² involving forest land of 14.77 ha in which NPV was not collected from the user agencies ¹⁴³ to whom in principle approval was granted before October 2002 and the final approval was granted after that.	0.86 ¹⁴⁴
2	In Punalur and Konni forest divisions, recovery of NPV/CA of ₹ 0.29 crore from a user to whom in principle approval was granted by MoEF in November 2005 for diversion of 4.4 ha forest land for drawing transmission line was not made. The user agency completed the work during 2006 without final approval of MoEF. No action was taken by MoEF for recovery of NPV/CA (December 2012).	0.29
3	During test check of records of State CAMPA it was found that no NPV/CA was collected for diversion of 7,693.23 ha forest land for rehabilitation of tribals after 30 October 2002 as the matter was sub-judice in a court of law. Ministry stated (April 2013) that the matter of exemption from payment of NPV was pending in the Supreme Court.	
	Total	1.15

¹⁴¹ Cumulative amount at the end of the year lying unutilised with State CAMPA out of the funds released by Ad-hoc CAMPA 2009 onwards.

¹⁴² As per status report of MoEF issued on 16 March 2012.

¹⁴³ Plantation Corpn.

¹⁴⁴ Audit estimated the total amount of NPV due in these cases on a conservative basis by applying the minimum rate of ₹ 5.80 lakh per hectare (14.77 x 5.8)

4. Utilisation of CAMPA fund

4.1 Year wise and component wise breakup of funds allotted to State CAMPA and utilisation of the funds released.

(₹in crore)

Main-Components	2009-10			2010-11			2011-12		
	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure
NPV¹⁴⁵		1.34	0.97		2.06				
Compensatory Afforestation		0	0		0.35				
Protected Area¹⁴⁶		0	0		0				
CAT Plan		0	0		0				
Other specified activities		0.03	0		0.29				
Total	1.37	1.37	0.97	Nil	2.70	Nil	Nil	Nil	Nil

For the year 2009-10 Ad-hoc CAMPA released funds in the month of March 2010 but the APO was approved in the month of March 2011. For the year 2010-11 APO was approved by Steering Committee in February 2012 but no funds were released by Ad-hoc CAMPA. APO was not prepared for the year 2011-12. The percentage of expenditure incurred as against the amounts released by Ad-hoc CAMPA was 71 *per cent* in 2009-10. No expenditure was incurred in the years 2010-11 and 2011-12. Concerns remain on the absorptive capacity of the State considering that ₹ 37.37 crore (including interest) are accumulated with Ad-hoc CAMPA in the Compensatory Afforestation Fund for the State (31 March 2012) and can be released only for specified forestry related activities.

Ministry stated (April 2013) that funds against APOs for 2010-11, 2011-12 and 2012-13 had not been released by Ad-hoc CAMPA. The reply was not based on facts as State CAMPA received a sum of ₹ 1.37 crore in the year 2009-10 from Ad-hoc CAMPA, and thereagainst an expenditure of ₹ 0.97 crore was incurred during the year.

¹⁴⁵ NPV is spent on protection, conservation and management of forest

¹⁴⁶ Protected Area Funds is spent on wildlife management

4.2 Irregularities in utilisation of funds.

(₹ in crore)

Nature of irregularity	Description	Amount
Expenditure not authorised by State CAMPA guidelines and NCAC	CAMPA funds should not be used for creating infrastructure at State Forest headquarters and ecotourism. However test check revealed that expenditure of ₹ 0.96 crore was incurred on purchase of vehicles i.e. entire amount expended. Ministry stated (April 2013) that vehicles were purchased for strengthening the functioning of forest stations and for execution of CA works. The reply of Ministry was not based on facts as no site specific compensatory afforestation was envisaged in the APO for 2009-10 and the entire money was expended only on these vehicles.	0.96

5. Land Management

5.1 Fact sheet

Particulars(2006-12)	
Forest land diverted	As per records of RO ¹⁴⁷ – 75.99 ha ¹⁴⁸ As per records of NO – 156.07 ha
Non forest land received in lieu	As per records of RO – 25.32 ha As per records of NO – Nil
Non forest land short received	As per records of RO – 50.67 ha As per records of NO – 156.07 ha
Chief Secretary Certificate on non availability of non forest land attached	NA
Area identified for CA as per NO	On degraded forest land – 295.92 ha On Non forest land – NA
Area on which CA done as per NO	On degraded forest land – Nil On Non forest land – Nil
Received Non forest land transferred/mutated	As per records of RO- Nil As per records of NO –Nil
Non forest land received notified as reserved/protected forest	As per records of RO- Nil As per records of NO – Nil

¹⁴⁷ Regional Office (RO) of Ministry of Environment & Forests and Nodal Officer (NO) of State Forests Department

¹⁴⁸ Excluding exempted projects

As is evident from the table, there were un-reconciled variations in the data provided by the Nodal Officer of the State CAMPA and the concerned Regional Office of MoEF. As per the records of RO, forest land diverted for non forestry purposes was 75.99ha and the non forest land received in lieu thereof was only 33 *per cent* while as per records of NO the figures were 156.07 ha and zero *per cent*, respectively. As per records of RO and NO, no non forest land was transferred /mutated in favour of the forest department and notified as RF/PF. As per records of NO, no afforestation was done on non forest land and degraded forest land.

6. Status of Accounts and audit of State CAMPA Accounts

As per state CAMPA guidelines issued by MoEF, the accounts of state CAMPA were to be audited by the Accountant General at such intervals as may be specified by him. However, State CAMPA did not prepare its annual accounts for the years 2009-10 to 2011-12 in the prescribed format. Ministry stated (April 2013) that account would be prepared after 31 March 2013 as funds for APOs for 2010-11, 2011-12 and 2012-13 had not been released by Ad-hoc CAMPA. The reply was not based on facts as State CAMPA received a sum of ₹ 1.37 crore in the year 2009-10 from Ad-hoc CAMPA, and thereagainst an expenditure of ₹ 0.97 crore was incurred during the year.

Further, as per State CAMPA guidelines, the State Government and the MoEF had the powers to conduct special audit or performance audit of the state CAMPA. However, no such audit was conducted.

7. Monitoring

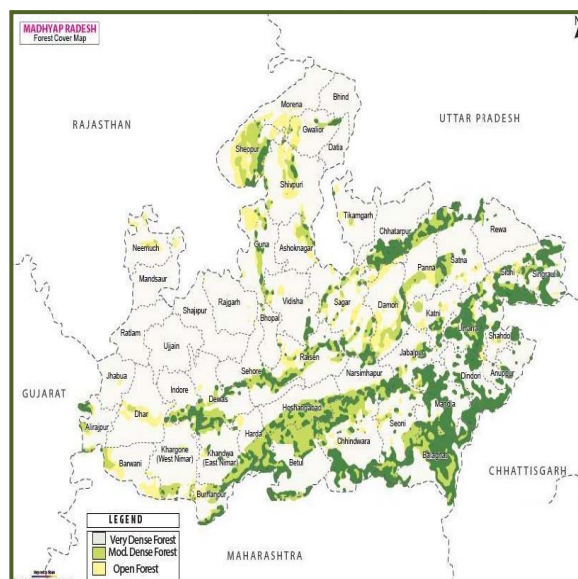
As per the state CAMPA guidelines the Steering Committee was to meet twice in a year. The Steering Committee of Kerala CAMPA met two times during 2009-12 as against six times. The Executive Committee met two times during 2009-12.

Accepting the facts, (April 2013) Ministry stated that frequency of meetings of state level committees would be regularised as per the guidelines hereafter.

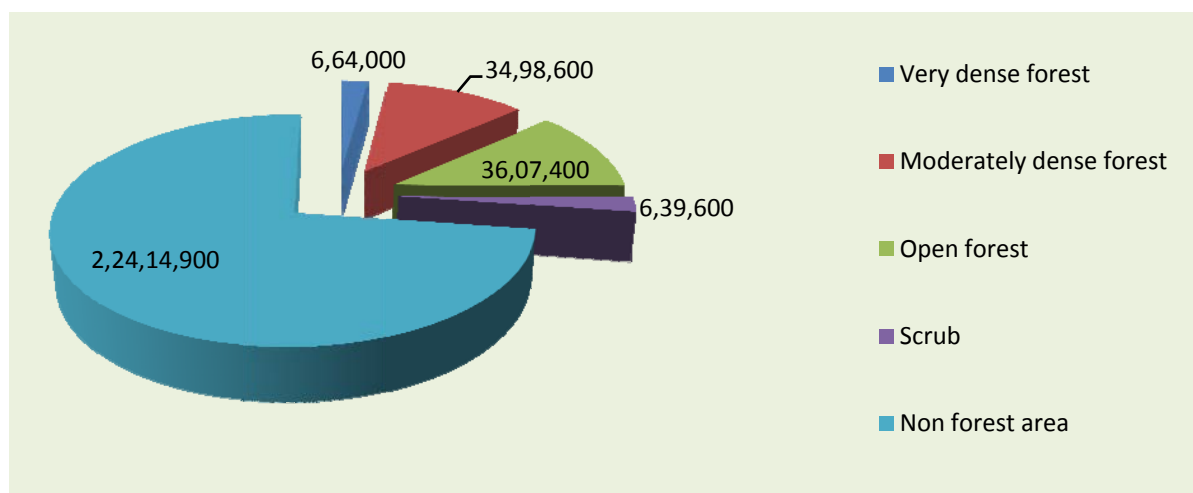
Madhya Pradesh

1. Background¹⁴⁹

The total geographical area of Madhya Pradesh is 3,08,24,500 hectare. Based on the interpretation of satellite data of October - December 2008, the forest cover in the state was 77,70,000 hectare which was 25.21 per cent of the State's geographical area. In terms of forest canopy density classes, the State had 6,64,000 hectare of area under very dense forest, 34,98,600 hectare of area under moderately dense forest and 36,07,400 hectare of area under open forest. Compared with the previous assessment of 2009, the forest cover does not show any changes in the 2011 assessment.



Forest cover – Types of forest (in hectare)-2011



2. Compensatory Afforestation funds of the State

Funds remitted by State CAMPA to Ad-hoc CAMPA, funds released by Ad-hoc CAMPA to State CAMPA and expenditure incurred there against during the period 2006-07 to 2011-12 were as detailed below.

¹⁴⁹Source: India State of Forest Report 2011 published by Forest Survey of India.

(₹ in crore)

Year	Amount transferred to Ad-hoc CAMPA	Amount received by State CAMPA from Ad-hoc CAMPA	Expenditure incurred by State CAMPA	Accumulation of funds with State CAMPA ¹⁵⁰
No date	49.43	Nil	Nil	Nil
2007-08	225.7	Nil	Nil	Nil
2008-09	103.51	Nil	Nil	Nil
2009-10	114.38	53.05	Nil	53.05
2010-11	285.1	50.97	32.66	71.36
2011-12	124.41	53.52	49.87	75.01
Total	902.53	157.54	82.53	

As can be seen from the table, in compliance with the orders of the Supreme Court, 17 per cent of the total Compensatory Afforestation funds remitted by State CAMPA to Ad-hoc CAMPA were released between 2009-12. Of ₹ 157.54 crore released against APOs, 48 per cent remained unutilised, leading to accumulation of funds with State CAMPA.

3. Receipts into State CAMPA

The cases of non recovery/short recovery of NPV/CA/PCA etc. in Madhya Pradesh that came to the notice of audit are given below. The gist of these cases is also given in table 24, 26 and 27 in Chapter 3.

(₹ in crore)

Sl. No.	Description	Amount
1	There were 22 cases ¹⁵¹ involving forest land of 6,804.25 ha in which NPV was not collected from the user agencies ¹⁵² to whom in principle approval was granted before October 2002 and the final approval was granted after that.	394.65 ¹⁵³
2	The Supreme Court revised the rate of NPV in March 2008. However test check of records of seven forest division ¹⁵⁴ revealed that in 14 cases NPV was not collected at revised rates.	3.80
3	NPV/CA etc. of ₹ 68.72 crore was not realized from user agencies to whom forest land had already been diverted.	68.72
4	In 36 cases of land diversion sanctioned from 1984 to 2011 in six divisions, NPV and CA of ₹ 45.67 crore as worked out by audit was not calculated by the Nodal Officer, FCA.	45.67
	Total	512.84

¹⁵⁰ Cumulative amount at the end of the year lying unutilised with State CAMPA out of the funds released by Ad-hoc CAMPA 2009 onwards.

¹⁵¹ As per status report of MoEF issued on 16 March 2012.

¹⁵² These included Mundia Khera Tank, Omkareshwar Multipurpose Project, Arjungawa Undarvahan Project, NMDC, Manish Dixit, M/s NCL, M/s BLA Industries etc.

¹⁵³ Audit estimated the total amount of NPV due in these cases on a conservative basis by applying the minimum rate of ₹5.80 lakh per hectare(6804.25 x5.8)

¹⁵⁴ Indore, Dhar, Sendhva, Satna, North Sivni, Narshingpur, Devas

4. Utilisation of CAMPA funds

4.1 Year wise and component wise breakup of funds allotted to State CAMPA and the utilisation of the funds released.

(₹ in crore)

Main-Components	2009-10			2010-11			2011-12		
	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure
NPV ¹⁵⁵					2.48	2.35		78.30	21.83
Compensatory Afforestation					42.76	28.64		49.69	23.80
Protected Area ¹⁵⁶					0	0		12.00	1.00
CAT Plan					0.47	0.16		0.02	0.04
Other specified activities					8.05	1.51		3.63	3.20
Total	53.05	Nil	Nil	50.97	53.76	32.66	53.52	143.64	49.87

Funds for the years 2009-10 and 2010-11 were released by Ad-hoc CAMPA without APOs. APO for the years 2011-12 was submitted after a delay of seven months. The percentage of expenditure incurred as against the amounts released by Ad-hoc CAMPA was zero *per cent* in 2009-10, 64 *per cent* in 2010-11 and 93 *per cent* in 2011-12 though the levels of expenditure were 61 *per cent* in 2010-11 and 35 *per cent* in 2011-12 of the amounts released. Though the expenditure had increased progressively over the last three years, concerns remain on the absorptive capacity of the State considering that ₹ 1,341.19 crore (including interest) are accumulated with Ad-hoc CAMPA in the Compensatory Afforestation Fund for the State (31 March 2012) and can be released only for specified forestry related activities.

5. Land Management

5.1 Fact sheet

Particulars (2006-12)	
Forest land diverted	As per records of RO ¹⁵⁷ – 20,740.52 ha ¹⁵⁸ As per records of NO – 9,753.47 ha
Non forest land received in lieu	As per records of RO – Nil As per records of NO – 2,332.49 ha
Non forest land short received	As per records of RO – 20,740.52 ha As per records of NO – 7,420.98 ha

¹⁵⁵ NPV is spent on protection, conservation and management of forest

¹⁵⁶ Protected Area Fund is spent on wildlife management

¹⁵⁷ Regional Office (RO) of Ministry of Environment & Forests and Nodal Officer (NO) of State Forests Department

¹⁵⁸ Excluding exempted projects

Particulars (2006-12)	
Chief Secretary Certificate on non availability of non forest land attached	No
Area identified for CA as per NO	On degraded forest land – NA On Non forest land – NA
Area on which CA done as per NO	On degraded forest land – 5,136.97 ha On Non forest land – Nil
Received Non forest land transferred/mutated	As per records of RO- 492.80 ha As per records of NO – Nil
Non forest land received notified as reserved/protected forest	As per records of RO- Nil As per records of NO – Nil

As is evident from the table, there were un-reconciled variations in the data provided by the Nodal Officer of the State CAMPA and the concerned Regional Office of MoEF. As per the records of RO, forest land diverted for non forestry purposes was 20,740.52 ha and the non forest land received in lieu thereof was zero *per cent* while as per records of NO the figures were 9,753.47 ha and 24 *per cent*, respectively. As per records of RO, 492.80 ha non forest land was transferred /mutated in favour of the forest department and no land was notified as RF/PF while as per NO non forest land was not transferred/ mutated in favour of forest department and declared as RF/PF. As per records of NO, no afforestation was done on non forest land and afforestation was done on 5,136.97 degraded forest land. Ministry stated (June 2013) that afforestation would be done in 137 projects in current financial year.

5.2 Irregularities in land management

Sl. No.	Nature of irregularity	Description
1	Irregular grant of mining lease	As per FC Act 1980, approval for diversion of forest land for grant/renewal of mining leases shall normally be granted for a period co-terminus with the period of mining lease proposed to be granted under MMDR Act, 1957 or rules frames thereunder, but not exceeding 30 years. In Shivpuri forest division, a stone mining lease was sanctioned for 217.06 ha forest land in July 2005 stipulating that period of mining lease shall be for a period co-terminus with the period of mining lease proposed to be granted under MMDR Act, 1957. The sanction however did not restrict the lease period to 30 years as required under FCA.
2	Irregular utilisation of wildlife protection money	According to para 11(ii) of State CAMPA Guidelines, the recurring as well as non-recurring expenditure for the management of State CAMPA, will be met by utilizing a part of the income from interest received on funds invested by it, but the income from the funds received from the user agencies under provisions of sections 18, 26A or 35 of the Wildlife Protection Act, 1972 will be used for under taking the activities related to protection of biodiversity and wildlife. However, Jabalpur division utilized ₹ 0.45crore on training and other activities which was in violation of Wildlife Protection Act, 1972

6. Status of Accounts and audit of State CAMPA Accounts

During test check of records of State CAMPA it was found that State CAMPA did not prepare annual accounts for the years 2009-10 to 2011-12 in the prescribed format and cash book for the funds received from Ad-hoc CAMPA and expenditure incurred therefrom. Further, State CAMPA failed to provide payment vouchers and receipt books for audit scrutiny.

Ministry stated (April 2013) that action was being taken to prepare the annual accounts in the prescribed format and these would be submitted to audit.

7. Monitoring

As per the state CAMPA guidelines the Steering Committee was to meet twice in a year. The Steering Committee of Madhya Pradesh CAMPA met two times during 2009-12 as against six times. The Executive Committee met seven times during 2009-12.

8. Good practices in the state

According to information provided by Nodal Officer, FCA, regular monitoring and evaluation of plantation was done as per standardised mechanism by using e-Green watch software.

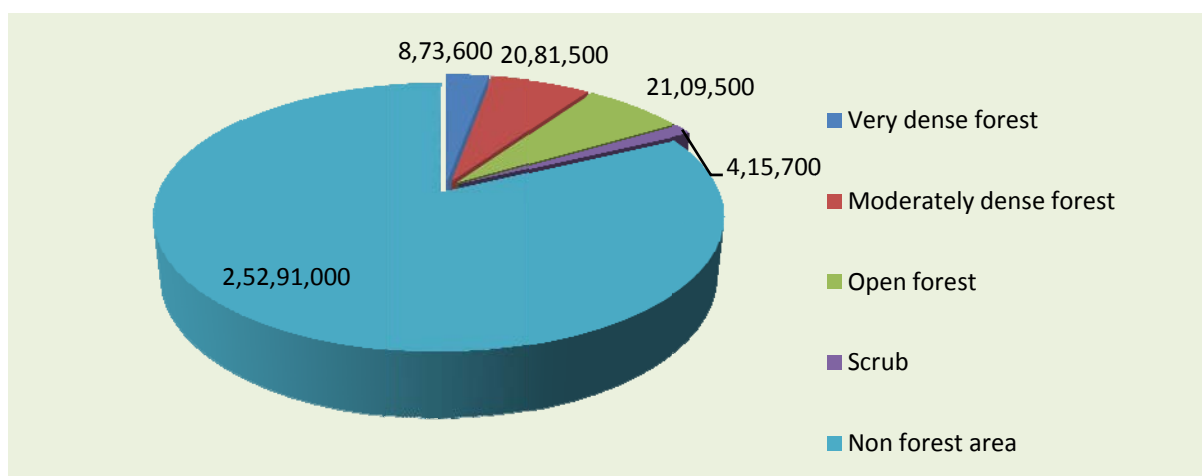
Maharashtra

1. Background¹⁵⁹

The total geographical area of Maharashtra is 3,07,71,300 hectare. Based on the interpretation of satellite data of October-December 2008, the forest cover in the State was 50,64,600 hectare which was 16.46 *per cent* of the State’s geographical area. In terms of forest canopy density classes, the State had 8,73,600 hectare of area under very dense forest, 20,81,500 hectare of area under moderately dense forest and 21,09,500 hectare of area under open forest. Compared with the previous assessment of 2009, the forest cover showed a marginal decrease of 400 hectare in the 2011 assessment.



Forest cover – Types of forest (in hectare)-2011



2. Compensatory Afforestation Fund of the State

State CAMPA was constituted in September 2009. Funds remitted by State CAMPA to Ad-hoc CAMPA, funds released by Ad-hoc CAMPA to State CAMPA and expenditure incurred there against during the period 2006-07 to 2011-12 were as detailed below.

¹⁵⁹Source: India State of Forest Report 2011 published by Forest Survey of India

(₹ in crore)

Year	Amount transferred to Ad-hoc CAMPA	Amount received by State CAMPA from Ad-hoc CAMPA	Expenditure incurred by State CAMPA	Accumulation of funds with State CAMPA ¹⁶⁰
2006-07	NA	Nil	Nil	Nil
2007-08	NA	Nil	Nil	Nil
2008-09	NA	Nil	Nil	Nil
2009-10	243.05	Nil	Nil	Nil
2010-11	176.60	89.00	89.00	Nil
2011-12	318.80	167.64	130.00	37.64
Total	738.45	256.64	219.00	

As can be seen from the table, in compliance with the orders of the Supreme Court, 35 per cent of the total Compensatory Afforestation funds remitted by State CAMPA to Ad-hoc CAMPA were released between 2009-12. Of ₹ 256.64 crore released against APOs, 15 per cent remained unutilised, leading to accumulation of funds with State CAMPA.

3. Receipts into State CAMPA

The cases of non recovery/short recovery of NPV/CA/PCA etc. in Maharashtra that came to the notice of audit are given below. The gist of these cases is also given in table 24 and 27 in Chapter 3.

(₹ in crore)

Sl. No.	Description	Amount
1	There were 63 cases ¹⁶¹ involving forest land of 1870.63 ha in which NPV was not collected from the user agencies ¹⁶² to whom in principle approval was granted before October 2002 and the final approval was granted after that.	108.50 ¹⁶³
2	In 106 cases, NPV of ₹ 111.79 crore was not recovered from user agencies ¹⁶⁴ in lieu of diversion of 1927.38 ha forest land during the years 2003 to 2007. The forest land diverted was used for mining, laying pipe line, hydro projects, stone quarry, tank, wind project etc. Accepting the facts, Ministry stated (June 2013) that efforts were being made to recover outstanding NPV from user agencies.	111.79

¹⁶⁰ Cumulative amount at the end of the year lying unutilised with State CAMPA out of the funds released by Ad-hoc CAMPA 2009 onwards.

¹⁶¹ As per status report of MoEF issued on 16 March 2012.

¹⁶² M/s Swastik Complex, Shri Mahesh H Khedia, Shri Neeraj H. Khedia, M/s Sawala Traders, M/s BR Akre M/s Western Coalfields Ltd., M/s Manganese Ore India Ltd., M/s Sabir Stone, Smt. Baranbai Sitaram Kamble, M/s Indirabai Girade, Shri Chandrajit Singh Bagga

¹⁶³ Audit estimated the total amount of NPV due in these cases on a conservative basis by applying the minimum rate of ₹ 5.80 lakh per hectare (1870.63 x 5.8)

¹⁶⁴ Irrigation Department, PWD, MSEB, M/s D R Matre, M/s D N Pawar, M/s M A Patil, M/s H M Shaha, M/s Mumbra Stone Crushing, M/s Shafi Ibrahim Shaikh, Patel Engineering etc.

Sl. No.	Description	Amount
3	In Gadchiroli, Central Chanda, Thane, Shahapur and Nandurbar forest divisions, NPV of ₹ 62.48 crore was not realized from user agencies ¹⁶⁵ to whom in principle approval was granted by MoEF. Accepting the facts, Ministry stated (June 2013) that efforts were being made to recover outstanding NPV from user agencies.	62.48
4	CA of ₹ 8.41 crore was short-assessed from user agency ¹⁶⁶ in lieu of diversion of 171.58 forest land for construction of national highway no. 16 from Sironcha to Patalagudam due to non application of prescribed rates of CA. Ministry stated (June 2013) that proposal of diversion of forest land was not finally approved and it would be considered for final approval after collection of all dues. Thus, the CA at revised rates as pointed out by audit was yet to be recovered from the user agency.	8.41
5	In Alibag forest division CA of ₹ 0.33 crore was short realized from user agency in lieu of diversion 39.48 ha forest land as CA was to be executed on double degraded forest land. Ministry stated (June 2013) that recovery of twice the amount of CA was not required as non-forest land was provided by user agency to forest department. However, Ministry's reply was not supported with relevant documents.	0.33
	Total	291.51

4. Utilisation of CAMPA funds

4.1 Year wise and component wise breakup of funds allotted to State CAMPA and the utilisation of the funds released.

(₹in crore)

Main-Components	2009-10			2010-11			2011-12		
	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure
NPV¹⁶⁷					53.30	53.30		80.57	80.57
Compensatory Afforestation					35.70	35.70		49.43	49.43
Protected Area¹⁶⁸					0	0		0	0
CAT Plan					0	0		0	0
Other specified activities					0	0		0	0
Total	Nil	Nil	Nil	89.00	89.00	89.00	167.64	130.00	130.00

¹⁶⁵These included BSNL, Irrigation Department, State PWD, MMRDA, Narmada Development Department, M/s Chetak Stone, Mahavir Construction etc.

¹⁶⁶Border Road Organisation

¹⁶⁷ NPV is spent on protection, conservation and management of forest

¹⁶⁸ Protected Area Fund is spent on wildlife management

APO for the year 2009-10 was not prepared and no funds were released for the year 2009-10. APO for the year 2010-11 was approved by the Steering Committee in April 2011 i.e. after the close of the financial year and funds were released by Ad-hoc CAMPA without approved APO in February 2010. APO for the year 2011-12 was approved after a delay of 10 months and funds were released by Ad-hoc CAMPA without approved APO.

From the table it is evident that the implementing agencies could not expend substantial portion of amount released by the State CAMPA in the years 2011-12. The level of expenditure was 78 per cent in 2011-12 of the amounts released by Ad-hoc CAMPA. Though the expenditure had increased progressively during the years 2010-12, concerns remain on the absorptive capacity of the State considering that ₹ 1,859.09 crore (including interest) are accumulated with Ad-hoc CAMPA in the Compensatory Afforestation Fund for the State (31 March 2012) and can be released only for specified forestry related activities.

4.2 Irregularities in utilisation of funds

(₹ in crore)

Sl. No.	Nature of irregularity	Description	Amount
1	Expenditure not authorised by State CAMPA guidelines and NCAC	CAMPA funds should not be used for creating infrastructure at State Forest headquarters and ecotourism. However test check revealed that expenditure of ₹ 6.19 crore was incurred on purchase of vehicles for officers, furniture, computers and eco-tourism, repair of forest rest houses and trainings (₹ 0.40 crore) and construction & renovation of Van Bhawan building (₹ 4.88 crore), purchase of solar energy equipment for Van Bhawan building (₹ 0.91 crore) etc. Ministry stated (April/June 2013) that there were no instructions of NCAC that expenditure for creation of infrastructure at State forest headquarters would not be incurred. The reply of Ministry is not tenable as it was decided in the third meeting of NCAC that expenditure on creation of infrastructure at headquarters should not be incurred from CAMPA funds.	6.19
2	Wrong utilization certificate of the CCF	Out of ₹ 1.19 crore released for construction of division office building and staff quarter and supply of water etc. during June- November 2011, an amount of ₹ 0.91 crore was lying unspent with state PWD, whereas this amount was shown as expenditure during the year 2010-11. The PWD had not incurred any expenditure and did not submit utilization & completion certificate, however a utilization certificate was submitted by CCF to Additional PCCF (WL), Mumbai. Further, staff quarters were also not constructed as of December 2012. This resulted in blocking of ₹ 1.19 crore for over one year and the entire expenditure and issue of false Utilisation certificate. Ministry stated (June 2013) that construction work could not be started for want of clearance under FC Act, 1980 and the UC furnished by implementing agency was normal procedural	1.19

Sl. No.	Nature of irregularity	Description	Amount
		work. The reply of Ministry is not tenable as the UC was issued by implementing agency without incurring expenditure on the sanctioned work.	
3	Blocking of CAMPA funds of ₹ 18.77 lakh	During the year 2011-12, an amount of ₹ 20.00 lakh was paid to two Village Eco Development Committee (VEDC) for plantation under NPV component for preparation of micro plan, drinking water facility, LPG gas, planting drumstick trees. The VEDC had utilized only ₹ 1.23 lakh (4 per cent of released amount) as of December 2012. This resulted in blocking of CAMPA funds of ₹ 18.77 lakh for one year. Ministry stated (June 2013) that funds would be utilised fully by the end of year 2012-13. The reply of Ministry is not tenable since the work which was to be completed in the year 2011-12, had still not been completed.	0.19
	Total		7.57

5. Land Management

5.1 Fact sheet

Particulars (2006-12)	
Forest land diverted	As per records of RO ¹⁶⁹ – 2,867.22 ha ¹⁷⁰ As per records of NO – 6,361.09 ha
Non forest land received in lieu	As per records of RO – Nil As per records of NO – 4,077.99 ha
Non forest land short received	As per records of RO – 2,867.22 ha As per records of NO – 2,283.10 ha
Chief Secretary Certificate on non availability of non forest land attached	No
Area identified for CA as per NO	On degraded forest land – 3,916.65 ha On Non forest land – 4,913.26 ha
Area on which CA done as per NO	On degraded forest land – Nil On Non forest land – Nil
Received Non forest land transferred/mutated	As per records of RO- Nil As per records of NO – 3,349.07 ha
Non forest land received notified as reserved/protected forest	As per records of RO- Nil As per records of NO – Nil

As is evident from the table, there were un-reconciled variations in the data provided by the Nodal Officer of the State CAMPA and the concerned Regional Office of MoEF. As per the records of RO, forest land diverted for non forestry purposes was 2,867.22 ha and the non forest land received in lieu thereof was zero *per cent* while as per records of NO the figures

¹⁶⁹ Regional Office (RO) of Ministry of Environment & Forests and Nodal Officer (NO) of State Forests Department

¹⁷⁰ Excluding exempted projects

were 6,361.09ha and 64 *per cent*. As per records of RO, no non forest land was transferred /mutated in favour of the forest department and notified as RF/PF while as per NO out of 3,349.07 ha non forest land transferred/ mutated in favour of forest department, no non forest land was declared as RF/PF. As per records of NO, no afforestation was done on non forest land and degraded forest land.

5.2 Irregularities observed in land management

Nature of irregularity	Description
Non execution of CA work	<p>In Nagpur forest division, during 2008-11, no CA work was carried out on non-forest land received from various user agencies in lieu of diversion of forest land though an amount of ₹ 21.73 crore was received from user agencies on account of CA.</p> <p>Ministry stated (June 2013) that CA work had been planned in APO for 2013-14.</p>

6. Status of Accounts and audit of State CAMPA Accounts

As per state CAMPA guidelines issued by MoEF, the accounts of state CAMPA were to be audited by the Accountant General at such intervals as may be specified by him. However, State CAMPA did not prepare its annual accounts for the years 2010-11 and 2011-12 in the prescribed format. In the absence of proper accounts, these could not be audited. It was observed that the state CAMPA did not maintain cash book and subsidiary ledgers properly for the funds received from Ad-hoc CAMPA and expenditure incurred therefrom. Due to improper maintenance of cash book and subsidiary ledgers, the receipts and payments for the years 2010-12 could not be verified in audit. It was also observed that there was a difference of ₹ 0.07 crore between cash book and bank pass book which could not be reconciled (December 2012). In three divisions (Thane, Shahapur and Nandurbar) it was observed that assets register as required to be maintained as per GFRs was not maintained by these divisions.

Accepting the facts, Ministry stated (June 2013) that accounts would now be maintained in the prescribed format. As regards reconciliation of cash book and bank passbook and maintenance of assets register Ministry stated that action had been initiated.

Further, as per State CAMPA guidelines, the State Government and the MoEF had the powers to conduct special audit or performance audit of the state CAMPA. However, no such audit was conducted.

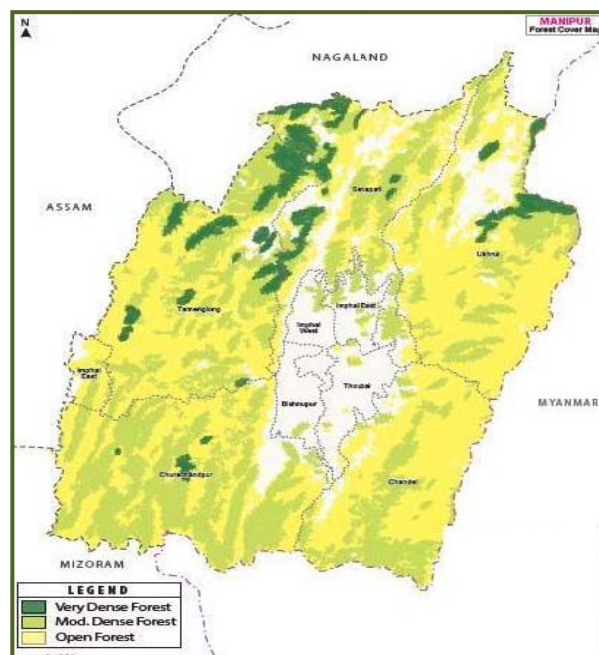
7. Monitoring

As per the state CAMPA guidelines the Steering Committee was to meet twice in a year. The Steering Committee of Maharashtra CAMPA met three times during 2009-12 as against six times. The Executive Committee met thirteen times during 2009-12.

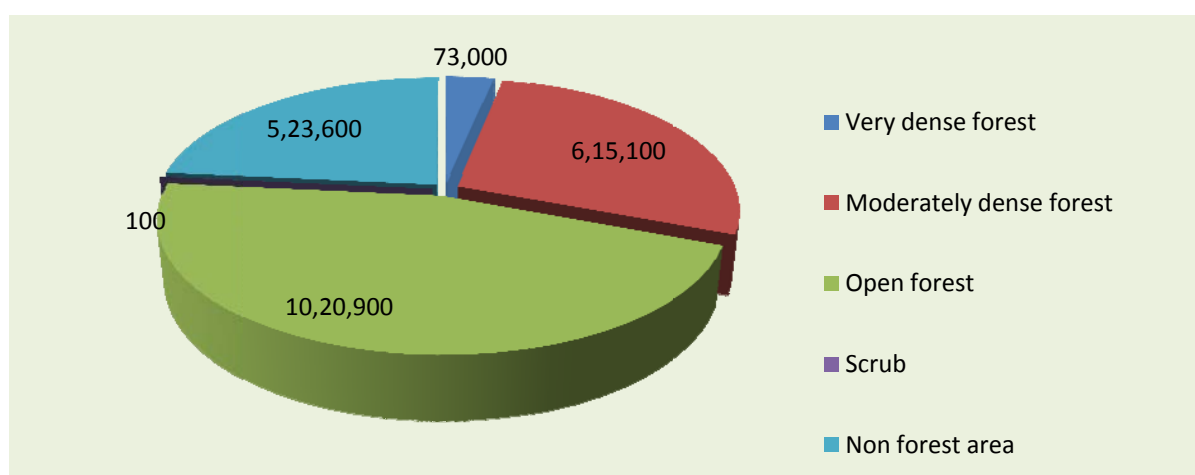
Manipur

1. Background¹⁷¹

The total geographical area of Manipur is 22,32,700 hectare. Based on the interpretation of satellite data of January-February 2009, the forest cover in the State was 17,09,000 hectare which was 76.54 per cent of the State's geographical area. In terms of forest canopy density classes, the State had 73,000 hectare of area under very dense forest, 6,15,100 hectare of area under moderately dense forest and 10,20,900 hectare of area under open forest. Compared with the previous assessment of 2009, the forest cover showed a marginal decrease of 19,000 hectare in the 2011 assessment.



Forest cover – Types of forest (in hectare)-2011



2. Compensatory Afforestation Fund of the State

State CAMPA was constituted in August 2009. Funds remitted by State CAMPA to Ad-hoc CAMPA, funds released by Ad-hoc CAMPA to State CAMPA and expenditure incurred there against during the period 2006-07 to 2011-12 were as detailed below.

¹⁷¹Source: India State of Forest Report 2011 published by Forest Survey of India.

(₹in crore)

Year	Amount transferred to Ad-hoc CAMPA	Amount received by State CAMPA from Ad-hoc CAMPA	Expenditure incurred by State CAMPA	Accumulation of funds with State CAMPA ¹⁷²
2006-07	7.46	Nil	Nil	Nil
2007-08	Nil	Nil	Nil	Nil
2008-09	Nil	Nil	Nil	Nil
2009-10	11.40	0.75	Nil	0.75
2010-11	12.71	1.34	1.89	0.20
2011-12	3.02	Nil	0.11	0.09
Total	34.59	2.09	2.00	

As can be seen from the table, in compliance with the orders of the Supreme Court, six *per cent* of the total Compensatory Afforestation funds remitted by State CAMPA to Ad-hoc CAMPA were released between 2009-12. Of ₹ 2.09 crore released against APOs, four *per cent* remained unutilized.

3. Receipts into State CAMPA

The cases of non recovery/short recovery of NPV/CA/PCA etc. in Manipur that came to the notice of audit are given below. The gist of these cases is also given in table27 in Chapter 3.

(₹ in crore)

Sl. No.	Description	Amount
1	NPV/CA etc. of ₹ 63.78 crore ¹⁷³ was not realized from user agencies (Central government undertakings/state departments) in lieu of diversion of 918.00 ha forest land during the years 2009-11 even after lapse of one to four years of in principle (stage-I) approval of MoEF. Ministry stated (April 2013) that NPV/CA of ₹ 47.64 crore had since been realised leaving a balance of outstanding NPV/CA of ₹ 16.14 crore as of February 2013.	63.78
2	NPV/CA etc. of ₹ 42.67 crore (NPV- ₹ 38.73 crore CA- ₹ 3.84 crore, PCA - ₹ 0.10 crore) was not recovered by the forest department from NF/NE Railways though the user agency started execution of work without final approval of MoEF. Ministry stated (April 2013) that the proposal of diversion of forest land was under consideration of MoEF.	42.67
	Total	106.45

¹⁷² Cumulative amount at the end of the year lying unutilised with State CAMPA out of the funds released by Ad-hoc CAMPA 2009 onwards.

¹⁷³ NPV – ₹ 62.26 crore, CA – ₹ 1.33 crore, ACA – ₹ 0.19 crore.

4. Utilisation of CAMPA funds

4.1 Year wise and component wise breakup of funds allotted to State CAMPA and the utilisation of the funds released.

(₹ in crore)

Main-Components	2009-10			2010-11			2011-12		
	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure
NPV ¹⁷⁴					0	0			0
Compensatory Afforestation					0.05	0.05			0
Protected Area ¹⁷⁵					1.60	1.56			0.11
CAT Plan					0	0			0
Other specified activities					0.31	0.28			0
Total	0.75	Nil	Nil	1.34	1.96	1.89	Nil	Nil	0.11

Funds released by Ad-hoc CAMPA during 2009-10 could not be utilized as APO for 2009-10 was not approved by the steering committee during the year. Further, APO for 2011-12 was forwarded to MoEF, at the end of the year. As such, no fund was released during 2011-12 and hence the APO could not be executed during 2011-12. Concerns remain on the absorptive capacity of the State considering that ₹ 37.33 crore (including interest) are accumulated with Ad-hoc CAMPA in the Compensatory Afforestation Fund for the State (31 March 2012) and can be released only for specified forestry related activities.

4.2 Irregularities in utilisation of funds

(₹ in crore)

Sl. No.	Nature of irregularity	Description	Amount
1	Expenditure not authorised by State CAMPA guidelines and NCAC	CAMPA funds should not be used for creating infrastructure at State Forest headquarters and ecotourism. However test check revealed that expenditure was incurred on construction of community hall, assistance to local club, distribution of sewing machines and development of eco-tourism etc. Ministry stated (April 2013) that expenditure was incurred on the activities related to wildlife protection and management. The reply is not tenable as the expenditure listed above were not authorised by State CAMPA guidelines and NCAC.	0.26
2	Irregular use of wildlife fund	No separate account under corpus fund was maintained for a sum of ₹ 5.04 crore received from user agency for diversion of 10.00 ha of protected area of forest land for Reconnaissance	0.11

¹⁷⁴ NPV is spent on protection, conservation and management of forest

¹⁷⁵ Protected Area Fund is spent on wildlife management

Sl. No.	Nature of irregularity	Description	Amount
		Survey and Track Clearance works. Further, state CAMPA utilized ₹ 0.11 crore out of ₹ 5.04 crore on wildlife conservation works without approval of Ad-hoc CAMPA. Ministry stated (April 2013) that audit observation had been noted for future reference in similar cases and opening of separate corpus fund would be discussed with the State CAMPA to comply with guidelines.	
3	Non maintenance of records	In two forest divisions (Senapati & Eastern), an expenditure of ₹ 0.28 crore on 172 ha land during 2004-11 by Senapati forest division and expenditure of ₹ 0.18 crore and their maintenance on 63 ha land during 2004-08 by Eastern forest division was incurred on plantations and maintenance. However no records of plantations and their maintenance were maintained by these divisions. Ministry stated (April 2013) that audit observation regarding maintaining of records of deforestation and felling of trees had been noted for compliance in future.	0.46
	Total		0.83

5. Land Management

5.1 Fact sheet

Particulars (2006-12)	
Forest land diverted	As per records of RO ¹⁷⁶ – 266.00 ha ¹⁷⁷ As per records of NO – 33.88 ha
Non forest land received in lieu	As per records of RO – 60.00 ha As per records of NO – Nil
Non forest land short received	As per records of RO – 206.00ha As per records of NO – 33.88 ha
Chief Secretary Certificate on non availability of non forest land attached	No
Area identified for CA as per NO	On degraded forest land – 2,415.78 ha (2003-11) On Non forest land – Nil
Area on which CA done as per NO	On degraded forest land – 263.44 ha On Non forest land – Nil
Received Non forest land transferred/mutated	As per records of RO- Nil As per records of NO – Nil
Non forest land received notified as reserved/protected forest	As per records of RO- Nil As per records of NO – Nil

¹⁷⁶ Regional Office (RO) of Ministry of Environment & Forests and Nodal Officer (NO) of State Forests Department

¹⁷⁷ Excluding exempted projects

As is evident from the table, there were un-reconciled variations in the data provided by the Nodal Officer of the State CAMPA and the concerned Regional Office of MoEF. As per the records of RO, forest land diverted for non forestry purposes was 266ha and the non forest land received in lieu thereof was 23 *per cent* while as per records of NO the figures were 33.88 ha and zero *per cent*, respectively. As per records of RO and NO, no non forest land was transferred /mutated in favour of the forest department and notified as RF/PF. As per records of NO, no afforestation was done on non forest land and afforestation done on degraded forest land was 11*per cent* of the area to be afforested.

5.2 Irregularities in land management

Sl. No.	Nature of irregularity	Description
1	Non-maintenance of records of deforestation	<p>During the years 2003-12, 1,207.89 ha forest land was diverted involving deforestation/felling of trees. However, no records of deforestation/felling of trees and number of trees required to be planted in lieu was maintained by the state forest divisions. In the absence of these records, the extent of afforestation done in lieu of deforestation could not be ascertained in audit.</p> <p>Ministry stated (April 2013) that audit observation had been noted for compliance in future.</p>
2	Project without approval of MoEF	<p>The state government made a proposal for diversion of 491.67 ha of forest land within the jurisdiction of the DFO, Tamenglong, DFO Jiribam and DFO Northern Forest Divisions to the MoEF during June, 2012. Cross verification of records maintained by the Commissioner of Taxes, Manipur however, disclosed that the said project had been taken up by the User Agency viz. NF/NE Railways, Imphal since 2010.</p> <p>Ministry stated (April 2013) that proposal of diversion of forest land was under consideration of MoEF.</p>
3	Infringement of rights of the dwellers of the diverted land	<p>404 families residing in the forest land were displaced from their residences as a result of diversion of forest land of 595 ha during 2009-10 for taking up Thoubal Multipurpose Project with consequential effect of infringement of right to hold and live in the forest area for habitation or for self-cultivation. No action was taken by the forest department for the resettlement of affected families.</p> <p>Ministry stated (April 2013) that responsibility of providing rehabilitation and resettlements to the affected families was of the State Government and not of the forest department. The fact remains that Ministry did not take up the matter of rehabilitation of affected families with the State Government.</p>

6. Status of Accounts and audit of State CAMPA Accounts

As per state CAMPA guidelines issued by MoEF, the accounts of state CAMPA were to be audited by the Accountant General at such intervals as may be specified by him. However, State CAMPA did not prepare its annual accounts for the years 2009-10 to 2011-12 in the prescribed format. The financial statements for the years 2009-10 and 2010-11 were prepared by the Chartered Accountant on cash receipts and disbursement basis. Further, State CAMPA did not reconcile the amount deposited with Ad-hoc CAMPA. Further, as per State CAMPA guidelines, the State Government and the MoEF had the powers to conduct special audit or performance audit of the state CAMPA. However, no such audit was conducted.

Ministry stated (April 2013) that action for preparation of accounts in prescribed format and reconciliation of receipts had been initiated.

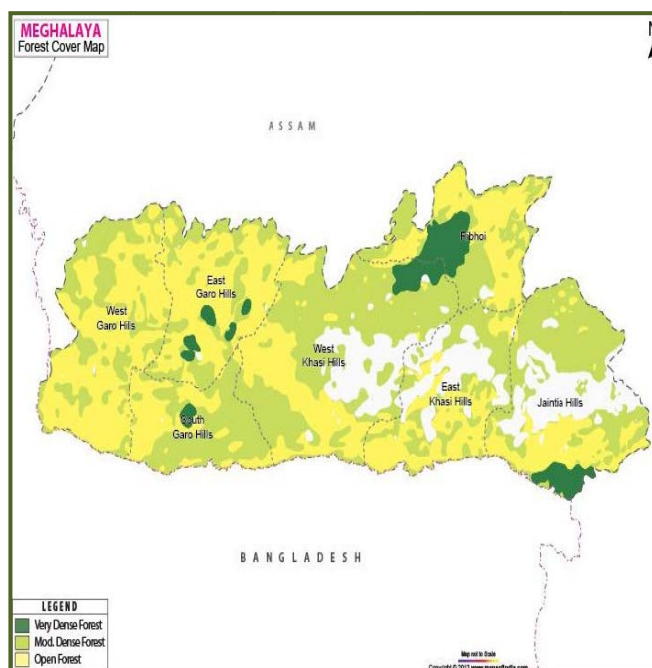
7. Monitoring

As per the state CAMPA guidelines the Steering Committee was to meet twice in a year. The Steering Committee of Manipur CAMPA met two times during 2009-12 as against six times. The Executive Committee met four times during 2009-12. Accepting the facts, Ministry stated (April 2013) that meetings of the Steering Committee and Executive Committee would be held as per guidelines.

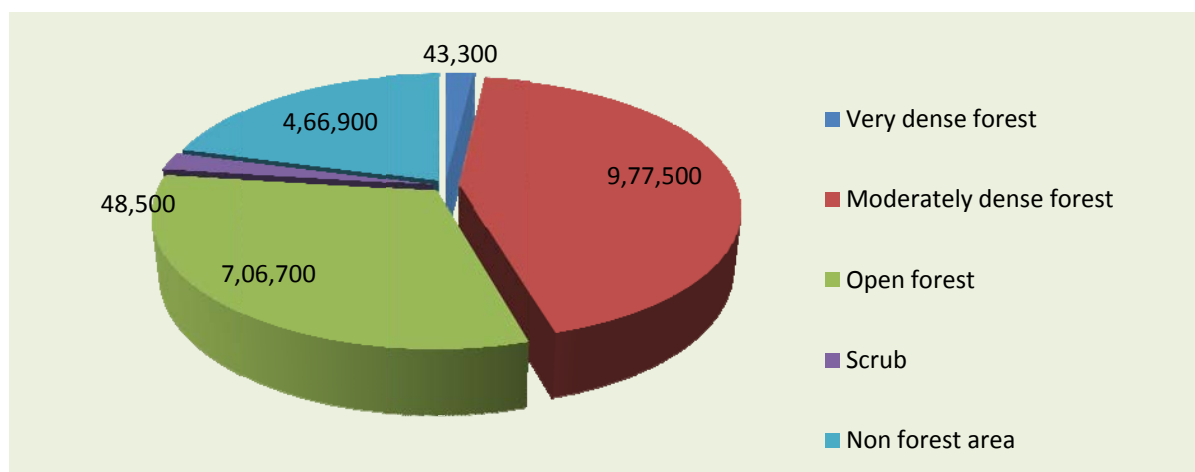
Meghalaya

1. Background¹⁷⁸

The total geographical area of Meghalaya is 22,42,900 hectare. Based on the interpretation of satellite data of November-December 2008, the forest cover in the state was 17,27,500 hectare which was 77.02 per cent of the State's geographical area. In terms of forest canopy density classes, the State had 43,300 hectare of area under very dense forest, 9,77,500 hectare of area under moderately dense forest and 7,06,700 hectare of area under open forest. Compared with the previous assessment of 2009, the forest cover showed a marginal decrease of 4,600 hectare in the 2011 assessment.



Forest cover – Types of forest (in hectare)-2011



2. Compensatory Afforestation Fund of the State

State CAMPA was constituted in December 2009. Funds remitted by State CAMPA to Ad-hoc CAMPA, funds released by Ad-hoc CAMPA to State CAMPA and expenditure incurred there against during the period 2006-07 to 2011-12 were as detailed below.

¹⁷⁸ Source: India State of Forest Report 2011 published by Forest Survey of India.

(₹ in crore)

Year	Amount transferred to Ad-hoc CAMPA	Amount received by State CAMPA from Ad-hoc CAMPA	Expenditure incurred by State CAMPA	Accumulation of funds with State CAMPA ¹⁷⁹
2006-07	Nil	Nil	Nil	Nil
2007-08	0.64	Nil	Nil	Nil
2008-09	0.33	Nil	Nil	Nil
2009-10	Nil	0.10	Nil	0.10
2010-11	88.11	Nil	Nil	0.10
2011-12	1.28	Nil	Nil	0.10
Total	90.36	0.10	Nil	

As can be seen from the table, in compliance with the orders of the Supreme Court, 0.11 *per cent* of the total Compensatory Afforestation funds remitted by State CAMPA to Ad-hoc CAMPA were released between 2009-12. Of ₹ 0.10 crore released against APOs, 100 *per cent* remained unutilised, leading to accumulation of funds with State CAMPA. This shows that no schemes of NPV/CA were undertaken by state CAMPA during the years 2009-12. Concerns remain on the absorptive capacity of the State considering that ₹ 96.92 crore (including interest) are accumulated with Ad-hoc CAMPA in the Compensatory Afforestation Fund for the State (31 March 2012) and can be released only for specified forestry related activities. Funds of ₹ 0.06 crore were not remitted by State CAMPA to Ad-hoc CAMPA and were deposited in State Government account.

3. Receipts into State CAMPA

The cases of non recovery/short recovery of NPV/CA/PCA etc. in Meghalaya that came to the notice of audit are given below. The gist of these cases is also given in table 24, 26 and 27 in Chapter 3.

(₹in crore)

Sl. No.	Description	Amount
1	There was one case ¹⁸⁰ involving forest land of 99.00 ha in which NPV was not collected from the user agency ¹⁸¹ to whom in principle approval was granted before October 2002 and the final approval was granted after that.	5.74 ¹⁸²
2	The Supreme Court revised the rate of NPV in March 2008. However test check of records of State CAMPA revealed that in four cases ¹⁸³ NPV was not collected at revised rates.	0.42

¹⁷⁹ Cumulative amount at the end of the year lying unutilised with State CAMPA out of the funds released by Ad-hoc CAMPA 2009 onwards.

¹⁸⁰ As per status report of MoEF issued on 16 March 2012.

¹⁸¹ Hydro Electric Project

¹⁸² Audit estimated the total amount of NPV due in these cases on a conservative basis by applying the minimum rate of ₹5.80 lakh per hectare(99 x5.8)

Sl. No.	Description	Amount
3	In three cases ¹⁸⁴ there was short realisation of NPV due to short application of NPV rates prior to March 2008. Ministry stated (April 2013) that action had been taken for the recovery of NPV from user agencies.	0.37
4	State CAMPA audit revealed that seven cement companies ¹⁸⁵ had a declared land holding 2,608.43 ha. Out of this 838.04 ha was assessed forest land. The companies were operating without obtaining forest clearance from MoEF. Ministry stated (April 2013) that action had been taken for the recovery of NPV from user agencies, where necessary.	55.05 ¹⁸⁶
Total		61.58

4. Utilisation of CAMPA funds

4.1 Irregularities in utilisation of funds.

(₹in crore)

Sl. No.	Nature of irregularity	Description	Amount
1	Non execution of CA work	CA work was not executed during the year 2010-11 as funds of CA of ₹ 0.10 crore remitted by Ad-hoc CAMPA to state CAMPA in April 2010 were still lying unutilised with the state CAMPA even after lapse of over two and a half years. Ministry did not furnish reply to audit observation (April 2013).	0.10
2	Non execution of CA work in lieu of felling of trees	As per orders of MoEF of September 2008, CA was to be done by the state forest department by way of planting of 10 times of the number of trees felled. MoEF granted permission for CA work in lieu of felling of trees to 10 user agencies ¹⁸⁷ during the period 1999-2011 against payment of ₹ 1.39 crore. However, seven out of 10 user agencies did not execute CA work in lieu of felling of trees. Ministry stated (April 2013) that in lieu of number of trees fallen in 25 proposals implementation of CA would be taken up.	1.39
Total			1.49

¹⁸³ World Victory Church, Shillong, Sports Authority of India, Shillong, North Eastern Power Transmission Company Private Limited, New Delhi, Church of God, Sadew, 5th Mile, Upper Shillong

¹⁸⁴ Kendriya Vidyalaya, Barapani, North Eastern Hills University, Myntdu Leska Hydro Electric Project.

¹⁸⁵ These included Adhunik Cement Limited, Amrit Cement Industries Limited, Cement Manufacturing Company Limited & Subsidiaries, Green Valley Industries Limited, Goldstone Cement Limited, Hill Cements Company Limited and Meghalaya Cement Limited.

¹⁸⁶ Audit estimated the total amount of NPV due in this case by applying the minimum rate of ₹ 6.57 lakh per hectare (838.04 x 6.57)

¹⁸⁷ These included IGNOU Regional Centre, North Eastern Power Transmission, Sports Authority of India Training Centre, Public Work Department, Greater Shillong Water Supply Scheme, Meghalaya Energy Corporation Limited, North Eastern Hill University, North East Police Academy, North Eastern Indira Gandhi Regional Institute of Health and Medical Sciences (NEIGRIHMS), Engineering Wing Director of Health Services etc.

5. Land Management

5.1 Fact sheet

Particulars (2006-12)	
Forest land diverted	As per records of RO ¹⁸⁸ – 119.56 ha ¹⁸⁹ As per records of NO – 245.33 ha
Non forest land received in lieu	As per records of RO – Nil As per records of NO – Nil
Non forest land short received	As per records of RO – 119.56 ha As per records of NO – 245.33 ha
Chief Secretary Certificate on non availability of non forest land attached	Obtained in all cases except for diversion of 114.02 hectare in 2008-09.
Area identified for CA as per NO	On degraded forest land – 521.13 ha On Non forest land – 2.40 ha
Area on which CA done as per NO	On degraded forest land – Nil On Non forest land – Nil
Received Non forest land transferred/mutated	As per records of RO- Nil As per records of NO – Nil
Non forest land received notified as reserved/protected forest	As per records of RO- Nil As per records of NO – Nil

As is evident from the table, there were un-reconciled variations in the data provided by the Nodal Officer of the State CAMPA and the concerned Regional Office of MoEF. As per the records of RO, forest land diverted for non forestry purposes was 119.56 ha and the non forest land received in lieu thereof was zero *per cent* while as per records of NO the figures were 245.33 ha and zero *per cent*, respectively. As per records of RO and NO, no non forest land was transferred /mutated in favour of the forest department and notified as RF/PF. As per records of NO, no afforestation was done on non forest land and degraded forest land.

5.2 Irregularities in land management

Nature of irregularity	Description
Irregular mining	User agency-M/s Lafarge Umiam Mining Pvt. Ltd. (LUMPL) had started the mining operation in April 2005 and continued mining operations unauthorisedly till April 2010 when MoEF accorded final approval for diversion of 116.59 ha forest land for lime stone mining in favour of M/s LUMPL. Further, out of CAMPA funds of ₹ 136.73 crore ¹⁹⁰ collected from M/s LUMPL in July 2010, ₹ 79.99crore only was deposited with Ad-hoc CAMPA and balance of ₹ 56.74 crore was lying with State CAMPA. It was seen that no CA work was executed on 270 ha degraded land in Garo hills identified for the purpose even after lapse of over five years. Ministry did not furnish reply to audit observation (April 2013).

¹⁸⁸ Regional Office (RO) of Ministry of Environment & Forests and Nodal Officer (NO) of State Forests Department

¹⁸⁹ Excluding exempted projects

¹⁹⁰ NPV/CA/PCA of ₹ 75.06 crore and SPV of ₹ 56.73 crore, CA of Safety Zone Area/ CATP etc. of ₹ 4.94 crore

6. Status of Accounts and audit of State CAMPA Accounts

As per state CAMPA guidelines issued by MoEF, the accounts of state CAMPA were to be audited by the Accountant General at such intervals as may be specified by him. However, State CAMPA did not prepare its annual accounts for the years 2009-10 to 2011-12 in the prescribed format. In the absence of proper accounts, these could not be audited. The State CAMPA did not maintain cash book and subsidiary ledgers for the funds received from Ad-hoc CAMPA and expenditure incurred therefrom. In the absence of cash book and subsidiary ledgers, the receipts and payments of the years 2009-10 to 2011-12 could not be verified in audit. The reconciliation of the funds deposited with Ad-hoc CAMPA was done by State CAMPA only upto May 2009.

Further, as per State CAMPA guidelines, the State Government and the MoEF had the powers to conduct special audit or performance audit of the state CAMPA. However, no such audit was conducted.

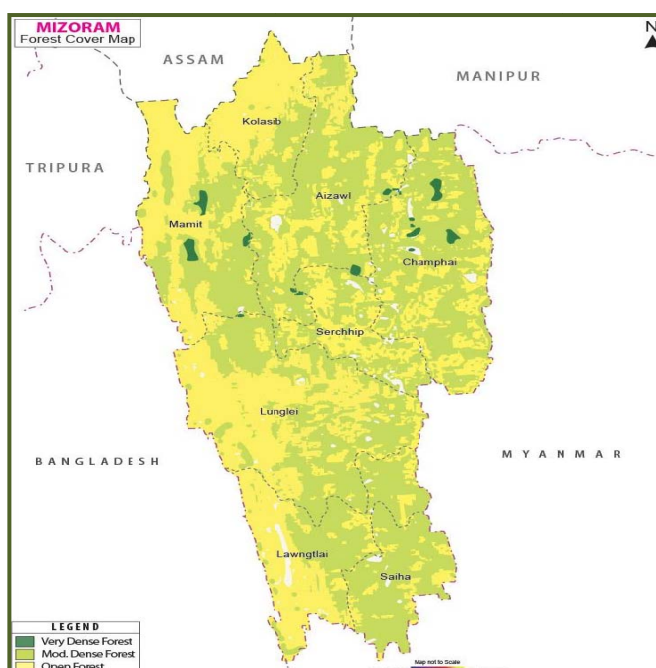
7. Monitoring

As per the state CAMPA guidelines the Steering Committee was to meet twice in a year. The Steering Committee of Meghalaya CAMPA met once during 2009-12 as against six times. The Executive Committee met once during 2009-12.

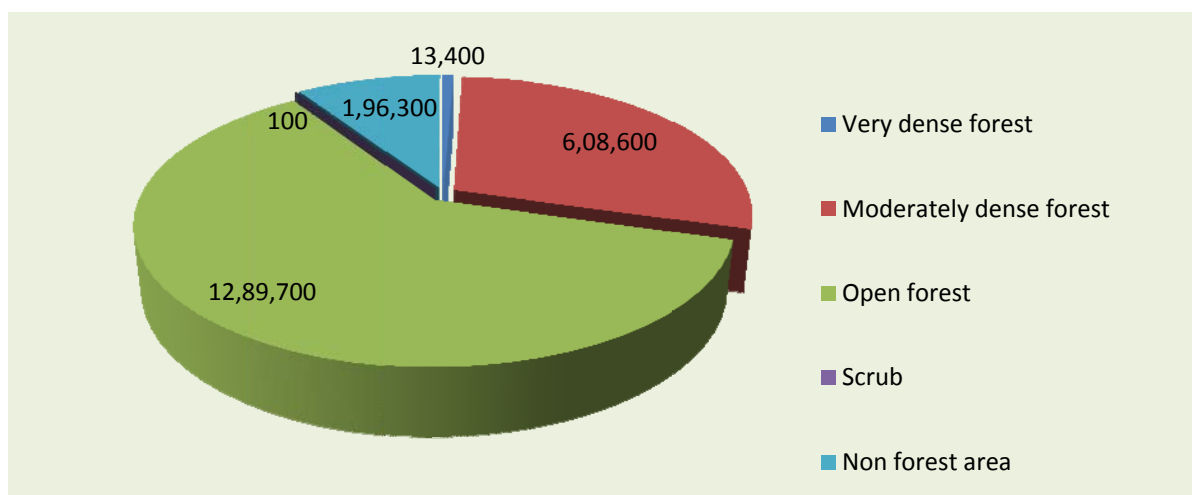
Mizoram

1. Background¹⁹¹

The total geographical area of Mizoram is 21,08,100 hectare. Based on the interpretation of satellite data of January 2009, the forest cover in the State was 19,11,700 hectare which was 90.68 *per cent* of the State's geographical area. In terms of forest canopy density classes, the State had 13,400 hectare of area under very dense forest, 6,08,600 hectare of area under moderately dense forest and 12,89,700 hectare of area under open forest. Compared with the previous assessment of 2009, the forest cover showed a decrease of 6,600 hectare in the 2011 assessment.



Forest cover – Types of forest (in hectare)-2011



2. Compensatory Afforestation Fund of the State

State CAMPA was constituted in August 2009. Funds remitted by State CAMPA to Ad-hoc CAMPA, funds released by Ad-hoc CAMPA to State CAMPA and expenditure incurred there against during the period 2006-07 to 2011-12 were as detailed below.

¹⁹¹Source: India State of Forest Report 2011 published by Forest Survey of India.

(₹ in crore)

Year	Amount transferred to Ad-hoc CAMPA	Amount received by State CAMPA from Ad-hoc CAMPA	Expenditure incurred by State CAMPA	Accumulation of funds with State CAMPA ¹⁹²
2006-07	Nil	Nil	Nil	Nil
2007-08	Nil	Nil	Nil	Nil
2008-09	Nil	Nil	Nil	Nil
2009-10	10.62	Nil	Nil	Nil
2010-11	Nil	Nil	Nil	Nil
2011-12	Nil	Nil	Nil	Nil
Total	10.62	Nil	Nil	Nil

As can be seen from the table, in compliance with the orders of the Supreme Court, no funds were released by Ad-hoc CAMPA to state CAMPA though State CAMPA had remitted ₹ 10.62 crore to Ad-hoc CAMPA between 2009-12. Ad-hoc CAMPA did not comply with the orders of the Supreme Court.

3. Receipts into State CAMPA

The cases of non recovery/short recovery of NPV/CA/PCA etc. in Mizoram that came to the notice of audit are given below. The gist of these cases is also given in table 24 and 27 in Chapter 3.

(₹ in crore)

Sl. No.	Description	Amount
1	There were two cases ¹⁹³ involving forest land of 143.97 ha in which NPV was not collected from the user agencies ¹⁹⁴ to whom in principle approval was granted before October 2002 and the final approval was granted thereafter. Ministry stated (April 2013) that action had been taken for recovery of amount of NPV from the user agencies.	8.35 ¹⁹⁵
2	In three cases ¹⁹⁶ of diversion of 3,002.80 ha forest land for non-forestry purposes NPV of ₹ 219.20 crore was not realized from user agencies. In two out of three cases, work was undertaken without final approval of MoEF. Ministry stated (April 2013) that action had been taken for recovery of amount of NPV from the user agencies.	219.20

¹⁹² Cumulative amount at the end of the year lying unutilised with State CAMPA out of the funds released by Ad-hoc CAMPA 2009 onwards.

¹⁹³ As per status report of MoEF issued on 16 March 2012.

¹⁹⁴ HFO based Diesel Generating Power Plant, State Government Agency.

¹⁹⁵ Audit estimated the total amount of NPV due in these cases on a conservative basis by applying the minimum rate of ₹5.80 lakh per hectare (143.97 x 5.8)

¹⁹⁶ Power & Electricity, Home and State PWD.

Sl. No.	Description	Amount
3	CATP fund of ₹ 17 crore for diversion of 30 sq. km forest land for Serlui 'B' hydel project for which in principle approval was granted by MoEF in March 1991, was not realized from the user agency though the project was technically commissioned in April 2010. Ministry stated (April 2013) that the revised project had been submitted to it along with fresh proposal for recovery of amount of CATP from user agency.	17.00
4.	In Vanlaiphai forest division, there was unauthorized diversion of 1.66 ha forest land by state PWD during 2004-05 for construction of roads and NPV/CA of ₹ 12.99 lakh ¹⁹⁷ was not recovered from State PWD as of December 2012. Ministry stated(April 2013) that matter would be taken up with user agency for recovery of amount of NPV/CA.	0.13
5	Test check of records of State CAMPA revealed that there was loss of interest of ₹ 4.62 crore due to non-recovery of balance amount of CA/CATP/APS of ₹ 16.51 crore for seven years under Tuirialhydel project for which in principle approval was granted for diversion of 5,380 ha of land by MoEF in September 1994 and final approval was granted in March 2000. In the instant case final approval was granted by MoEF without fulfilling the conditions stipulated in the in principle approval. The balance amount of ₹ 16.51 crore was received in June 2012 i.e. after delay of seven years resulting in loss of interest of ₹ 4.62 crore. Ministry stated (April 2013) that the project was abandoned by the State Government/user agency due to technical reasons, public litigations, etc. and as a result, payment of funds was adversely affected. The reply was silent regarding recovery of interest of ₹ 4.62 crore.	
	Total	244.68

4. Utilisation of CAMPA funds

APO for the year 2009-10 was not prepared and APOs for the year 2010-11 though prepared but this was not approved by Ad-hoc CAMPA. No funds were released by Adhoc CAMPA to State CAMPA for CA for the years 2009 -12.

5. Land Management

5.1 Fact sheet

Particulars (2006-12)	
Forest land diverted	As per records of RO ¹⁹⁸ – Nil ¹⁹⁹ As per records of NO – 128.28 ha
Non forest land received in lieu	As per records of RO – Nil As per records of NO – 17.50 ha

¹⁹⁷ NPV of ₹ 12.14 lakh and CA of ₹ 0.85 lakh.

¹⁹⁸ Regional Office (RO) of Ministry of Environment & Forests and Nodal Officer (NO) of State Forests Department

¹⁹⁹ Excluding exempted projects

Particulars (2006-12)	
Non forest land short received	As per records of RO – Nil As per records of NO – 110.78 ha
Chief Secretary Certificate on non availability of non forest land attached	No
Area identified for CA as per NO	On degraded forest land – NA On Non forest land – NA
Area on which CA done as per NO	On degraded forest land – NA On Non forest land – NA
Received Non forest land transferred/mutated	As per records of RO- Nil As per records of NO – NA
Non forest land received notified as reserved/protected forest	As per records of RO- Nil As per records of NO – NA

As is evident from the table, there were un-reconciled variations in the data provided by the Nodal Officer of the State CAMPA and the concerned Regional Office of MoEF. As per the records of RO, no forest land diverted for non forestry purposes except exempted category and while as per records of NO the figures were 128.28 ha and 14 *per cent*, respectively. As per records of RO, no non forest land was transferred /mutated in favour of the forest department and notified as RF/PF. As per records of NO, no afforestation was done on non forest land degraded forest land.

6. Status of Accounts and audit of State CAMPA Accounts

As per state CAMPA guidelines issued by MoEF, the accounts of state CAMPA were to be audited by the Accountant General at such intervals as may be specified by him. No funds were released by Ad-hoc CAMPA to State CAMPA for CA for the years 2009 -12. As such, State CAMPA did not prepare its annual accounts for the years 2009-10 to 2011-12 in the prescribed format. Further, as per State CAMPA guidelines, the State Government and the MoEF had the powers to conduct special audit or performance audit of the state CAMPA. However, no such audit was conducted.

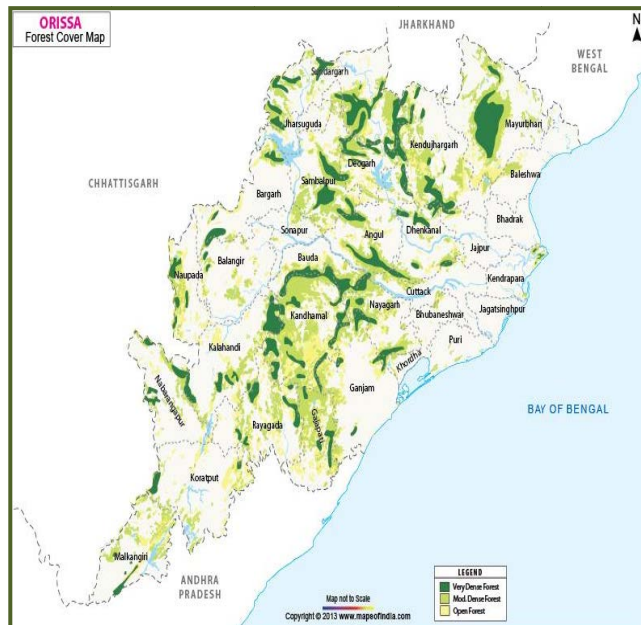
7. Monitoring

As per the state CAMPA guidelines the Steering Committee was to meet twice in a year. However, Steering Committee and Executive Committee met once only during the years 2009-12 and Governing body did not meet during 2009-12.

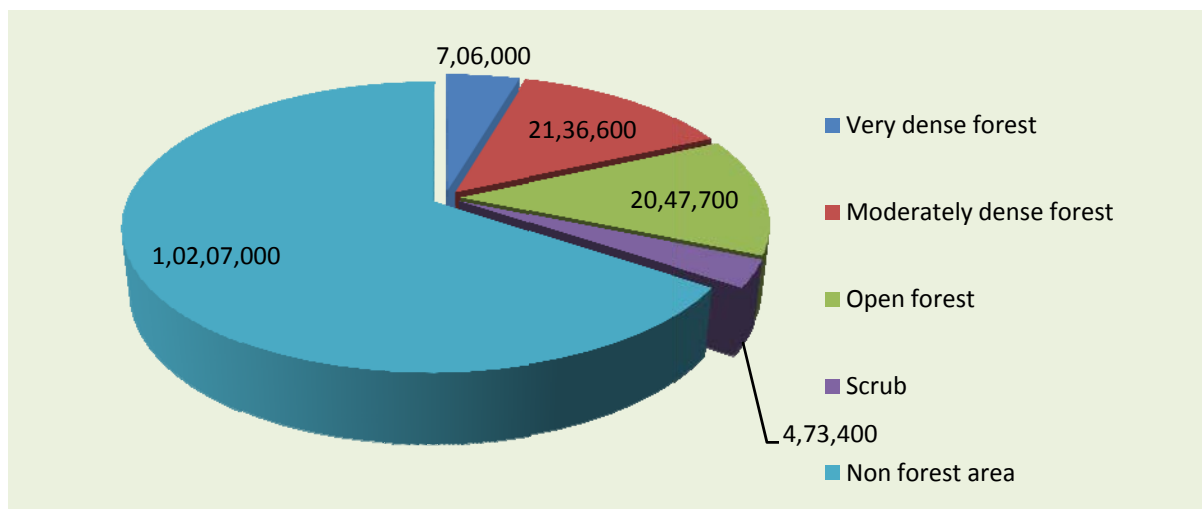
Odisha

1. Background²⁰⁰

The total geographical area of Odisha is 1,55,70,700 hectare. Based on the interpretation of satellite data of October 2008-January 2009, the forest cover in the State was 48,90,300 hectare which was 31.41 *per cent* of the State's geographical area. In terms of forest canopy density classes, the State had 7,06,000 hectare of area under very dense forest, 21,36,600 hectare of area under moderately dense forest and 20,47,700 hectare of area under open forest. Compared with the previous assessment of 2009, the forest cover showed a marginal increase of 4,800 hectare in the 2011 assessment.



Forest cover – Types of forest (in hectare)-2011



2. Compensatory Afforestation Fund of the State

State CAMPA was constituted in August 2009. Funds remitted by State CAMPA to Ad-hoc CAMPA, funds released by Ad-hoc CAMPA to State CAMPA and expenditure incurred there against during the period 2006-07 to 2011-12 were as detailed below.

²⁰⁰Source: India State of Forest Report 2011 published by Forest Survey of India.

(₹in crore)

Year	Amount transferred to Ad-hoc CAMPA	Amount received by State CAMPA from Ad-hoc CAMPA	Expenditure incurred by State CAMPA	Accumulation of funds with State CAMPA ²⁰¹
2006-07	448.25	Nil	Nil	
2007-08	408.26	Nil	Nil	
2008-09	337.14	Nil	Nil	
2009-10	499.40	131.06	124.09	6.97
2010-11	1889.42	140.18	72.16	74.99
2011-12	114.79	176.09	23.60	227.48
Total	3,697.26	447.33	219.85	

As can be seen from the table, in compliance with the orders of the Supreme Court, 12 per cent of the total Compensatory Afforestation funds remitted by State CAMPA to Ad-hoc CAMPA were released between 2009-12. Of ₹ 447.33 crore released against APOs, 51 per cent remained unutilised, leading to accumulation of funds with State CAMPA. Funds of ₹ 13.61 crore were not remitted by State CAMPA to Ad-hoc CAMPA and were deposited in State Government account.

3. Receipts into State CAMPA

The cases of non recovery/short recovery of NPV/CA/PCA etc. in Odisha that came to the notice of audit are given below. The gist of these cases is also given in table 24 and 27 in Chapter 3.

(₹in crore)

Sl. No.	Description	Amount
1	There were 36 cases ²⁰² involving forest land of 3,679.69 ha in which NPV was not collected from the user agencies ²⁰³ to whom in principle approval was granted before October 2002 and the final approval was granted after that.	213.42 ²⁰⁴
2	Against demand of NPV of ₹ 2,476.26 crore in 320 cases pertaining to 23 divisions ₹ 1,567.08 crore only could be realised from user agencies ²⁰⁵ leaving a balance of ₹ 909.18 crore unrealised.	909.18

²⁰¹ Cumulative amount at the end of the year lying unutilised with State CAMPA out of the funds released by Ad-hoc CAMPA 2009 onwards.

²⁰² As per status report of MoEF issued on 16 March 2012.

²⁰³ M/s OMC Ltd., M/s Mahanandi Coal Fields Ltd., Odisha Mining Corpn Ltd., M/s Rungta Mines Ltd., M/s National Enterprises (IRON), DC Jain, M/s Meenakshi Power Ltd., Girdharilal Agrawal, M/s AOIKATH, M/s KJS Ahluwalia, M/s TATA Refractories

²⁰⁴ Audit estimated the total amount of NPV due in these cases on a conservative basis by applying the minimum rate of ₹ 5.80 lakh per hectare (3,679.69 x 5.8)

Sl. No.	Description	Amount
	Ministry stated (June 2013) that all the mining leases where NPV had not been paid fully or partly were of non-working mining leases and in some cases, user agency had not applied for renewal of mining lease. The fact remained that Ministry had not initiated any action for recovery of NPV in these cases or return of forest land after expiry of mining lease.	
3	Government of Odisha issued instructions in December 2005 for implementation of the comprehensive Wild life Management Plan in mining affected areas in Keonjhar and Bonai Forest Divisions. This plan was extended to all other Districts of the State from 23 March 2008. Under the Management Plan, the mine owners were liable to deposit ₹ 20,000 per ha (₹ 15,000 per ha upto 22 March 2008) on lease hold area basis with the divisional forest officer concerned. MoEF approved diversion of 23,609.87 ha forest land of mining lease areas in 105 cases of nine forest divisions during October 2009 to January 2012. As per project reports there was existence of Wildlife species in the forest land diverted for mining purpose. Under Wildlife Management Plan lessees were to deposit ₹ 47.21 crore of which only user agencies in three divisions deposited ₹ 10.21 crore resulting in non realisation of ₹ 37.01 crore.	37.01
4	NPV of ₹ 32.49 crore was either non-recovered or short recovered from six user agencies pertaining to three divisions ²⁰⁶ . In three out of six cases ²⁰⁷ NPV was not demanded on the ground that the lessee had not applied for renewal of mining lease in due time. However the delayed submission of applications for renewal of mining lease were neither rejected nor was the lease terminated. Thus NPV was recoverable in these cases. In another case NPV was demanded on pre revised rate whereas NPV was revised after 28 March 2008. Ministry stated (June 2013) that in these cases non/short levy of NPV was ₹ 23.19 crore and action for recovery of NPV in these cases had been initiated. The reply of Ministry was not based on facts as recoverable amount of NPV in these cases worked out to be ₹ 32.49 crore.	32.49
5	In Bonai forest division, 2,341.93 ha forest land was diverted for mining and other allied activities in favour of M/s SAIL for 2nd renewal of mining lease period. MoEF granted in principle approval in March 2011 and allowed the user agency to work on broken up area of forest land in the lease hold area as per approved land use plan for a period of one more year. In this case additional CA of ₹ 28.09 crore was payable. No demand was raised by State CAMPA as of December 2012 even after lapse of over one year.	28.09

²⁰⁵ These included M/s Patnaik Minerals, M/s SAIL, M/s DC Jain, M/s OMC Ltd., M/s KC Pradhan, M/s RB Thakur, M/s Dr.Sarojini Pradhan, M/s Keonjhar Mineral (P) Ltd., M/s Sri B K Mohanty, M/s S C Mallik, M/s B L Newatia, M/s AXL Exploration (P) Ltd, M/s Rungta Sons, M/s IMFA ltd, M/s Ghanashyam Mishra and Sons (P) ltd, M/s G.S.Choubey, M/s K.K.Chourasia, M/s Manishree Refractories Ltd, M/s FACOR Ltd etc.

²⁰⁶ Bolangir, Bonai and Keonjhar.

²⁰⁷ These included M/s Sarkunda Mines of EM & I Ltd, Toda Iron Mines of M/s SAIL, Rajabhasa Bhaludungri Soapstone mines of SDS, M/s Deepak Steel and Power Ltd, M/s Sree Metalliks Ltd., Lower Suktel Irrigation Project.

Sl. No.	Description	Amount
	Ministry stated (June 2013) that ACA of ₹ 18.45 crore had been recovered from the user agency in February 2013. The reply of Ministry is not tenable as recoverable amount of ACA worked out to be ₹ 28.09 crore out of which ₹ 18.45 crore only had been recovered from the user agency.	
6	In seven cases of diversion of forest land during 1984-85 to 1993-94 against total demand of CA of ₹ 4.93 crore from user agencies ²⁰⁸ ₹ 2.67 crore only was deposited by user agencies resulting in non realisation of ₹ 2.26 crore. Ministry stated (June 2013) that concerned DFOs were being directed to submit the compliance report in these cases.	2.26
	Total	1,222.45

4. Utilisation of CAMPA funds

4.1 Year wise and component wise breakup of funds allotted to State CAMPA and the utilisation of the funds released.

(₹in crore)

Main-Components	2009-10			2010-11			2011-12		
	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure
NPV²⁰⁹		19.97	19.96		40.12	32.98		87.59	13.55
Compensatory Afforestation		70.00	70.00		58.71	22.85		32.84	0.31
Protected Area²¹⁰		15.00	13.08		15.00	3.12		20.00	0.57
CAT Plan		0	0		0	0		0	0
Other specified activities		26.09	21.05		19.35	13.21		29.46	9.17
Total	131.06	131.06	124.09	140.18	133.18	72.16	176.09	169.89	23.60

Funds for 2009-10 were released by Ad-hoc CAMPA without submission of APO. Further, APOs for the years 2009-10 to 2011-12 were running concurrently. Only one APO for 2009-10 was closed on 31 October 2011 and other two APOs for the years 2010-11 and 2011-12 were still ongoing.

²⁰⁸The user agencies include Ordnance Factory, Irrigation Department etc.

²⁰⁹ NPV is spent on protection, conservation and management of forest

²¹⁰ Protected Area Fund is spent on wildlife management

From the table it is evident that the percentage of expenditure incurred as against the amounts release by Ad-hoc CAMPA was 95 *per cent* in 2009-10, 51 *per cent* in 2010-11 and 14 *per cent* in 2011-12 till date. Further, the implementing agencies could not expend substantial portion of amount released by the State CAMPA in the years 2010-11 and 2011-12. Concerns remain on the absorptive capacity of the State considering that ₹ 4,570.17 crore (including interest) are accumulated with Ad-hoc CAMPA in the Compensatory Afforestation Fund for the State (31 March 2012) and can be released only for specified forestry related activities.

4.2 Irregularities in utilisation of funds

(₹ in crore)

Sl. No.	Nature of irregularity	Description	Amount
1	Expenditure not authorised by State CAMPA guidelines and NCAC	CAMPA funds should not be used for creating infrastructure at State Forest headquarters and ecotourism. However test check revealed that expenditure was incurred on purchase of car	0.07
2	Non utilisation of CA funds	Of the CA funds of ₹ 97.31 crore realised from user agency in 384 cases during 1982-83 to 2011-12 only ₹ 42.44 crore were spent leaving ₹ 54.87 crore remained unspent. Ministry stated (June 2013) that compliance to audit observation would be furnished on receipt of information from field offices.	54.87
3	Shortfall in achieving physical targets in infrastructure development	Out of total outlay of ₹ 238.39 crore projected in APO for 2009-10, ₹ 131.06 crore were received from Ad-hoc CAMPA and ₹ 6.97 crore remained unutilised. The physical targets of all the components of development of infrastructure remained unachieved. The shortfall in achievement of targets ranged from 53 to 100 <i>per cent</i> . Ministry stated (June 2013) that shortfall in achievement of physical targets in infrastructure development was due to delay in receipt of funds from Ad-hoc CAMPA.	6.97
4	Irregular diversion of CAMPA fund	In Nandankanan Zoological Park, Bhubaneswar in violation of State CAMPA guidelines, a sum of ₹ 0.41 crore was diverted to general items of expenditure, which was not provided in APO of State CAMPA. Further, from APO for 2009-10. It was observed that in STR, Baripada ₹ 16 lakh was diverted for construction of Range office building at UBK Range from unutilised balance of other components.	0.57
5	Blocking of CAMPA funds	In four cases pertaining to four forest divisions a sum of ₹ 17.46 lakh on account of disallowed vouchers and unadjusted advance of ₹ 7.24 lakh remained blocked due to non settlement. Accepting the facts, Ministry stated (April/June 2013) that concerned DFO had been instructed to recover outstanding CAMPA funds.	0.25

Sl. No.	Nature of irregularity	Description	Amount
6	Excess expenditure	Plantation on 33,465.60 ha land was carried out during 2009-10 in place of physical target of 50,000 ha at an expenditure of ₹ 50.88 crore. As per cost norm at ₹ 12,150 for the zero year in the scheme, the expenditure was to be ₹ 40.66 crore only. This resulted in excess expenditure of ₹ 10.22 crore with a shortfall of physical target of 16,534 ha. Further, test check of records two forest divisions ²¹¹ revealed that there was excess expenditure of ₹ 0.23 crore on different components resulting in total excess expenditure of ₹ 10.45 crore. Ministry stated (April/June 2013) that the targets had to be revised due to reduction of funds by Ad-hoc CAMPA and the expenditure was approved by Executive Committee of State CAMPA.	10.45
7	Execution of works without administrative approval/sanction of estimate	14 works were executed at an estimated cost of ₹ 0.51 crore from CAMPA fund without administrative approval and sanction of estimates in three forest divisions. Ministry accepted the audit observations (April/June 2013).	0.51
8	Non utilisation of funds on theme based trainings	Bargarh forest division could not utilise ₹ 0.02 crore allocated in APO for 2010-11 for theme based trainings as of November 2012 due to non-utilisation of funds on the stipulated component, the very purpose of the scheme of theme based trainings was defeated. Accepting the facts, Ministry stated (April/June 2013) that concerned divisions had been instructed to submit necessary compliance.	0.02
	Total		73.71

5. Land Management

5.1 Fact sheet

Particulars (2006-12)	
Forest land diverted	As per records of RO ²¹² – 8,814.71 ha ²¹³ As per records of NO – 7,524.80 ha
Non forest land received in lieu	As per records of RO – 5,261.96 ha As per records of NO – NA
Non forest land short received	As per records of RO – 3,552.75 ha As per records of NO – NA
Chief Secretary Certificate on non availability of non forest land attached	No

²¹¹Keonjhar and Baripada

²¹² Regional Office (RO) of Ministry of Environment & Forests and Nodal Officer (NO) of State Forests Department

²¹³ Excluding exempted projects

Particulars (2006-12)	
Area identified for CA as per NO	On degraded forest land – 3,388.72 ha On Non forest land – 4,380.46 ha
Area on which CA done as per NO	On degraded forest land – 5,341.99 ha On Non forest land – 6,951.54
Received Non forest land transferred/mutated	As per records of RO- NA As per records of NO – NA
Non forest land received notified as reserved/protected forest	As per records of RO- Nil As per records of NO – 2,238.74 ²¹⁴ ha

As is evident from the table, there were un-reconciled variations in the data provided by the Nodal Officer of the State CAMPA and the concerned Regional Office of MoEF. As per the records of RO, forest land diverted for non forestry purposes was 8,814.71ha and the non forest land received in lieu thereof was only 60 *per cent* while the NO did not provide the year wise break up of non forest land received during the period 2006-12. As per records of RO, no non forest land was transferred /mutated in favour of the forest department and notified as RF/PF while as per NO, information pertaining to transfer/mutation of non forest land in favour of state forest department was not furnished to audit. Yet 2,238.74 ha of non forest land was declared as RF/PF. As per records of NO, afforestation was done on non forest land was 159 *per cent* and afforestation done on degraded forest land was 158 *per cent* of the area to be afforested.

5.2 Irregularities observed in land management.

Sl. No.	Nature of irregularity	Description
1	Unfruitful expenditure towards compensatory afforestation	In 15 cases though expenditure of ₹ 0.54 crore was incurred by eight forest divisions ²¹⁵ over a period from 1996 to 2011 no afforestation was taken up against any project. Reasons for non-afforestation were not furnished to audit. Ministry stated (June 2013) that in six out of 15 cases progress of plantation was being ascertained from the concerned DFOs and in the rest nine cases plantation work would be taken up in the year 2012-13.
2	Diversion of land from wildlife sanctuary/national park	In seven wildlife divisions there was a diversion of 1,950.93 ha forest land in 28 cases. However there was no record to show details of category wise land diverted under Wildlife sanctuary and National Park. In the absence of these details correctness of the NPV collected could not be verified in audit. Ministry stated (June 2013) that no forest land had been diverted in the protected forest area. The reply of Ministry is not tenable as forest land was diverted from the protected area and in lieu thereof NPV was recoverable from user agencies.

²¹⁴ 39 cases of six divisions

²¹⁵ Angul, Cuttack, Jeypore, Rourkela, Bonai, Keonjhar, Bhadrak (WL), Rajnagar (WL)

6. Status of Accounts and audit of State CAMPA Accounts

State CAMPA did not prepare its annual accounts for the years 2009-10 to 2011-12 in the prescribed format. In the absence of proper accounts, these could not be audited. General deficiencies noted in the accounting records are given below:

- No reconciliation of funds deposited with Ad-hoc CAMPA was done by State CAMPA to ensure that funds deposited by State CAMPA had actually been deposited into Ad-hoc CAMPA.
- PCCF (Wildlife) and Chief Wildlife Warden, Odisha did not maintain cash book due to which the closing balance as on 31 March 2012 could not be ascertained.
- In three²¹⁶ forest divisions CAMPA cash book and bank pass book were not reconciled. Also interest earned in saving bank account of state CAMPA was not accounted for in the CAMPA funds.
- In Puri Wildlife division there was a difference of ₹ 0.83 crore between cash book and bank pass book as of 31 March 2012 was not reconciled as of December 2012.
- In State CAMPA it was found that at the close of APO for 2009-10 in October 2011 there was an unspent balance of ₹ 6.97 crore. Neither the amount of unspent balance was refunded to Ad-hoc CAMPA nor revalidated by Steering Committee as of December 2012.

Ministry stated (June 2013) that reconciliation of CAMPA fund was being done with the Ad-hoc CAMPA.

7. Monitoring

As per the state CAMPA guidelines the Steering Committee was to meet twice in a year. The Steering Committee of Odisha CAMPA met four times during 2009-12 as against six times. The Executive Committee met four times during 2009-12.

²¹⁶Puri Wildlife division, Chandaka Wildlife division, Sundergarh division.

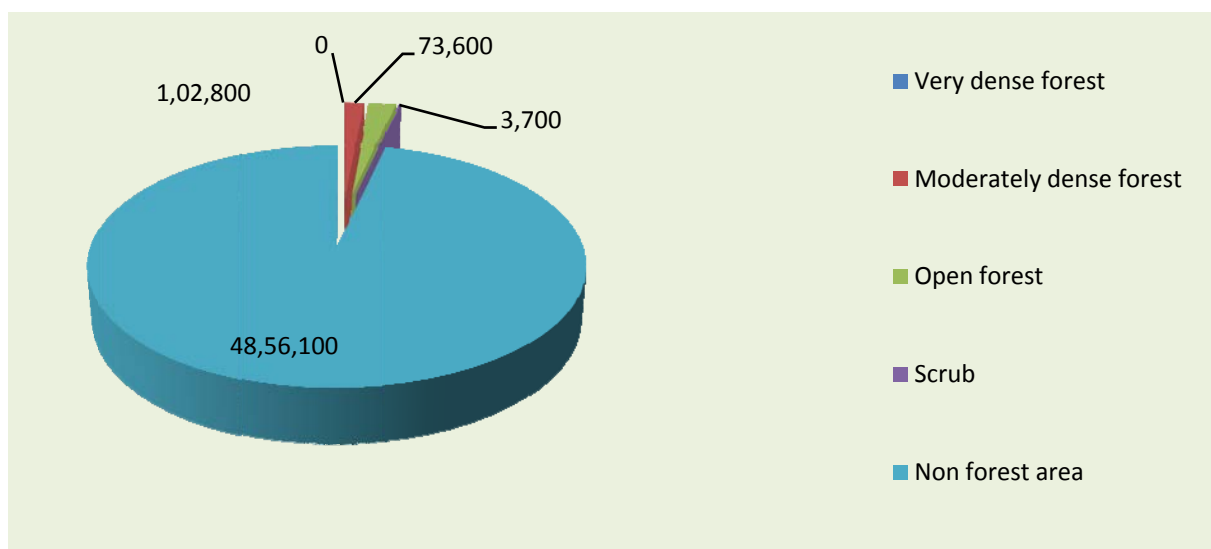
Punjab

1. Background²¹⁷

The total geographical area of Punjab is 50,36,200 hectare. Based on the interpretation of satellite data of November 2008, the forest cover in the State was 17,64,00 hectare which was 3.50 per cent of the State's geographical area. In terms of forest canopy density classes, the State had no area under very dense forest, 73,600 hectare of area under moderately dense forest and 1,02,800 hectare of area under open forest. Compared with the previous assessment of 2009, the forest cover showed an increase of 10,000 hectare in the 2011 assessment.



Forest cover – Types of forest (in hectare)-2011



2. Compensatory Afforestation funds of the State

State CAMPA was constituted in September 2009. Funds remitted by State CAMPA to Ad-hoc CAMPA, funds released by Ad-hoc CAMPA to State CAMPA and expenditure incurred there against during the period 2006-07 to 2011-12 were as detailed below.

²¹⁷Source: India State of Forest Report 2011 published by Forest Survey of India.

(₹ in crore)

Year	Amount transferred to Ad-hoc CAMPA	Amount received by State CAMPA from Ad-hoc CAMPA	Expenditure incurred by State CAMPA	Accumulation of funds with State CAMPA ²¹⁸
Before 2006	38.59	Nil	Nil	Nil
2006-07	63.01	Nil	Nil	Nil
2007-08	34.26	Nil	Nil	Nil
2008-09	31.17	Nil	Nil	Nil
2009-10	73.63	33.05	Nil	33.05
2010-11	28.02	26.52	14.83	44.74
2011-12	17.65	22.08	30.58	36.24
Total	286.33	81.65	45.41	

As can be seen from the table, in compliance with the orders of the Supreme Court, 29 per cent of the total Compensatory Afforestation funds remitted by State CAMPA to Ad-hoc CAMPA were released between 2009-12. Of ₹ 81.65 crore released against APOs, 44 per cent remained unutilised, leading to accumulation of funds with State CAMPA.

3. Receipts into State CAMPA

The case of non recovery of NPV in Punjab that came to the notice of audit is given below. The gist of the case is also given in table 24 in Chapter 3.

(₹ in crore)

Description	Amount
There were two cases ²¹⁹ involving forest land of 401.05 ha in which NPV was not collected from the user agencies ²²⁰ to whom in principle approval was granted before October 2002 and the final approval was granted after that.	23.26 ²²¹

²¹⁸ Cumulative amount at the end of the year lying unutilised with State CAMPA out of the funds released by Ad-hoc CAMPA 2009 onwards.

²¹⁹ As per status report of MoEF issued on 16 March 2012.

²²⁰ M/s Kandi Canal

²²¹ Audit estimated the total amount of NPV due in these cases on a conservative basis by applying the minimum rate of ₹ 5.80 lakh per hectare (401.05 x 5.8)

4. Utilisation of CAMPA funds

4.1 Year wise and component wise breakup of funds allotted to State CAMPA and the utilisation of the funds released.

(₹ in crore)

Main-Components	2009-10			2010-11			2011-12		
	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure
NPV²²²					21.83	11.09		41.67	23.21
Compensatory Afforestation					0	1.53		0	5.15
Protected Area²²³					0	0		0	0
CAT Plan					0	0		0	0
Other specified activities					5.90	2.21		5.48	2.22
Total	33.05	Nil	Nil	26.52	27.73	14.83	22.08	47.15	30.58

Funds for the year 2009-10 were released by Ad-hoc CAMPA without APO and APO for the year 2010-11 and 2011-12 were approved by steering committee after a delay of over six months. No expenditure was incurred by State CAMPA during the year 2009-10. Though the percentage of expenditure increased progressively over the last three years, concerns remain on the absorptive capacity of the State considering that ₹ 464.08 crore (including interest) are accumulated with Ad-hoc CAMPA in the Compensatory Afforestation Fund for the State (31 March 2012) and can be released only for specified forestry related activities.

4.2 Irregularities in utilisation of funds

(₹ in crore)

Sl. No.	Nature of irregularity	Description	Amount
1	Expenditure not authorised by State CAMPA guidelines and NCAC	CAMPA funds should not be used for creating infrastructure at State Forest headquarters and ecotourism. However test check revealed that expenditure was incurred on purchase of vehicles etc. by diversion of funds from other heads. Ministry stated (April 2013) that expenditure on purchase of vehicles was incurred out of the provisions made in APO. The reply is not tenable as diversion of funds was made for purchase of vehicles from other heads which was irregular.	0.10

²²² NPV is spent on Protection, Conservation & Management of forest

²²³ Protected Area Funds is spent on Wildlife Management

Sl. No.	Nature of irregularity	Description	Amount
2	Blocking of funds	<p>Patiala forest division purchased materials valuing ₹ 1.65 crore for construction of chain link fencing in years 2010-12. The materials valuing ₹ 56.40 lakh only could be utilized and balance materials valuing ₹ 1.09 crore was still lying unutilized which resulted in blocking of funds.</p> <p>Ministry stated (April 2013) that efforts were being made to complete the chain link fencing of wildlife sanctuaries in the financial year 2013-14.</p>	1.09
3	Excess expenditure	<p>Hoshiarpur forest division incurred expenditure of ₹ 34.96 lakh on construction of 115 RKM single live hedge against the estimated cost of ₹ 7.13 lakh for construction of 125 RKM single live hedge in 2010-11 resulting in excess expenditure of ₹ 27.83 lakh besides short achievement of physical target of 10 RKM single line live hedge.</p> <p>Ministry stated (April 2013) that provisions made in the APO were revised later and the same was not found sufficient as the rates of vegetative live hedge were revised. The reply of Ministry is not tenable as the revised rates were adopted without proper justification.</p>	0.28
4	Irregular expenditure	<p>In Ropar forest division advance work of enrichment planting and rehabilitation of degraded forest of 575 ha forest land was done at a cost of ₹ 56.15 lakh but actual plantation work was done on 395 ha only and balance 180 ha area remained unplanted. Thus there was irregular expenditure of ₹ 56.15 lakh.</p> <p>Ministry stated (April 2013) that plantation against the advance work of 180 ha was got done by Mohali division during 2011-12. The reply of Ministry was not supported with the relevant documents.</p>	0.56
5	Unfruitful expenditure	<p>Dasuya and Hoshiarpur forest divisions, purchased chassis of the vehicles of ₹ 14.18 lakh for fire tender to extinguish fire in forest area in 2010-11. The chassis could however be used only after installation of fire tender on it which had not been installed as of December 2012 resulting in unfruitful expenditure of ₹ 14.18 lakh.</p> <p>Accepting the facts, Ministry stated (April 2013) that tenders were being floated for installation of fire tenders on the chassis already purchased and the work would be completed in financial year 2013-14.</p>	0.15
	Total		2.18

5. Land Management

5.1 Fact sheet

Particulars (2006-12)	
Forest land diverted	As per records of RO ²²⁴ – 2,149.56 ha ²²⁵ As per records of NO – 2,190.49 ha
Non forest land received in lieu	As per records of RO – Nil As per records of NO – 1.51 ha
Non forest land short received	As per records of RO – 2,149.56 ha As per records of NO – 2,188.98 ha
Chief Secretary Certificate on non availability of non forest land attached	NA
Area identified for CA as per NO	On degraded forest land – 2,883.40 ha On Non forest land – 1.51 ha
Area on which CA was done as per NO	On degraded forest land – Nil On Non forest land – Nil
Received Non forest land transferred/mutated	As per records of RO- Nil As per records of NO – Nil
Non forest land received notified as reserved/protected forest	As per records of RO- Nil As per records of NO – Nil

As is evident from the table, there were un-reconciled variations in the data provided by the Nodal Officer of the State CAMPA and the concerned Regional Office of MoEF. As per the records of RO, forest land diverted for non forestry purposes was 2,149.56 ha and the non forest land received in lieu thereof was zero *per cent* while as per records of NO the figures were 2,190.49 ha and zero *per cent*. As per records of RO and NO, no non forest land was transferred /mutated in favour of the forest department and notified as RF/PF. As per records of NO, no afforestation was done on non forest land and degraded forest land.

5.2 Irregularities in land management

Sl. No.	Nature of irregularity	Description
1	Irregular retention of funds by PSFDC	Punjab Government framed policy for purchase of non forest land for compensatory plantation on behalf of Forest Department through Punjab State Forest Development Corporation (PSFDC) in November 2011. The land was to be purchased out of amount deposited by user agency for this purpose. PSFDC received ₹ 51.59 crore from user agencies in the years 2010-12 for purchase of non forest land in lieu of forest land diverted for non forestry use. However, PSFDC incurred an expenditure of ₹ 1.44 crore

²²⁴ Regional Office (RO) of Ministry of Environment & Forests and Nodal Officer (NO) of State Forests Department

²²⁵ Excluding exempted projects

Sl. No.	Nature of irregularity	Description
		only on purchase of non forest land resulting in short utilization of funds of ₹ 50.15 crore which was not credited to CAMPA account. Ministry stated (April 2013) that funds of ₹ 51.59 crore received by PSFDC received from user agencies for purchase of non-forest land in lieu of diversion of forest land were not under the purview of CAMPA guidelines. The reply of Ministry was vague and misleading as all funds received from user agencies in lieu of diversion of forest land were to be credited to CAMPA account.
2.	Unauthorized occupation of forest land	In Amritsar forest division, 558 kanal 3 marla forest land was unauthorisedly occupied by the private parties and being used for non forest purposes. Accepting the facts, Ministries stated (April 2013) that legal action was being taken for eviction of encroachments.

6. Status of Accounts and audit of State CAMPA Accounts

State CAMPA did not prepare its annual accounts for the years 2009-10 to 2011-12 in the prescribed format. In the absence of proper accounts, these could not be audited.

Further, as per State CAMPA guidelines, the State Government and the MoEF had the powers to conduct special audit or performance audit of the state CAMPA. However, no such audit was conducted.

Ministry stated (April 2013) that receipts and payments accounts for the year 2009-10 to 2011-12 had been prepared and submitted to audit. The reply of Ministry is not tenable as the annual accounts were not prepared in the prescribed format.

7. Monitoring

As per the state CAMPA guidelines the Steering Committee was to meet twice in a year. However, no information regarding meetings of the Governing Body, Steering Committee and the Executive Committee held during the years 2009-12 was furnished to audit.

(₹in crore)

Year	Amount transferred to Ad-hoc CAMPA	Amount received by State CAMPA from Ad-hoc CAMPA	Expenditure incurred by State CAMPA	Accumulation of funds with State CAMPA ²²⁷
Before 2006	1.53	Nil	Nil	Nil
2006-07	69.16	Nil	Nil	Nil
2007-08	85.12	Nil	Nil	Nil
2008-09	28.61	Nil	Nil	Nil
2009-10	81.26	32.59	Nil	32.59
2010-11	60.27	42.06	25.82	48.83
2011-12	28.80	31.89	37.18	43.54
Total	354.75	106.54	63.00	

As can be seen from the table, of ₹ 106.54 crore released, 41 *per cent* remained unutilised, leading to accumulation of funds with State CAMPA. Funds of ₹1.91 crore were not remitted by State CAMPA to Ad-hoc CAMPA and were deposited in State Government account.

3. Receipts into State CAMPA

The cases of non recovery/short recovery of NPV/CA/PCA etc. in Rajasthan that came to the notice of audit are given below. The gist of these cases is also given in table 24 and 27 in Chapter 3.

(₹in crore)

Sl. No.	Description	Amount
1	There were 13 cases ²²⁸ involving forest land of 893.99 ha in which NPV was not collected from the user agencies ²²⁹ to whom in principle approval was granted before October 2002 and the final approval was granted after that. Accepting the facts, Ministry stated (April 2013) that efforts were being made to recover outstanding amount of NPV from user agencies.	51.85 ²³⁰
2	In the four cases in three divisions ²³¹ forest land was diverted without recovering NPV of ₹ 6.97 crore and CA of ₹0.08 crore.	7.05
3	During test check, in 84 cases it was observed that CA was short assessed due to non revision of wage rates. Ministry accepted the audit observation (April 2013).	6.17
4	In Jaipur (Central) forest division it was found that cost of construction of	0.44

²²⁷ Cumulative amount at the end of the year lying unutilised with State CAMPA out of the funds released by Ad-hoc CAMPA 2009 onwards.

²²⁸ As per status report of MoEF issued on 16 March 2012.

²²⁹ Oriental TALC Products Pvt. Ltd., M/s Udaipur Mineral Development Syndicate, Sh. Shah Kastoor Mal, Vinod K Aggarwal, Mahavir Trading Co., M/s RSMDC

²³⁰ Audit estimated the total amount of NPV due in these cases on a conservative basis by applying the minimum rate of ₹ 5.80 lakh per hectare (893.99 x 5.8)

²³¹ Chittorgarh, Baran and Dholpur

Sl. No.	Description	Amount
	boundary wall and plantation of ₹ 0.44 crore was not recovered for diversion of 9.40 ha forest land in respect of a project for Eco tourism near Laxman Dungari in Badanpura, Jaipur for which in principle approval was granted by MoEF in September 2006. Accepting the facts, Ministry stated (April 2013) that action was being taken for recovery of outstanding amount from user agency.	
5	Test check revealed that cost of fallen trees was not recovered in following projects <ul style="list-style-type: none"> i. project of diversion of 4.32 ha forest land in submerged area of Rohini irrigation project in Udaipur (Central) forest division ii. project of development of Ghatki Guni and construction of tunnel in Jaipur (Central) division. Ministry stated (April 2013) that cost of fallen trees was the receipts of state, however, compliance in this regard would be shown to audit.	0.03 0.17
	Total	65.71

4. Utilisation of CAMPA funds

4.1 Year wise and component wise breakup of funds allotted to State CAMPA and utilisation of the funds released.

(₹ in crore)

Main-Components	2009-10			2010-11			2011-12		
	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure
NPV ²³²					22.83	18.12		30.27	23.75
Compensatory Afforestation					5.25	3.98		11.59	8.41
Protected Area ²³³					4.50	3.42		7.56	4.96
CAT Plan					0	0		0	0
Other specified activities					0.98	0.30		2.57	0.06
Total	32.59	Nil	Nil	42.06	33.57	25.82	31.89	51.99	37.18

Funds for the year 2009-10 were released by Ad-hoc CAMPA without APO and APO for the year 2010-11 was approved by steering committee in December 2010 and APO for the year 2011-12 was approved by steering committee in September 2011. No expenditure was incurred by State CAMPA in the year 2009-10. From the table it is evident that the State CAMPA could not expend the entire amount released by the Ad-hoc CAMPA in the years

²³² NPV is spent on protection, conservation and management of forest

²³³ Protected Area Fund is spent on wildlife management

2009-10 and 2010-11. The levels of expenditure were zero *per cent* in 2009-10 and 61 *per cent* in 2010-11 when compared with amounts released by Ad-hoc CAMPA. Though the level of expenditure has increased progressively over the last three years, concerns remain on the absorptive capacity of the State considering that ₹ 857.07 crore (including interest) are accumulated with Ad-hoc CAMPA in the Compensatory Afforestation Fund for the State (31 March 2012) and can be released only for specified forestry related activities.

4.2 Irregularities in utilisation of funds

(₹ in crore)

Sl. No.	Nature of irregularity	Description	Amount
1.	Expenditure not authorised by State CAMPA guidelines and NCAC	CAMPA funds should not be used for creating infrastructure at State Forest headquarters and ecotourism. However test check revealed that expenditure was incurred on maintenance of building, POL charges and cellular phones charges. Ministry stated (April 2013) that expenditure on purchase of vehicles etc. was incurred in the year 2010-11 which was objected by it and from subsequent years expenditure on such items was being incurred from the interest earned on deposits in State CAMPA. The reply of the Ministry is not tenable as the funds were not spent on the activities for which these were released.	2.04
2.	Excess on construction of boundary wall	In six cases expenditure was incurred in excess of rates prescribed for construction of boundary wall in APOs for 2010-11 and 2011-12. Ministry stated (April 2013) that excess expenditure was incurred due to subsequent modifications in boundary walls as per local needs. The reply is not tenable as excess expenditure was beyond the provisions made in APOs and was not approved by competent authority.	0.33
3.	Irregular charge of expenditure on patrolling vehicles	In Jaipur (central) forest division expenditure incurred on patrolling vehicles was charged irregularly on works i.e. plantation, construction of pucca walls etc. without approval of APO. Ministry did not furnish reply (April 2013).	0.02
4	Delay in release of funds to divisional offices	During test check of records of 28 forest divisions it was found that amount of ₹ 4.13 crore and ₹ 4.43 crore could not be utilized by forest division during 2010-11 and 2011-12 respectively due to delay in release of funds to divisional offices. Ministry stated (April 2013) that savings of previous year were being utilised in the subsequent year along with interest accrued. The reply of Ministry is not tenable as the funds were allocated for various activities to be undertaken during financial year as mentioned in approved APO.	
	Total		2.39

5. Land Management

5.1 Fact sheet

Particulars(2006-12)	
Forest land diverted	As per records of RO ²³⁴ - 8,152.66 ha ²³⁵ As per records of NO – 2,975.84 ha
Non forest land received in lieu	As per records of RO – 584.97 ha As per records of NO – 1,698.72 ha
Non forest land short received	As per records of RO - 7,567.69 ha As per records of NO – 1,277.12 ha
Chief Secretary Certificate on non availability of non forest land attached	No
Area identified for CA as per NO	On degraded forest land – 273.72 ha On Non forest land – 917.07 ha
Area on which CA done as per NO	On degraded forest land – Nil On Non forest land – Nil
Received Non forest land transferred/mutated	As per records of RO- Nil As per records of NO – 914.95 ha
Non forest land received notified as reserved/protected forest	As per records of RO- Nil As per records of NO – 645.32 ha

As is evident from the table, there were un-reconciled variations in the data provided by the Nodal Officer of the State CAMPA and the concerned Regional Office of MoEF. As per the records of RO, forest land diverted for non forestry purposes was 8,152.66 ha and the non forest land received in lieu thereof was seven *per cent* while as per records of NO the figures were 2975.84 ha and 57 *per cent*, respectively. As per records of RO, no non forest land was transferred /mutated in favour of the forest department and notified as RF/PF while as per NO out of 914.95 ha non forest land transferred/ mutated in favour of forest department, only 645.32 ha non forest land was declared as RF/PF. As per records of NO, no afforestation was done on non forest land and degraded forest land.

²³⁴ Regional Office (RO) of Ministry of Environment & Forests and Nodal Officer (NO) of State Forests Department

²³⁵ Excluding exempted projects

5.2 Irregularities in land management

Nature of irregularity	Description
Diversion of forest land without final (Stage II) approval	<p>i. In Chittorgarh it was found that 16.10 ha forest land was diverted to Indian Railways without receipt of in principle approval from MoEF and 30.00 ha forest land was diverted to Irrigation Department without transfer of 14.04 ha of non-forest land in favour of Forest Department.</p> <p>ii. In Baran 52.30 ha of forest land was diverted to Irrigation Department without Stage II approval.</p> <p>iii. In Dholpur 13.00 ha forest land was diverted to Public Works Department without receiving CA of ₹ 0.08 crore.</p> <p>Accepting the facts, Ministry stated (April 2013) that action for grant of final approval was in process.</p>

6. Status of Accounts and audit of State CAMPA Accounts

The State Government approved the accounting procedure for State CAMPA on 14 March 2012 without consultation of PAG. As per State CAMPA guidelines issued by MoEF, the accounts of State CAMPA were to be audited by the Accountant General at such intervals as may be specified by him. However, State CAMPA did not prepare its annual accounts for the years 2009-10 to 2011-12 in the prescribed format. Further, as per State CAMPA guidelines, the State Government and the MoEF had the powers to conduct special audit or performance audit of the state CAMPA. However, no such audit was conducted.

Ministry accepted the audit observations (April 2013).

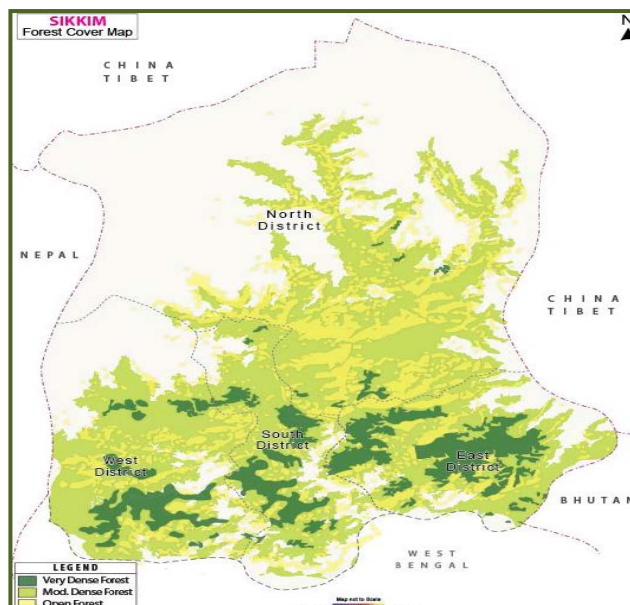
7. Monitoring

As per the state CAMPA guidelines the Steering Committee was to meet twice in a year. The Steering Committee of Rajasthan CAMPA met two times during 2009-12 as against six times. The Executive Committee met two times during 2009-12. The Governing body met once only during 2009-12.

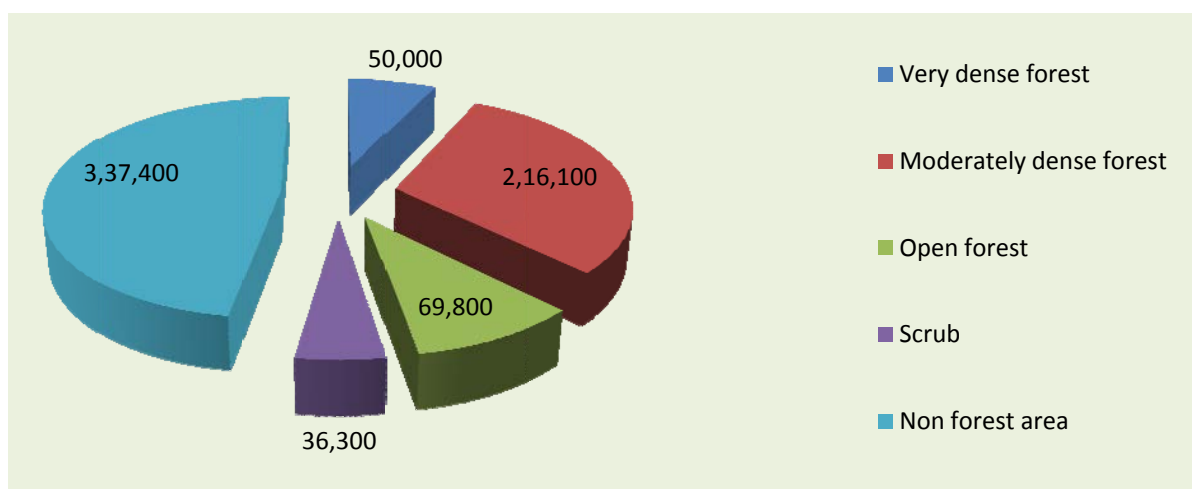
Sikkim

1. Background²³⁶

The total geographical area of Sikkim is 7,09,600 hectare. Based on the interpretation of satellite data of December 2008, the forest cover in the State was 3,35,900 hectare which was 47.34 per cent of the State's geographical area. In terms of forest canopy density classes, the State had 50,000 hectare of area under very dense forest, 2,16,100 hectare of area under moderately dense forest and 69,800 hectare of area under open forest. Compared with the previous assessment of 2009, the forest cover showed no change in the 2011 assessment.



Forest cover – Types of forest (in hectare)-2011



2. Compensatory Afforestation Fund of the State

State CAMPA was constituted in August 2009. Funds remitted by State CAMPA to Ad-hoc CAMPA, funds released by Ad-hoc CAMPA to State CAMPA and expenditure incurred there against during the period 2006-07 to 2011-12 were as detailed below.

²³⁶Source: India State of Forest Report 2011 published by Forest Survey of India.

(₹ in crore)

Year	Amount transferred to Ad-hoc CAMPA	Amount received by State CAMPA from Ad-hoc CAMPA	Expenditure incurred by State CAMPA	Accumulation of funds with State CAMPA ²³⁷
2006-07	11.60	Nil	Nil	
2007-08	34.36	Nil	Nil	
2008-09	24.79	Nil	Nil	
2009-10	47.64	8.01	4.43	3.58
2010-11	40.63	10.23	13.35	0.46
2011-12	19.84	9.04	10.07	(-)0.57
Total	178.86	27.28	27.85	

As can be seen from the table, in compliance with the orders of the Supreme Court , 15 per cent of the total Compensatory Afforestation funds remitted by State CAMPA to Ad-hoc CAMPA were released between 2009-12. Of ₹ 27.28 crore released against APO, full amount was utilized by State CAMPA.

3. Receipts into State CAMPA

The cases of non recovery/short recovery of NPV/CA/PCA etc. in Sikkim that came to the notice of audit are given below. The gist of these cases is also given in table27 in Chapter 3.

(₹ in crore)

Sl. No.	Description	Amount
1	NPV of ₹ 30.34 crore was not realized from user agencies in 25 cases of diversion of forest land for non forestry purposes during 1992-93 to 2011-12. The user agencies included M/s Sikkim Breweries Ltd, Army, BRO, State Government Departments like WS&PHED, RM&DD, Tourism etc. Accepting the facts, Ministry stated (April 2013) that matter of recovery of NPV was being pursued with the user agencies.	30.34
2	CA of ₹ 8.22 crore was not recovered from user agencies in 23 cases of diversion of forest land for non forestry purposes during 2001-02 to 2011-12. The user agencies included M/s Sikkim Breweries Ltd, Army, BRO, State Government Departments like WS&PHED, RM&DD, Tourism etc. Accepting the facts, Ministry stated (April 2013)that the matter was being pursued with the user agencies.	8.22
	Total	38.56

²³⁷Cumulative amount at the end of the year lying unutilised with State CAMPA out of the funds released by Ad-hoc CAMPA 2009 onwards.

4. Utilisation of CAMPA funds

4.1 Year wise and component wise breakup of funds allotted to State CAMPA and the utilisation of the funds released.

(₹ in crore)

Main-Components	2009-10			2010-11			2011-12		
	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure
NPV²³⁸		NA	1.66		NA	1.92		NA	1.88
Compensatory Afforestation		NA	1.35		NA	1.50		NA	2.24
Protected Area²³⁹		NA	0.05		NA	0		NA	0.55
CAT Plan		NA	1.37		NA	9.93		NA	5.40
Other specified activities		NA	0		NA	0		NA	0
Total	8.01	NA	4.43	10.23	NA	13.35	9.04	NA	10.07

APOs for 2009-12 were approved after a delay of five to 10 months. In the year 2009-10 expenditure was 55 per cent of the funds released by Ad-hoc CAMPA. Though the percentage of expenditure has increased progressively during the years 2009-10 and 2010-11, concerns remain on the absorptive capacity of the State considering that ₹ 202.45 crore (including interest) are accumulated with Ad-hoc CAMPA in the Compensatory Afforestation Fund for the State (31 March 2012) and can be released only for specified forestry related activities.

4.2 Irregularities in utilisation of funds.

(₹ in crore)

Sl. No.	Nature of irregularity	Description	Amount
1	Expenditure not authorised by State CAMPA guidelines and NCAC	CAMPA funds should not be used for creating infrastructure at State Forest headquarters and ecotourism. However test check revealed that expenditure was incurred on purchase of vehicles on purchase of vehicles (₹ 0.25 crore), extension and fencing of Forest Secretariat building, repair of DFO residences and offices, Assistant Conservator of Forest quarters etc. (₹ 1.99 crore). The Ministry (April 2013) accepted the audit observation.	2.24

²³⁸ NPV is spent on Protection, Conservation & Management of forest

²³⁹ Protected Area Funds is spent on Wildlife Management

Sl. No.	Nature of irregularity	Description	Amount
2	Extra expenditure	During January 2006 to May 2008, MoEF approved diversion of 236.73 ha forest land for construction of hydel projects by five power agencies. As per approved conditions, CAT programme was to be completed within the period ranging between three to five years. However, work was executed after a delay upto three years which led to cost escalation in these projects by ₹ 1.89 crore. Accepting the facts, Ministry stated (April 2013) that excess expenditure was due to increase in wages and cost of materials.	1.89
3	Excess expenditure	State CAMPA incurred expenditure under CAPT in excess of rates approved in APOs for the years 2009-10 to 2011-12 resulting in excess expenditure of ₹ 1.15 crore. Accepting the facts, Ministry stated (April 2013) that user agency had been requested to pay the difference amount for the remaining part of the CAT plan.	1.15
4	Deprivation of benefits and blocking up of fund	State CAMPA made an advance payment of ₹ 8.99 lakh to the State Trading Corporation of Sikkim (STCS) for supply of 193 LPG gas cylinders during 2009-10 for distribution to the beneficiaries for preventing them from felling of trees for fuel woods. However, no LPG gas cylinders were supplied by the STCS. Thus, the intended beneficiaries were deprived of the benefits besides blocking of ₹ 8.99 lakh with STCS. Ministry accepted the audit observations (April 2013).	0.09
5	Non implementation of schemes on conservation and protection of bio-diversity and wildlife	Out of receipt of ₹ 9.29 crore (NPV – ₹ 6.55 crore, CA – ₹ 1.70 crore and Wildlife/Bio-diversity Conservation and Management Plan - ₹ 1.04 crore) from various user agencies for diversion of 20.89 ha of wildlife sanctuaries (2008-09 & 2009-10), the activities for the protection of bio-diversity and wildlife were confined to only ₹ 16.42 lakh. Reasons for not undertaking the activities for protection and conservation in protected areas were not on record. Ministry stated (April 2013) that due to less receipt of funds from Ad-hoc CAMPA, more conservation and protection activities in protected areas could not be taken up in some cases and biodiversity conservation works were in progress in adjoining wildlife rich areas outside the protected areas falling under the catchment of Teesta Stage III hydro electric power project in North Sikkim. The fact remained that activities for the protection of bio-diversity and wildlife could not be undertaken due to funds not being released by Ad-hoc CAMPA.	

Sl. No.	Nature of irregularity	Description	Amount
6	Non opening of separate bank account under Wildlife (Protection) Act, 1972	<p>State CAMPA had not opened separate bank account for funds collected from user agencies under Wildlife (Protection) Act, 1972 for undertaking activities relating to protection of biodiversity and wildlife.</p> <p>Accepting the facts, Ministry stated (April 2013) that separate bank account for corpus fund under Wildlife Protection Act, 1972 would be opened after consultation with the Ad-hoc CAMPA and state forest department.</p>	
7	Non maintenance of records relating to Enumeration of trees	<p>The territorial divisions of the forest department were to carry out census of the existing trees, specifying the standards regarding the number and kind of trees to be planted for compensatory afforestation to retain ecological balance of the affected forest area. However, no census was carried out and no records were maintained in territorial divisions of the forest department. Consequently, effect on ecological balance of the diverted forest area could not be assessed.</p> <p>Accepting the facts, Ministry stated (April 2013) that henceforth an enumeration register of the project affected trees and separate records of project affected trees would be maintained in the state nodal office.</p>	
8	Delayed implementation of Catchment Area Treatment (CAT) Project	<p>MoEF approved in January 2006 diversion of 7.46 ha of forest land for construction of 99 MW Chuzachen Hydro Electric Project at Chuzachen, Rongli by Gati Infrastructure Limited (GIL). In March 2007, funds of ₹ 1.69 crore were paid by GIL to the State CAMPA. As per the terms of environment clearance, the CAT plan was to be completed within three years from the date of approval of project i.e., by January 2009. However, work of 1st phase was commenced after three years in 2009-10.</p> <p>In another case, MoEF approved in May 2008 diversion of 32.05 ha of forest land for construction of 96 MW Jorethang Loop Hydro Electric Project in South and West Sikkim by Dans Energy Private Limited (DEPL). In March 2008, funds of ₹ 1.37 crore were paid by DEPL to the State CAMPA. As per the terms of environment clearance, the CAT plan was to be completed within five years from the date of approval of the project. However, work of 1st phase was commenced in 2009-10 after delay of one year.</p> <p>Accepting the facts, Ministry attributed the delay in implementation of the CAT plan to insufficient funds (April 2013).</p>	

Sl. No.	Nature of irregularity	Description	Amount
9	Shifting of burden of implementation of afforestation scheme by state Government to Ad-hoc CAMPA	In the years 2010-11 and 2011-12, budget allocation by State Government for CA was one <i>per cent</i> and zero <i>per cent</i> as against 2006-07. Thus, State Government had shifted the burden in totality to Ad-hoc CAMPA in implementation of afforestation scheme. Ministry stated (April 2013) that the cost of maintenance of CA was reduced gradually in the state budget and the allocation for CA in the state budget was stopped from the year 2011-12.	
	Total		5.37

5. Land Management

5.1 Fact Sheet

Particulars(2006-12)	
Forest land diverted	As per records of RO ²⁴⁰ – 351.54 ha ²⁴¹ As per records of NO – 1,359.91 ha
Non forest land received in lieu	As per records of RO – Nil As per records of NO – Nil
Non forest land short received	As per records of RO – 351.54 ha As per records of NO – 1,359.91 ha
Chief Secretary Certificate on non availability of non forest land attached	For 1,359.91 ha of forest land the certificates were not issued on individual case basis. However, the certificates were issued once by the Chief Secretary and the Xerox copy of the same was used for the rest cases for non availability of non forest land.
Area identified for CA as per NO	On degraded forest land – 2,306.21 ha On Non forest land – Nil
Area on which CA done as per NO	On degraded forest land – 511.09 ha On Non forest land – Nil
Received Non forest land transferred/mutated	As per records of RO- Nil As per records of NO – Nil
Non forest land received notified as reserved/protected forest	As per records of RO- Nil As per records of NO – Nil

²⁴⁰ Regional Office (RO) of Ministry of Environment & Forests and Nodal Officer (NO) of State Forests Department

²⁴¹ Excluding exempted projects

As is evident from the table, there were un-reconciled variations in the data provided by the Nodal Officer of the State CAMPA and the concerned Regional Office of MoEF. As per the records of RO, forest land diverted for non forestry purposes was 351.54ha and the non forest land received in lieu thereof was zero *per cent* while as per records of NO the figures were 1,359.91 ha and zero *per cent*, respectively. As per records of RO and NO, no non forest land was transferred /mutated in favour of the forest department and notified as RF/PF. As per records of NO, no afforestation was done on non forest land and afforestation done on degraded forest land was 22*per cent* of the area to be afforested.

5.2 Irregularity observed in land management

Nature of irregularity	Description
Non verification of the certificate of Chief Secretary	<p>State CAMPA forwarded the proposals to the Regional Office without the original certificates and instead enclosed the photo copy of the already issued certificates in routine manner.</p> <p>Ministry stated (April 2013) that it was not possible to process the proposal for obtaining the certificate from the chief secretary for each case repeatedly as the subject matter related to the same purpose. The reply of Ministry is not tenable as forest land was diverted without proper verification of certificate of chief secretary.</p>

6. Status of Accounts and audit of State CAMPA Accounts

As per state CAMPA guidelines issued by MoEF, the accounts of state CAMPA were to be audited by the Accountant General at such intervals as may be specified by him. However, State CAMPA did not prepare its annual accounts for the years 2009-10 to 2011-12 in the prescribed format. In the absence of proper accounts, correctness of its income and expenditure for the year 2009-10 to 2011-12 could not be verified and ascertained in audit.

Further, as per State CAMPA guidelines, the State Government and the MoEF had the powers to conduct special audit or performance audit of the state CAMPA. However, no such audit was conducted.

Ministry stated (April 2013) that the work for preparation of accounts had been assigned to CAs and the accounts would be submitted to audit as soon as preparation of accounts was completed by the CAs.

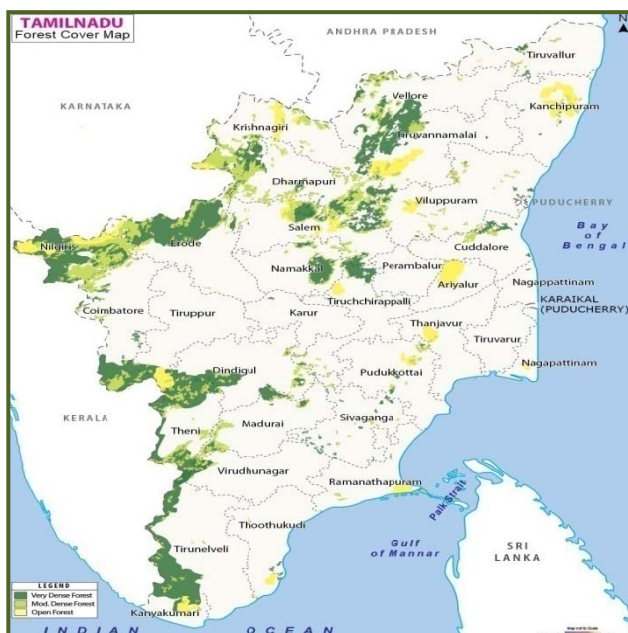
7. Monitoring

As per the state CAMPA guidelines the Steering Committee was to meet twice in a year. The Steering Committee of Sikkim CAMPA met three times during 2009-12 as against six times. The Executive Committee met three times during 2009-12.

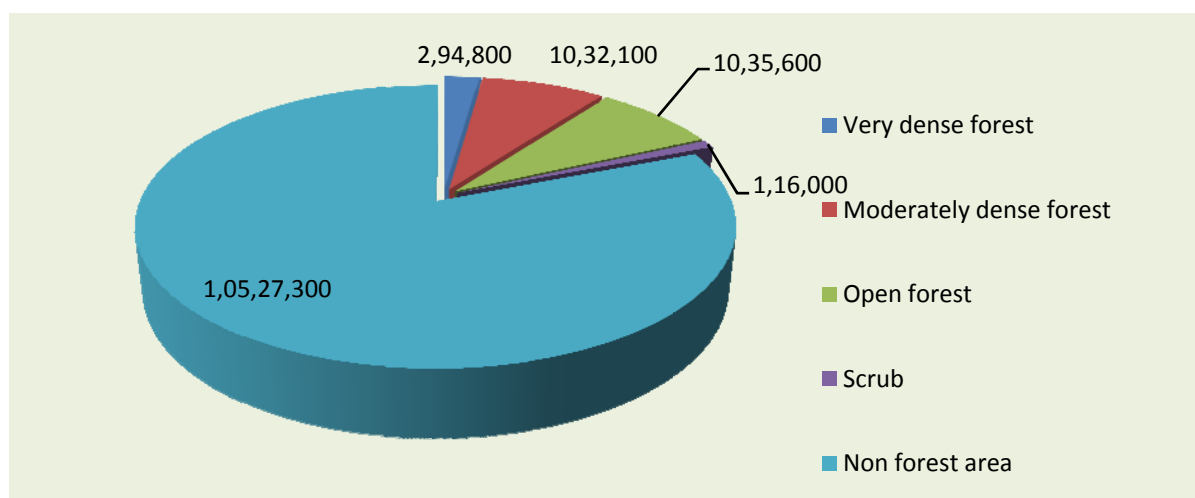
Tamil Nadu

1. Background²⁴²

The total geographical area of Tamil Nadu is 1,30,05,800 hectare. Based on the interpretation of satellite data of October 2008-May 2009, the forest cover in the State was 23,62,500 hectare which was 18.16 per cent of the State's geographical area. In terms of forest canopy density classes, the State had 2,94,800 hectare of area under very dense forest, 10,32,100 hectare of area under moderately dense forest and 10,35,600 hectare of area under open forest. Compared with the previous assessment of 2009, the forest cover showed a marginal increase of 4,600 hectare in the 2011 assessment.



Forest cover – Types of forest (in hectare)-2011



2. Compensatory Afforestation funds of the State

State CAMPA was constituted in September 2009. Funds remitted by State CAMPA to Ad-hoc CAMPA, funds released by Ad-hoc CAMPA to State CAMPA and expenditure incurred there against during the period 2006-07 to 2011-12 were as detailed below.

²⁴²Source: India State of Forest Report 2011 published by Forest Survey of India.

(₹ in crore)

Year	Amount transferred to Ad-hoc CAMPA	Amount received by State CAMPA from Ad-hoc CAMPA	Expenditure incurred by State CAMPA	Accumulation of funds with State CAMPA ²⁴³
2006-07	2.00	Nil	Nil	Nil
2007-08	7.56	Nil	Nil	Nil
2008-09	9.56	Nil	Nil	Nil
2009-10	3.53	1.97	Nil	1.97
2010-11	0.97	1.70	1.67	2.00
2011-12	3.40	1.38*	1.31	2.07
Total	27.02	5.05	2.98	

* The amount of ₹ 1.38 crore was received in June 2012

As can be seen from the table, in compliance with the orders of the Supreme Court, 19 per cent of the total Compensatory Afforestation funds remitted by State CAMPA to Ad-hoc CAMPA were released during 2009-12. Of ₹ 5.05 crore released without APOs, 41 per cent remained unutilised, leading to accumulation of funds with State CAMPA. Funds of ₹ 19.45 crore were not remitted by State CAMPA to Ad-hoc CAMPA and were deposited in State Government account.

3. Receipts into State CAMPA

The cases of non recovery/short recovery of NPV/CA/PCA etc. in Tamil Nadu that came to the notice of audit are given below. The gist of these cases is also given in table 24 and 27 in Chapter 3.

(₹ in crore)

Sl. No.	Description	Amount
1	There were seven cases ²⁴⁴ involving forest land of 107.40 ha in which NPV was not collected from the user agencies ²⁴⁵ to whom in principle approval was granted before October 2002 and the final approval was granted after that. Ministry stated (April 2013) that the action is being pursued by the concerned DFOs.	6.23 ²⁴⁶

²⁴³ Cumulative amount at the end of the year lying unutilised with State CAMPA out of the funds released by Ad-hoc CAMPA 2009 onwards.

²⁴⁴ As per status report of MoEF issued on 16 March 2012.

²⁴⁵ Vallakkal Reservoir, Varattar Reservoir

²⁴⁶ Audit estimated the total amount of NPV due in these cases on a conservative basis by applying the minimum rate of ₹ 5.80 lakh per hectare (107.40 x 5.8)

Sl. No.	Description	Amount
2	NPV of ₹ 0.37 crore was short collected (Wildlife Warden, Chennai- ₹ 0.25 crore, DFO Nilgiris South – ₹ 0.08 crore and DFO, Sivaganga- ₹ 0.04 crore) and CA of ₹ 0.87 lakh was short collected by DFO Shivaganga. Ministry stated (April 2013) that there was no short collection of NPV/CA etc. in these cases. However, the reply was not supported with the relevant documents.	0.37
3	PCA of ₹ 0.17 crore remained unrealised from Udthagai Municipality. Ministry stated(April 2013) that concerned forest division was pursuing the matter of recovery of PCA with user agency.	0.17
4	PCA was not recovered by Wildlife Warden, Chennai despite being cognizant of the fact of carrying out of work by the user agency before formal approval. Ministry stated (April 2013) that recovery of PCA from user agency was not included in the final approval and hence recovery of PCA from user agency did not arise. Thus, Ministry had accepted that PCA could not be recovered as it was not included in its final approval.	
	Total	6.77

4. Utilisation of CAMPA funds

4.1 Year wise and component wise breakup of funds allotted to State CAMPA and the utilisation of the funds released.

(₹ in crore)

Main-Components	2009-10			2010-11			2011-12		
	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure
NPV ²⁴⁷					0.66	0.66		0.42	0.43
Compensatory Afforestation					0.60	0.56		0.96	0.87
Protected Area					0	0		0	0
CAT Plan					0	0		0	0
Other specified activities					0.49	0.45		0.05	0.01
Total	1.97	Nil	Nil	1.70	1.75	1.67	1.38	1.43	1.31

The funds were released by Ad-hoc CAMPA for the year 2009-10 without APO and without mentioning head of account or the purpose of which it was released. Funds for the year 2011-12 were received in the month of June 2012. Concerns remain on the absorptive

²⁴⁷ NPV is spent on Protection, Conservation & Management of forest

capacity of the State considering that ₹ 33.95 crore (including interest) are accumulated with Ad-hoc CAMPA in the Compensatory Afforestation Fund for the State (31 March 2012) and can be released only for specified forestry related activities.

4.2 Irregularities in utilisation of funds.

(₹in crore)

Sl. No.	Nature of irregularity	Description	Amount
1	Irregular expenditure	A sum of ₹ 0.48 crore was spent by State CAMPA during 2010-11 on certain items (extension of training hall in three Van Vigyan Kendras, infrastructure facilities in Geographic Information Systems laboratory and for State CAMPA Cell) which were disallowed by the MoEF. MoEF had instructed that expenditure on these items would be met from the interest earned on the deposits held. Ministry stated (April 2013) that the said items would be brought to notice of Steering Committee during its next meeting for appropriate orders/ratification.	0.48
2	Incurring expenditure not covered under APO/Model estimate	A sum of ₹ 0.26 crore was incurred on the works not sanctioned in APO from the savings and a sum of ₹ 0.10 crore was incurred on the work not included in the model estimate. Thus, the entire expenditure of ₹ 0.36 crores on these works was incurred without any provisions in APO. Ministry stated (April 2013) that concerned forest divisions had been instructed to furnish full details of the case.	0.36
3	Irregular diversion of CA funds for land eviction	A sum of ₹ 0.15 crore was sanctioned to DFO Kancheepuram for CA works which was diverted to DFO Tiruvallur by State CAMPA for CA works done in the encroachment evicted land instead of land identified for CA, of which ₹ 0.06 crore was already spent as of September 2012. Ministry stated (April 2013) that expenditure was incurred on plantations for avoiding reoccurrence of encroachment. Ministry's reply was not based on facts as said expenditure was not incurred on plantations but it was incurred on eviction of encroachments.	0.15
4	Non production of payment vouchers	Payment vouchers for a sum of ₹ 0.04 crore and ₹ 0.01 crore for payment to village forest council in March 2011 were not available with State CAMPA. Ministry stated (April 2013) that concerned forest division had now furnished relevant vouchers to State CAMPA. The fact remained that these vouchers were yet to be shown to audit.	0.05
	Total		1.04

5. Land Management

5.1 Fact sheet

Particulars(2006-12)	
Forest land diverted	As per records of RO ²⁴⁸ – 269.33 ha ²⁴⁹ As per records of NO – 323.09 ha
Non forest land received in lieu	As per records of RO –230.01 ha As per records of NO – 230.95 ha
Non forest land short received	As per records of RO – 39.32 ha As per records of NO – 92.14 ha
Chief Secretary Certificate on non availability of non forest land attached	No
Area identified for CA as per NO	On degraded forest land – 147.51 ha On Non forest land – 226.95 ha
Area on which CA done as per NO	On degraded forest land – 66.97 ha (2008-09) On Non forest land – 144.12 ha
Received Non forest land transferred/mutated	As per records of RO- Nil As per records of NO – 226.95 ha
Non forest land received notified as reserved/protected forest	As per records of RO- Nil As per records of NO – 57.01 ha

As is evident from the table, there were un-reconciled variations in the data provided by the Nodal Officer of the State CAMPA and the concerned Regional Office of MoEF. As per the records of RO, forest land diverted for non forestry purposes was 269.33 ha and the non forest land received in lieu thereof was 85 *per cent* while as per records of NO the figures were 323.09 ha and 71 *per cent*, respectively. As per records of RO, no non forest land was transferred /mutated in favour of the forest department and notified as RF/PF while as per NO out of 226.94 ha non forest land was transferred/ mutated in favour of forest department only 57.01 ha non forest land was declared as RF/PF. As per records of NO, afforestation was done on 144.12 ha non forest land and afforestation done on degraded forest land was 45 *per cent of the area* to be afforested.

The Ministry stated (April 2013) that CA in the remaining areas would be done in a phased manner.

²⁴⁸ Regional Office (RO) of Ministry of Environment & Forests and Nodal Officer (NO) of State Forests Department

²⁴⁹ Excluding exempted projects

5.2 Irregularities observed in land management

Sl. No.	Nature of irregularity	Description
1	Unauthorised diversion of Forest Land	<p>Reservoir across Vaddkku Pachayarriver was constructed unauthorizedly on 191.60 ha forest land in Tirunelveli district during 1996-2003. MoEF granted ex-post facto in principle approval in July 2005 subject to deposit of NPV/PCA/CA etc of ₹ 19.17 crore and CATP dues of ₹ 1.78 crore by user agency. However, NPV/PCA/CA of ₹ 19.17 crore remained unrealized and amount of CATP dues of ₹ 1.78 crore deposited with state forest department was wrongly classified to crop husbandry head and not remitted to Ad-hoc CAMPA. The execution of project was done without prior approval of MoEF.</p> <p>Ministry stated (April 2013) that concerned division had been instructed to recover NPV /PCA/CA of ₹ 19.17 crore from user agency and to submit compliance report to get final approval. As regards non-remittance of ₹ 1.78 crore to Ad-hoc CAMPA it was stated that action was being taken.</p>
2	Irregular grant of second stage approval	<p>MoEF granted second stage approval for diversion of 1.46 ha forest land for construction of high level bridge at Pulicat lake without receipt of non forest land of 2.91 ha. The grant of second stage approval without receipt of non forest land in cases of non exempted categories was irregular.</p> <p>Ministry stated (April 2013) that action was being taken to obtain non-forest land from user agency.</p>
3	Unauthorized occupation of forest land for five years	<p>The diversion of 27.51 ha forest land was granted by MoEF on lease basis for 25 years from 21 September 1966 to 20 September 1991 to Radio Astronomy Centre Ooty. The lease was renewed for fifteen years from 21 September 1996 leaving a gap of five years. Thus, 27.5 ha forest land remained in possession of lessee unauthorizedly for five years.</p> <p>In another case, diversion of 2.23 ha forest land was granted by MoEF on lease basis upto 1992 to Udhagamandalam Municipality. Thereafter, the lease was not renewed. It was reported by Nilgiris south range in August 1994 that the Udhagai Municipality had occupied 4.80 ha RF land for dumping solid waste against the original leased out land of 2.02 ha. MoEF granted first stage approval for diversion of 6.07 ha forest land to Municipality in August 2007. No second stage approval could be granted due to non compliance of the conditions viz. transfer of non forest land and remittance of PCA etc. by the Municipality. Thus, 4.80 ha forest land remained in possession of lessee unauthorizedly for eighteen years.</p>

Sl. No.	Nature of irregularity	Description
		Ministry stated (April 2013) that action for renewal of lease was being taken. As regards unauthorised occupation of forest land by Udthagamandalam Municipality it was stated that the concerned forest division was pursuing the matter with the user agency.

6. Status of Accounts and audit of State CAMPA Accounts

As per state CAMPA guidelines issued by MoEF, the accounts of state CAMPA were to be audited by the Accountant General at such intervals as may be specified by him. However, State CAMPA did not prepare its annual accounts for the years 2009-10 to 2011-12 in the prescribed format. It was found that out of ₹ 22.65 crore remitted to Ad-hoc CAMPA upto 2009-10 amount of ₹ 0.32 crore remained unreconciled with Adhoc CAMPA. The reconciliation for the years 2010-11 to 2011-12 was not done. No bank reconciliation was done by the State CAMPA for the funds released to the field officers.

Further, as per State CAMPA guidelines, the State Government and the MoEF had the powers to conduct special audit or performance audit of the state CAMPA. However, no such audit was conducted.

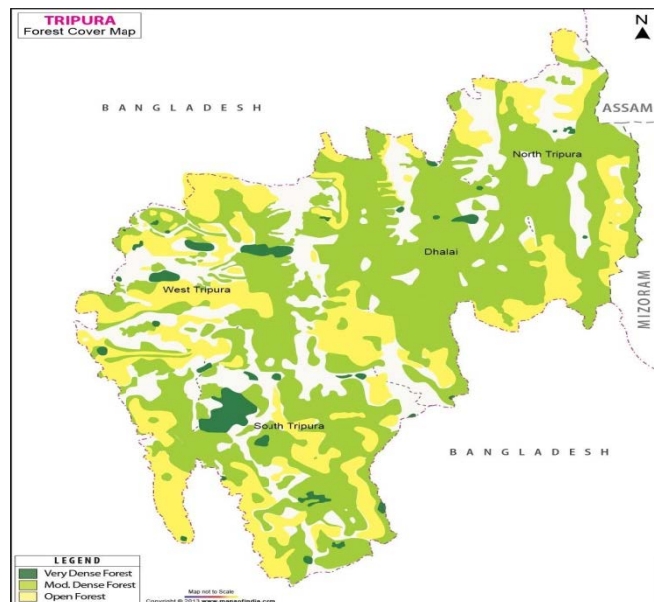
7. Monitoring

As per the state CAMPA guidelines the Steering Committee was to meet twice in a year. The Steering Committee of Tamil Nadu CAMPA met two times during 2009-12 as against six times. The Executive Committee met two times during 2009-12.

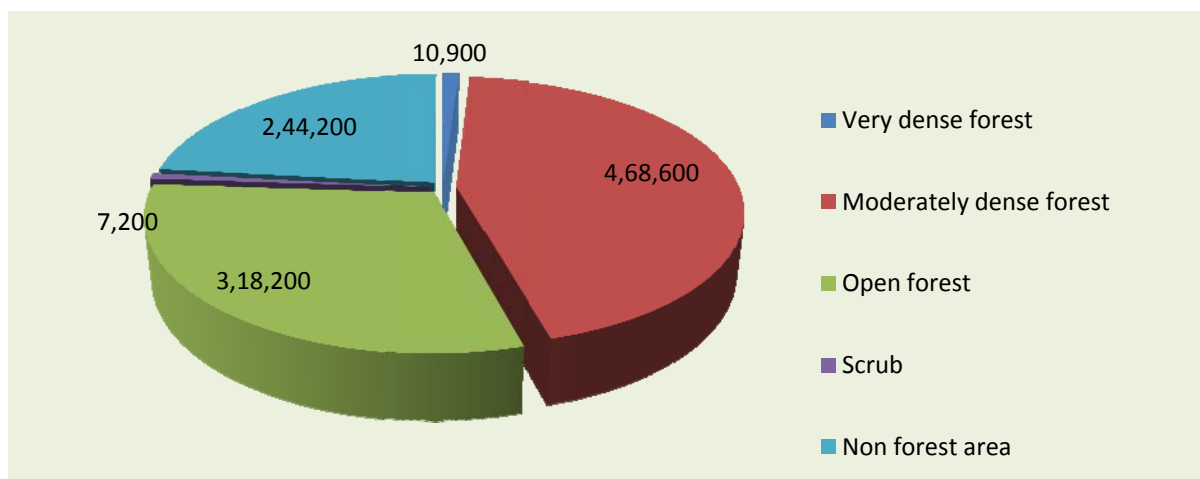
Tripura

1. Background²⁵⁰

The total geographical area of Tripura is 10,49,100 hectare. Based on the interpretation of satellite data of January 2009, the forest cover in the State was 7,97,700 hectare which was 76.04 *per cent* of the State's geographical area. In terms of forest canopy density classes, the State had 10,900 hectare of area under very dense forest, 4,68,600 hectare of area under moderately dense forest and 3,18,200 hectare of area under open forest. Compared with the previous assessment of 2009, the forest cover showed a marginal decrease of 800 hectare in the 2011 assessment.



Forest cover – Types of forest (in hectare)-2011



2. Compensatory Afforestation Fund of the State

State CAMPA was constituted in October 2009. Funds remitted by State CAMPA to Ad-hoc CAMPA, funds released by Ad-hoc CAMPA to State CAMPA and expenditure incurred there against during the period 2006-07 to 2011-12 were as detailed below:

²⁵⁰Source: India State of Forest Report 2011 published by Forest Survey of India.

(₹in crore)

Year	Amount transferred to Ad-hoc CAMPA	Amount received by State CAMPA from Ad-hoc CAMPA	Expenditure incurred by State CAMPA	Accumulation of funds with State CAMPA ²⁵¹
2006-07	9.67	Nil	Nil	Nil
2007-08	4.53	Nil	Nil	Nil
2008-09	2.78	Nil	Nil	Nil
2009-10	2.19	3.54	Nil	3.54
2010-11	34.23	2.58	0.54	5.58
2011-12	4.03	Nil	1.39	4.19
Total	57.43	6.12	1.93	

As can be seen from the table, in compliance with the orders of the Supreme Court, 11 per cent of the total Compensatory Afforestation funds remitted by State CAMPA to Ad-hoc CAMPA were released between 2009-12. Of ₹ 6.12 crore released against APOs, 68 per cent remained unutilised, leading to accumulation of funds with State CAMPA.

3. Receipts into State CAMPA

The cases of non recovery/short recovery of NPV/CA/PCA etc. in Tripura that came to the notice of audit are given below. The gist of these cases is also given in table 24 and 26 in Chapter 3.

Sl. No.	Description	Amount
1.	There were 16 cases ²⁵² involving forest land of 5,741.55 ha in which NPV was not collected from the user agencies ²⁵³ to whom in principle approval was granted before October 2002 and the final approval was granted after that.	333.01 ²⁵⁴
2.	The Supreme Court revised the rate of NPV from March 2008 based on the recommendations of an Expert Committee. However test check of records of four forest divisions ²⁵⁵ revealed that in 12 cases NPV was not collected at revised rates. Ministry stated (April 2013) that action had been taken for recovery of outstanding NPV from user agencies.	0.18
	Total	333.19

²⁵¹ Cumulative amount at the end of the year lying unutilised with State CAMPA out of the funds released by Ad-hoc CAMPA 2009 onwards.

²⁵² As per status report of MoEF issued on 16 March 2012.

²⁵³ Rubber Plantation, GAS Based COMBI-NED Cycle Power Project, Govt. Agencies

²⁵⁴ Audit estimated the total amount of NPV due in these cases on a conservative basis by applying the minimum rate of ₹ 5.80 lakh per hectare (5741.55 x 5.8)

²⁵⁵ Teliamura, Bagafa, West and Trishna

4. Utilisation of CAMPA funds

4.1 Year wise and component wise breakup of funds allotted to State CAMPA and utilisation of the funds released.

(₹ in crore)

Main-Components	2009-10			2010-11			2011-12		
	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure
NPV²⁵⁶					2.30	0.54		2.24	1.31
Compensatory Afforestation					0.09	0		0.26	0.08
Protected Area²⁵⁷					0	0		0	0
CAT Plan					0	0		0	0
Other specified activities					0	0		0	0
Total	3.54	Nil	Nil	2.58	2.39	0.54	Nil	2.50	1.39

*The figures of allotment and expenditure pertain to only six divisions test checked in audit. Information for entire state not made available by Nodal Office.

Funds were released by Ad-hoc CAMPA without submission of APO for the year 2009-10. APO for the year 2010-11 was submitted in October 2010 and the funds were released in January 2011 after a delay of ten months.

The percentage of expenditure incurred as against the amounts released by Ad-hoc CAMPA was zero *per cent* in 2009-10 and 9 *per cent* in 2010-11. Further, the implementing agencies could not expend substantial portion of amount released by the State CAMPA in the years 2010-11 and 2011-12. Though the percentage of expenditure had increased progressively, concerns remain on the absorptive capacity of the State considering that ₹ 92.73 crore (including interest) are accumulated with Ad-hoc CAMPA in the Compensatory Afforestation Fund for the State (31 March 2012) and can be released only for specified forestry related activities.

²⁵⁶ NPV is spent on protection, conservation and management of forest

²⁵⁷ Protected Area Fund is spent on wildlife management

4.2 Irregularities in utilisation of funds

(₹ in crore)

Nature of irregularity	Description	Amount
Excess expenditure over allotment of funds	<p>Direction and Administrative division, Agartala incurred expenditure of ₹ 0.07 crore on TA against the provision of ₹ 0.04 crore in APO for 2011-12 and Sadar forest division incurred expenditure of ₹ 0.08 crore on TA against the provision of ₹ 0.06 crore and incurred expenditure ₹ 0.22 crore on strengthening of forest protection mechanism against provision of ₹ 0.13 crore in APO for 2011-12 by diverting funds from other activities.</p> <p>Ministry stated (April 2013) that expenditure was incurred within the provisions made in APO. The reply was not based on facts as expenditure on the above heads was incurred by diverting funds from the provisions made in the APO for other activities.</p>	0.14

5. Land Management

5.1 Fact sheet

Particulars(2006-12)	
Forest land diverted	As per records of RO ²⁵⁸ – 191.42 ha ²⁵⁹ As per records of NO – 696.22 ha
Non forest land received in lieu	As per records of RO – 10.91 ha As per records of NO – 10.95 ha
Non forest land short received	As per records of RO – 180.51 ha As per records of NO – 685.27 ha
Chief Secretary Certificate on non availability of non forest land attached	NA
Area identified for CA as per NO	On degraded forest land – 1,597.45 ha On Non forest land – 10.95 ha
Area on which CA done as per NO	On degraded forest land – 80.00 ha On Non forest land – Nil
Received Non forest land transferred/mutated	As per records of RO- Nil As per records of NO – 10.95 ha
Non forest land received notified as reserved/protected forest	As per records of RO- Nil As per records of NO – Nil

As is evident from the table, there were un-reconciled variations in the data provided by the Nodal Officer of the State CAMPA and the concerned Regional Office of MoEF. As per the records of RO, forest land diverted for non forestry purposes was 191.42 ha and the non forest land received in lieu thereof was six *per cent* while as per records of NO, the figures

²⁵⁸ Regional Office (RO) of Ministry of Environment & Forests and Nodal Officer (NO) of State Forests Department

²⁵⁹ Excluding exempted projects

were 696.22 ha and two *per cent*, respectively. As per records of RO, no non forest land was transferred /mutated in favour of the forest department and notified as RF/PF while as per NO out of 10.95 ha non forest land transferred/ mutated in favour of forest department no non forest land was declared as RF/PF. As per records of NO, no afforestation was done on non forest land and afforestation done on degraded forest land was five *per cent* of the area to be afforested.

5.2 Irregularities in land management

Nature of irregularity	Description
Shortfall in execution of CA work	<p>Against diversion of 696 ha forest land in 124 cases during 2006-12, CA was to be done on 1,608 ha land (1,597 ha forest land and 11 ha non forestland). However, CA was carried out only in two cases of 60 ha forest land at a cost of ₹ 0.17 crore in the year 2006-07. Thereafter, no CA was done during last five years 2007-2012. Further, provision of ₹ 0.09 crore only for CA was made in the APO for 2010-11 and no provision was made for CA in the APO for 2011-12. It clearly indicates that CA activities were ignored in the state.</p> <p>Ministry stated (April 2013) that CA could not be undertaken by State CAMPA due to non-provision of funds under CA. The reply only confirms the low priority accorded by the State CAMPA to the CA activities.</p>

6. Status of Accounts and audit of State CAMPA Accounts

As per State CAMPA guidelines issued by MoEF, the accounts of State CAMPA were to be audited by the Accountant General at such intervals as may be specified by him. However, State CAMPA did not prepare its annual accounts for the years 2009-10 to 2011-12 in the prescribed format. In the absence of proper accounts, these could not be audited.

Further, as per State CAMPA guidelines, the State Government and the MoEF had the powers to conduct special audit or performance audit of the state CAMPA. However, no such audit was conducted.

Ministry stated (April 2013) that annual accounts of State CAMPA for the years 2009-10 to 2011-12 were under preparation and would be submitted shortly.

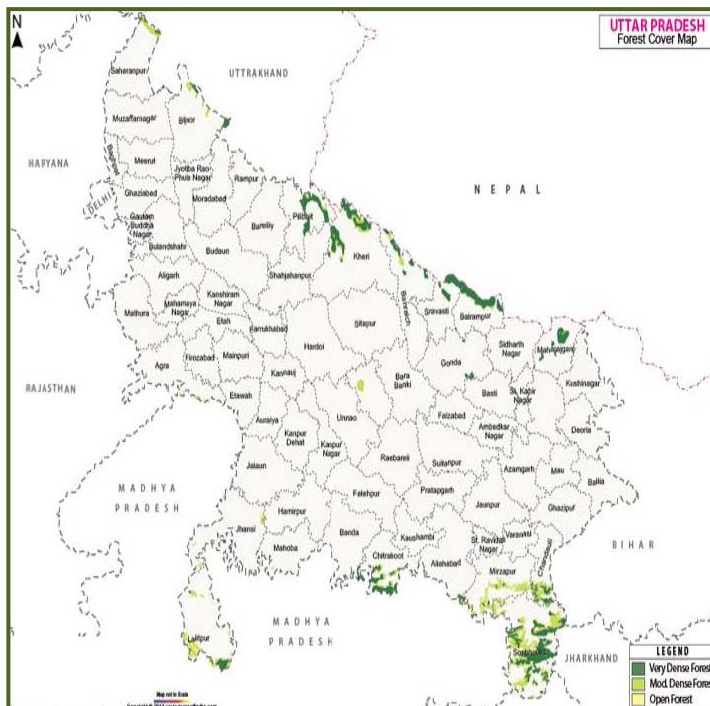
7. Monitoring

As per the State CAMPA guidelines the Steering Committee was to meet twice in a year. The Steering Committee of Tripura CAMPA met two times during 2009-12 as against six times. The Executive Committee met once during 2009-12. Ministry accepted the audit observations (April 2013).

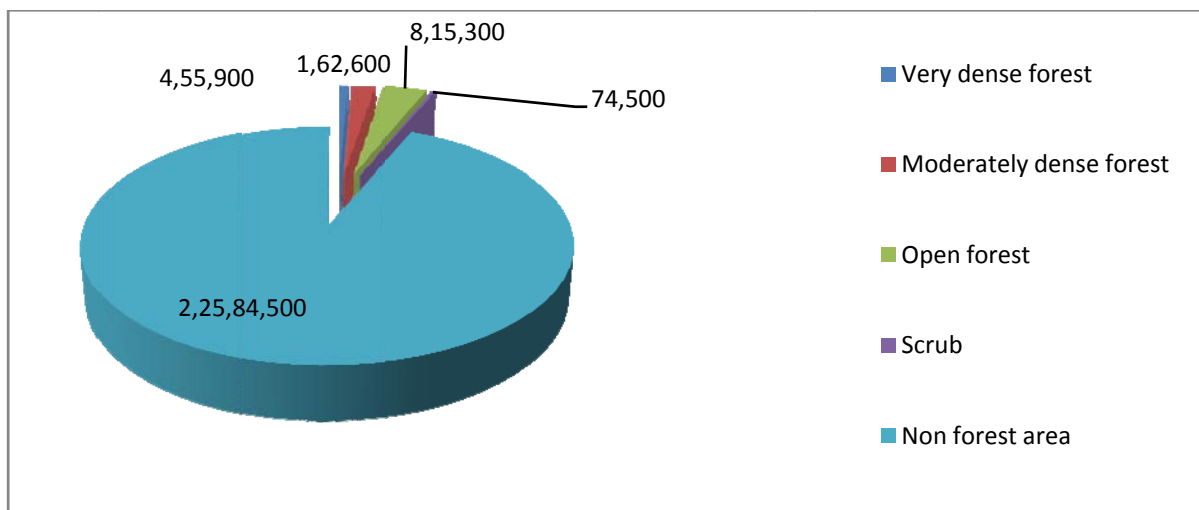
Uttar Pradesh

1. Background²⁶⁰

The total geographical area of Uttar Pradesh is 2,40,92,800 hectare. Based on the interpretation of satellite data of October 2008- January 2009, the forest cover in the state was 14,33,800 hectare which was 5.95 per cent of the State’s geographical area. In terms of forest canopy density classes, the State had 1,62,600 hectare of area under very dense forest, 4,55,900 hectare of area under moderately dense forest and 8,15,300 hectare of area under open forest. Compared with the previous assessment of 2009, the forest cover showed a marginal decrease of 300 hectare in the 2011 assessment.



Forest cover – Types of forest (in hectare)-2011



2. Compensatory Afforestation Fund of the State

It was decided in 4th meeting of CAMPA Advisory Council held on 25 January 2012 that the State CAMPAs should not work as Societies registered under the Societies Registration Act, 1862. Wherever States had registered the State CAMPAs as Societies, they should disband these so as to conform to the State CAMPA Guidelines. During test check records of State

²⁶⁰Source: India State of Forest Report 2011 published by Forest Survey of India.

CAMPA it was found that State CAMPA was registered as a society under the Societies registration Act of the State and still functioning as such.

State CAMPA was constituted in August 2010. Funds remitted by State CAMPA to Ad-hoc CAMPA, funds released by Ad-hoc CAMPA to State CAMPA and expenditure incurred there against during the period 2006-07 to 2011-12 were as detailed below.

(₹ in crore)

Year	Amount transferred to Ad-hoc CAMPA	Amount received by State CAMPA from Ad-hoc CAMPA	Expenditure incurred by State CAMPA	Accumulation of funds with State CAMPA ²⁶¹
2006-07	303.37	Nil	Nil	Nil
2007-08	91.21	Nil	Nil	Nil
2008-09	35.97	Nil	Nil	Nil
2009-10	16.90	Nil	Nil	Nil
2010-11	95.23	47.10	32.51	14.59
2011-12	41.84	35.35	6.05	43.89
Total	584.52	82.45	38.56	

As can be seen from the table, in compliance with the orders of the Supreme Court, 14 per cent of the total Compensatory Afforestation funds remitted by State CAMPA to Ad-hoc CAMPA were released between 2009-12. Of ₹ 82.45 crore released against APOs, 53 per cent remained unutilised, leading to accumulation of funds with State CAMPA. Funds of ₹ 22.93 crore were not remitted by State CAMPA to Ad-hoc CAMPA and were deposited in State Government account.

3. Receipts into State CAMPA

The cases of non recovery/short recovery/excess recovery of NPV/CA/PCA etc. in Uttar Pradesh that came to the notice of audit are given below. The gist of these cases is also given in table 24 and 27 in Chapter 3.

(₹ in crore)

Sl. No.	Description	Amount
1	There were 2 cases ²⁶² involving forest land of 1,149.87 ha in which NPV was not collected from the user agencies to whom in principle approval was granted before October 2002 and the final approval was granted after that.	66.69 ²³⁸
2	State Government order of 5 December 2007 provided that due to difficulties in providing the land on sites of felling of trees, NHAI shall make available the	54.11

²⁶¹ Cumulative amount at the end of the year lying unutilised with State CAMPA out of the funds released by Ad-hoc CAMPA 2009 onwards.

²⁶² As per status report of MoEF issued on 16 March 2012.

²³⁸ Audit estimated the total amount of NPV due in these cases on a conservative basis by applying the minimum rate of ₹ 5.80 lakh per hectare (1,149.87 x 5.8)

Sl. No.	Description	Amount
	<p>amount equivalent to market price of land equivalent to 10 meter strip and plantation cost on the strip. In November 2009, State Government waived the condition and provided that apart from land or its cost made available by NHAI up to 14 January 2009, no additional demand in that respect would be raised.</p> <p>In spite of State Government's order of December 2007 no demand for the cost of land equivalent to 10 meter strip on length of highway in 13 districts amounting to ₹ 54.11 crore was raised to NHAI. The project was completed in the year 2009-10. In view of order of State Government of November 2009, no demand could be raised.</p> <p>Thus, due to inaction of divisions, State CAMPA sustained loss of ₹ 54.11 crore (considering the circle rates of respective district for rural agricultural land) in respect of 652.31 hectare land in 13 districts involved in the project.</p>	
3	<p>In Gonda forest division, 4.10 acre forest land was diverted to Bajaj Hindustan Sugar Industry Limited in November 2006 without recovery of PCA of ₹ 0.01 crore stipulated in MoEF's approval for diversion of land. Further, premium of ₹ 0.07 crore and interest on premium had also not been recovered.</p> <p>Ministry stated (April 2013) that PCA of ₹ 0.01 crore has been recovered from user agency. The reply of Ministry was silent regarding recovery of premium and interest of ₹ 0.07 crore from user agency.</p>	0.08
4	<p>In three forest divisions (Mathura, Bahraich and Chitrakoot) NPV/CA of ₹ 0.10 crore remained unrecovered from user agencies.</p> <p>Ministry stated (April 2013) that instructions had been issued to all forest divisions to take steps to recover NPV/CA.</p>	0.10
5	<p>In Bahraich Forest division, diversion of 3.32 ha forest land was allowed to U.P Network Pvt. Ltd. without deposit of CA of ₹ 0.05 crore. The amount remained unrecovered as of December 2012 for which no responsibility was fixed.</p> <p>Ministry stated (April 2013) that user agency did not deposit CA of ₹ 0.05 crore despite pursuance through several reminders and in fact no CA was required in this case and the user agency was asked to deposit the amount on account of recovery of loss as precautionary measure. The fact remains that amount of ₹ 0.05 crore could not be recovered from user agency by the state forest department.</p>	0.05
6	<p>As per order of the Supreme Court of 9th May 2008, full exemption from payment of NPV was allowed for laying of underground optical fibre cable if (a) no felling of tree was involved; and (b) area fell outside National Park/Sanctuary. However, forest department made irregular recovery of ₹ 2.81 crore during the period 2009 to 2011 for laying of optical fibre cable.</p>	2.81
7	<p>Three forest divisions (Bahraich, Najibabad and Barabanki) made excess recovery of NPV of ₹ 0.82 crore due to wrong classification of diverted forest land. The user agencies included N.E Railway, PGCIL, MORT and IOC.</p> <p>Ministry stated (April 2013) that as a matter of abundant precaution the NPV was recovered at the highest rate i.e. ₹ 9.20 per ha from user agencies.</p>	(-) 0.82
Total		123.84

4. Utilisation of CAMPA funds

4.1 Year wise and component wise breakup of funds allotted to State CAMPA and the utilisation of the funds released.

(₹ in crore)

Main-Components	2009-10			2010-11			2011-12		
	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure
NPV ²⁶³					11.94	11.34		0	0
Compensatory Afforestation					21.75	20.56		12.32	6.05
Protected Area ²⁶⁴					0	0		0	0
CAT Plan					0	0		0	0
Other specified activities					2.53	0.61		0	0
Total	Nil	Nil	Nil	47.10	36.22	32.51	35.35	12.32	6.05

No APO was prepared for the year 2009-10 and no funds were released by Ad-hoc CAMPA. APOs for the year 2010-11 and 2011-12 were submitted after a delay of eight to 12 months.

From the table it is evident that the State CAMPA did not release the entire amount received from Ad-hoc CAMPA against APOs to the implementing agencies. The amount released was 77 per cent in 2010-11 and 35 per cent in 2011-12. The percentage of expenditure incurred as against the amounts release by Ad-hoc CAMPA was 69 per cent in 2010-11 and 17 per cent in 2011-12. Further, the implementing agencies could not expend substantial portion of amount released by the State CAMPA in the years 2010-11 and 2011-12. Concerns remain on the absorptive capacity of the State considering that ₹ 752.94 crore (including interest) are accumulated with Ad-hoc CAMPA in the Compensatory Afforestation Fund for the State (31 March 2012) and can be released only for specified forestry related activities.

²⁶³ NPV is spent on Protection, Conservation and Management of forest

²⁶⁴ Protected Area Funds is spent on Wildlife Management

4.2 Irregularities in utilisation of funds

(₹ in crore)

Sl. No.	Nature of irregularity	Description	Amount
1	Irregular diversion of afforestation money	Afforestation in 20 hectare area was done along Lucknow-Faizabad highway out of fund received from Airtel for other project in 2008 at a cost of ₹ 0.97 crore. Diversion of CA money received from a user agency for afforestation against project of another user agency was irregular. Ministry stated (April 2013) that as per sanction of State Government, plantation could be carried out along road side anywhere in eastern UP. The reply is not tenable as diversion of money from one project to another project was irregular.	0.97
2	Delay in release of funds to units by State CAMPA	State CAMPA released funds to its various units in March 2011 out of a sum of ₹ 47.10 crore received from Ad-hoc CAMPA for 2010-11. Thus, release of funds by State CAMPA at the fag end of the year in the month of March 2011 for the works to be undertaken in the year 2010-11 was improper. Ministry accepted the audit observation (April 2013).	
3	Doubtful expenditure on works	Basti forest division raised additional demand of ₹ 0.33 crore for the works in first phase and ₹ 0.11 crore for second phase in October 2011 on the basis of rates revised in June 2011 whereas in UC for ₹ 6.70 crore sent by Basti forest division on 23 August 2011 it was mentioned that the entire sum had been utilised up to 20 August 2011. Thus, demand of additional amount and its release to the division was not justified as the work was already completed. Ministry stated (April 2013) that reply was awaited from concerned divisions.	0.44
4	Extra expenditure on afforestation	Faizabad division procured barbed wire on short term tender basis at the rate of ₹ 63,000/MT instead of rate contract adopted by other divisions. Further, Faizabad division also procured RCC, pillars at the rate of ₹ 281 per piece whereas approved estimate was ₹ 170 per piece. This resulted in extra expenditure of ₹ 0.29 crore. Ministry stated (April 2013) that extra expenditure was due to increase in cost of materials. The fact remains that the materials were not procured at the rate contract adopted by other divisions.	0.29
5	Extra expenditure on plantation in brick guard	Awadh Forest division executed plantation in iron tree guard in area falling under city/populated areas and Gorakhpur forest division planted trees in 3,000 brick guards at various location of Gorakhpur city at an extra expenditure of ₹ 0.21 crore. As per norms of social forestry, brick guard is used in area where human population is very few or along highways whereas iron tree guard is used in urban/populated areas. The use of brick guard in city limits was in violation of norms of social forestry and also led to extra expenditure of ₹ 0.21 crore.	0.21

Sl. No.	Nature of irregularity	Description	Amount
		Ministry stated (April 2013) that creation of brick guards was as per approved working plan of Gorakhpur division. The reply is not tenable since installation of brick guards/iron guards was not as per norms of social forestry..	
6	Excess expenditure on construction of jeepable road	In Banki and Kampierganj range, 48,500 metre jeepable road was constructed at the rate of ₹ 57.70 per metre against the approved rate of ₹ 45 per metre resulting in excess expenditure of ₹ 0.06 crore. Ministry stated (April 2013) that reply was awaited from concerned divisions.	0.06
7	Disproportionate allocation of CA funds	APOs were prepared without any rational basis, because allocation of CA money was not based on receipts. For instance Faizabad and Unnao received 96 and 92 <i>per cent</i> of receipts as allocation of CA whereas Shivalik and Renukoot received 15 and 2 <i>per cent</i> of receipts and Lalitpur got no allocation in APO for 2009-10 despite having receipt of ₹ 6.83 crore. This disproportionate allocation of CA was also not corrected by State Steering Committee while according approval of APOs. The allocation of CA should have been made proportionately on the basis of receipts. Ministry stated (April 2013) that disproportionate allocation of CA funds was due to non-submission/delay in submission of APOs.	
8	Non compliance of the Supreme Court order for execution of work	As per guidelines of MNREGA, work was to be given to rural people having job card and payment was to be made directly into their bank accounts. Test check of records revealed that all the forest divisions made cash payment to labourers through muster roll and the payments were made at the rate of ₹ 100 per day instead of ₹ 120 per day applicable up to December 2011 and ₹ 125 per day from January 2012 for the works executed under MNREGA. Ministry stated (April 2013) that payment to labourers was made at the rate ₹ 100 per day as per notification of state government of 2007. The fact remains that payment to labourers was not made at the revised rates and payment was made in cash and it was not deposited into their bank account as per guidelines of MNREGA.	
9	Fake utilisation certificates	State CAMPA released a sum of ₹ 0.70 crore for installation of solar lights at the rate of ₹ 23,351 per light to various divisions. However, a subsidy of ₹ 7,100 was available during 2011-12 if purchases were made from NEDA. Forest divisions procured solar lights from NEDA at the rate of ₹ 16,251 per light after availing subsidy. The UCs was however sent for ₹ 23,351 per light. Hence, ₹ 7,100 per light was irregularly shown as utilised in the UCs. Ministry stated (April 2013) that all the divisions did not avail subsidy available for solar light.	

Sl. No.	Nature of irregularity	Description	Amount
10	Diversion of plantation sites without approval of MoEF	Awadh forest division executed afforestation works in 22 out of 27 cases at sites which were different from the sites approved in APO for 2009-10 without approval of the MoEF. Ministry stated (April 2013) that the modifications were made through revised APOs. The reply of Ministry is not tenable as plantation sites were changed without approval of MoEF.	
11	Loss of interest due to late opening of interest bearing bank account	As per state CAMPA, the monies received in the State CAMPA shall be kept in interest-bearing account in nationalized bank and periodically withdrawn for the works as per APOs approved by the Steering Committee. In Awadh, Gorakhpur, Faizabad forest divisions there was loss of interest of ₹ 8.60 lakh (@ 4 per cent) due to delay in opening of interest bearing bank account for the funds received from state CAMPA. Ministry accepted the audit observation (April 2013).	
	Total		1.97

5. Land Management

5.1 Fact Sheet

Particulars (2006-12)	
Forest land diverted	As per records of RO ²⁶⁵ – 1,117.24 ha ²⁶⁶ As per records of NO – 2,995.23 ha
Non forest land received in lieu	As per records of RO – 535.23 ha As per records of NO – 374.23 ha
Non forest land short received	As per records of RO – 582.01 ha As per records of NO – 2,621.00 ha
Chief Secretary Certificate on non availability of non forest land attached	No
Area identified for CA as per NO	On degraded forest land – 1,731.11 ha On Non forest land – 229.91 ha
Area on which CA done as per NO	On degraded forest land – 1,177.40 ha On Non forest land – Nil
Received Non forest land transferred/mutated	As per records of RO- Nil As per records of NO – 255.77 ha
Non forest land received notified as reserved/protected forest	As per records of RO- Nil As per records of NO – 61.04 ha

²⁶⁵ Regional Office (RO) of Ministry of Environment & Forests and Nodal Officer (NO) of State Forests Department

²⁶⁶ Excluding exempted projects

As is evident from the table, there were un-reconciled variations in the data provided by the Nodal Officer of the State CAMPA and the concerned Regional Office of MoEF. As per the records of RO, forest land diverted for non forestry purposes was 1,117.24ha and the non forest land received in lieu thereof was 48 *per cent* while as per records of NO the figures were 2,995.23 ha and 12 *per cent*, respectively. As per records of RO, no non forest land was transferred /mutated in favour of the forest department and notified as RF/PF while as per NO out of 255.77ha non forest land transferred/ mutated in favour of forest department only 61.04 ha non forest land was declared as RF/PF. As per records of NO, no afforestation was done on non forest land and afforestation done on degraded forest land was 68 *per cent* of the area to be afforested. In 38 forest divisions, against 29,271.22 ha of forest land diverted (since 2002) for non forest purpose, non forest land of 374.24 ha (1.28 *per cent* of land diverted) was received. 28,838.61 ha of non forest land was not received. The valuation of non forest land of 28,838.61 ha worked out to ₹ 3,323.84 crore (calculated on the applicable circle rates of respective district²⁶⁷).

Ministry stated (April 2013) that in all cases, it was not required to get equivalent non-forest land in lieu of diversion of forest land. However, Ministry did not furnish details of cases where non-forest land was not received in lieu of diversion of forest land.

5.2 Irregularities in land management

Sl. No.	Nature of irregularity	Description
1	Use of forest land for non-forest purpose without approval of MoEF	In Lalitpur forest division, state irrigation department executed four irrigation projects on 70.84 ha forest land and UP SMDC (a State PSU) executed mining work on 32.78 ha forest land without the approval of MoEF. No NPV/CA was recovered in these cases. Land measuring 368.10 ha was used by irrigation department for construction of Shajad dam during 1974 to 1992 without approval of MoEF. As before the completion of project, Forest (Conservation) Act, 1980 came into existence, proposal for post facto approval for diversion of forest land was sent by the State Government in July 2000. The final approval of the project was still awaited. Against the demanded NPV/CA/PCA of ₹ 53.29 crore only ₹ 2.10 crore were realised and a sum of ₹ 51.19 crore remained unrealised. Ministry stated (April 2013) that no mining was permitted on the forest land and the matter was under consideration of State Government.
2	Grant of mining lease in violation of rules	Forest (Conservation) Act 1980 and MMDR Act 1957 stipulates that for diversion of forest land for grant/renewal of mining leases shall normally be granted for a period not exceeding 30 years. In Renukoot forest division, mining lease for NCL, Dudhi Chua and Kharia was granted by MoEF for 40 years which was contrary to the rules.

²⁶⁷The value of land has been calculated taking the minimum of circle rates of agricultural land which could be obtained. Efforts were made to arrange all the circle rates to work out the total value of non forest land which could not be received.

Sl. No.	Nature of irregularity	Description
		Ministry stated (April 2013) that sanction of mining lease for 40 years was issued after due consideration by State Government. The fact remains that grant of mining lease beyond 30 years was in violation of FC Act 1980 and MMDR Act 1957.
3	Execution of project in violation of MoEF orders	As per MoEF OM dated 2 December 2009, all projects that fall within 10 km boundary of National Parks and Sanctuaries would be subject to recommendation of standing committee of National Board of Wildlife (NBWL). In Kaimoor wildlife division, JP Associates limited (JAL) started construction of 4x60 MW captive power plant at a place close to Kaimoor wildlife sanctuary (about 1.5 km) without obtaining clearance from NBWL as it involved change of land use and construction within 10 km of the sanctuary. Ministry accepted the audit observation (April 2013).
4	Construction of approach road without approval of MoEF	Approach road was constructed for petrol pumps, hotels and other commercial establishments along protected forest area without approval of MoEF which was in contravention of FC Act, 1980. Accepting the facts, Ministry stated (April 2013) that all forest divisions had been instructed to get ex-post facto sanction in these cases.

6. Status of Accounts and audit of State CAMPA Accounts

As per State CAMPA guidelines issued by MoEF, the accounts of State CAMPA were to be audited by the Accountant General at such intervals as may be specified by him. However, State CAMPA did not prepare its annual accounts for the years 2010-11 to 2011-12 in the prescribed format and got the accounts audited by Chartered Accountants.

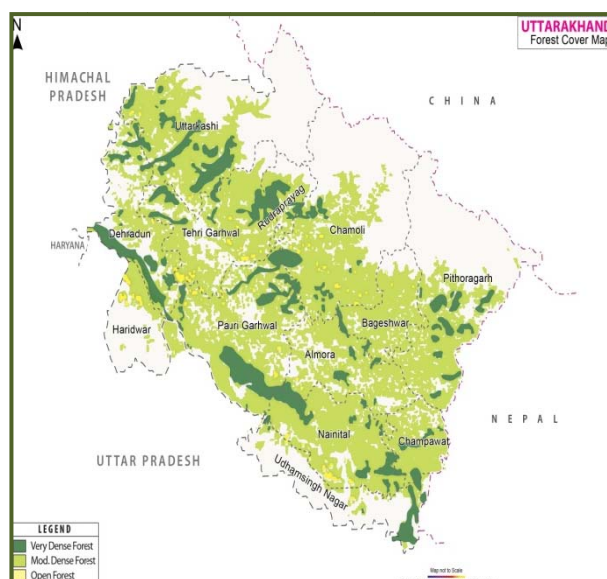
7. Monitoring

As per the state CAMPA guidelines the Steering Committee was to meet twice in a year. The Steering Committee of Uttar Pradesh CAMPA met three times during 2009-12 as against six times. The Executive Committee met six times during 2009-12. The Governing body met once only during 2009-12.

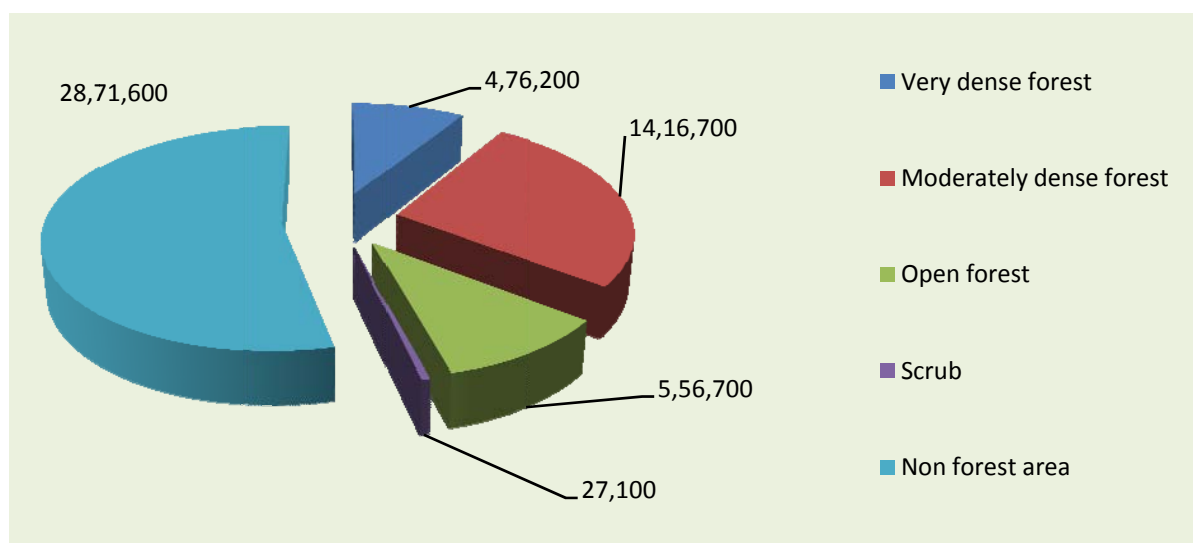
Uttarakhand

1. Background²⁶⁸

The total geographical area of Uttarakhand is 53,48,300 hectare. Based on the interpretation of satellite data of October - December 2008, the forest cover in the State was 24,49,600 hectare which was 45.80 *per cent* of the State's geographical area. In terms of forest canopy density classes, the State had 4,76,200 hectare of area under very dense forest, 14,16,700 hectare of area under moderately dense forest and 5,56,700 hectare of area under open forest. Compared with the previous assessment of 2009, the forest cover showed a marginal increase of 100 hectare in the 2011 assessment.



Forest cover – Types of forest (in hectare)-2011



2. Compensatory Afforestation funds of the State

State CAMPA was constituted in November 2009. Funds remitted by State CAMPA to Ad-hoc CAMPA, funds released by Ad-hoc CAMPA to State CAMPA and expenditure incurred there against during the period 2006-07 to 2011-12 were as detailed below.

²⁶⁸Source: India State of Forest Report 2011 published by Forest Survey of India.

(₹ in crore)

Year	Amount transferred to Ad-hoc CAMPA	Amount received by State CAMPA from Ad-hoc CAMPA	Expenditure incurred by State CAMPA	Accumulation of funds with State CAMPA ²⁶⁹
2005-06	228.34	Nil	Nil	Nil
2006-07	206.96	Nil	Nil	Nil
2007-08	226.34	Nil	Nil	Nil
2008-09	161.17	Nil	Nil	Nil
2009-10	299.15	81.65	Nil	81.65
2010-11	105.52	82.75	43.60	120.80
2011-12	69.48	Nil	60.28	60.52
Total	1296.96	164.40	103.88	

As can be seen from the table, in compliance with the orders of the Supreme Court, 13 *per cent* of the total Compensatory Afforestation funds remitted by State CAMPA to Ad-hoc CAMPA were released between 2009-12. Of ₹ 164.40 crore released against APOs, 37 *per cent* remained unutilised, leading to accumulation of funds with State CAMPA. Funds of ₹ 8.92 crore were not remitted by State CAMPA to Ad-hoc CAMPA and were deposited in State Government account.

3. Receipts into State CAMPA

The cases of non recovery/short recovery of NPV/CA/PCA etc. in Uttarakhand that came to the notice of audit are given below. The gist of these cases is also given in table 24 and 27 in Chapter 3.

(₹ in crore)

Sl. No.	Description	Amount
1	There were 23 cases ²⁷⁰ involving forest land of 3,433.27 ha in which NPV was not collected from the user agencies ²⁷¹ to whom in principle approval was granted before October 2002 and the final approval was granted after that.	199.13 ²⁷²
2	In Haridwar forest division, against the requirement of ₹ 18.10 crore, only ₹ 12.45 crore was deposited by the user agency (UVVN) to whom mining lease was granted for ten years for the period upto 2012 resulting in short realization	5.65

²⁶⁹ Cumulative amount at the end of the year lying unutilised with State CAMPA out of the funds released by Ad-hoc CAMPA 2009 onwards.

²⁷⁰ As per status report of MoEF issued on 16 March 2012.

²⁷¹ M/s Haldwani Stone Co. Lalkuan, Govt. Agency

²⁷² Audit estimated the total amount of NPV due in these cases on a conservative basis by applying the minimum rate of ₹5.80 lakh per hectare (3433.27 x 5.8)

Sl. No.	Description	Amount
	<p>of ₹5.65 crore.</p> <p>Further, after formation of Ad-hoc CAMPA in 2006, all funds were to be transferred to it. However, DFO Haridwar utilised ₹ 5.60 crore out of ₹ 9.77 crore deposited by UVVN during 2006-12 and remitted an amount of ₹ 4.17 crore only to State Nodal Office in contravention of State CAMPA guidelines.</p> <p>Ministry stated (April 2013) that audit observation pertained to the field level officers and reply would be submitted later.</p>	
3	<p>Four mining leases for extraction of minor minerals from 2,358.69 ha from rivers²⁷³ to UVVN were granted by MoEF in April 2011 for a period of one year with the condition that the user agency shall transfer the cost of raising and maintaining the CA at the current wage rate, to the forest department and all the funds received from the user agency under the project shall be transferred to Ad-hoc CAMPA. It was also specified that 50 <i>per cent</i> of the net profit earned by the UVVN from the collection of minor minerals shall be deposited for a SPV which shall be used exclusively for river training activities and management/protection of forests & wildlife in the same vicinity of forest land diverted for collection of minor minerals.</p> <p>Audit observed that an amount of ₹ 16.04 crore out of ₹ 20.81 crore realized in respect of Gaula river was remitted to Ad-hoc CAMPA, resulting in short transmission of ₹ 4.77 crore. No funds were received in respect of Kosi, Dabaka and Sharda rivers though lease period had already expired in April 2012. Further, no information regarding creation of corpus under SPV by the state Government and funds deposited under it by the user agencies was furnished to audit.</p> <p>Ministry stated (April 2013) that the amount had been deposited with the Ad-hoc CAMPA account. The reply of Ministry was not supported with the relevant documents.</p>	4.77
4	<p>In Tarai East forest division, Haldwani, user agency (UVVN) to whom mining lease for diversion of 468 ha in Nandor and Kailash rivers of districts Nainital and Udham Singh Nagar for ten years was granted by MoEF in October 2006 deposited only an amount of ₹ 47.85 lakh with DFO against the requirement of ₹ 2.78 crore resulting in short realization of ₹ 2.30 crore.</p> <p>Ministry stated (April 2013) that audit observation pertained to the field level officers and reply would be submitted later.</p>	2.30
5	<p>An amount of ₹ 25.45 lakh was not recovered from user agency (Border Road Organisation) on account of disposal debris pertaining to Pithoragarh-Tawaghat motor road as of November 2012.</p> <p>Ministry stated (April 2013) that matter was being pursued with the user agencies for the recovery of NPV.</p>	0.25

²⁷³Gaula (1497 ha), Kosi (254 ha), Dabka (223 ha), and Sharda (384.69 ha) of district Nainital

Sl. No.	Description	Amount
6	An amount of ₹ 16.55 lakh was not recovered from two user agencies ²⁷⁴ as required in terms and conditions of in principle (Stage I) approval granted by MoEF in June 2008 and final (Stage II) approval granted by MoEF in March 2012. However, the forest land had already been transferred to user agencies. Ministry stated (April 2013) that matter was being pursued with the user agencies for the recovery of CAMPA funds.	0.17
7	In three cases, NPV was charged only for 13.14 ha forest land instead of 13.25 ha forest land resulting in short realization of NPV of ₹ 1.28 lakh. Ministry stated (April 2013) that matter was being pursued with the user agencies for the recovery of NPV.	0.01
	Total	212.28

4. Utilisation of CAMPA funds

4.1 Year wise and component wise breakup of funds allotted to State CAMPA and the utilisation of the funds released.

(₹ in crore)

Main-Components	2009-10			2010-11			2011-12		
	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure
NPV ²⁷⁵					51.99	43.43		57.31	45.45
Compensatory Afforestation					0	0		13.29	11.90
Protected Area ²⁷⁶					0.75	0.17		0.79	0.79
CAT Plan					0	0		2.68	0.57
Other specified activities					0	0		1.80	1.57
Total	81.65	Nil	Nil	82.75	52.74	43.60	Nil	75.87	60.28

Funds were released by Ad-hoc CAMPA for the year 2009-10 without APO. The APO for the year 2009-10 was not prepared by State CAMPA instead a 10 year project was sent to MoEF on 16 March 2010. The APOs for the years 2010-11 and 2011-12 were prepared after a delay of five to seven months. Further, State CAMPA revised APO for the years 2010-11 and 2011-12 in May 2011 and October 2012 after the close of financial years. Thus, the delay in submission of APOs and its revision after close of the financial years indicated poor planning for the activities take up during the particular years.

²⁷⁴State Public Works Department and Uttarakhand Rural Road Development Agency

²⁷⁵ NPV is spent on Protection, Conservation & Management of forest

²⁷⁶ Protected Area Funds is spent on Wildlife Management

From the table it is evident that the State CAMPA did not release the entire amount received from Ad-hoc CAMPA against APOs to the implementing agencies. The amount released was zero *per cent* in 2009-10 and 64 *per cent* in 2010-11. The percentage of expenditure incurred as against the amounts release by Ad-hoc CAMPA was zero *per cent* in 2009-10 and 53 *per cent* in 2010-11. Further, the implementing agencies could not expend substantial portion of amount released by the State CAMPA in the years 2010-11 and 2011-12. The levels of expenditure were 83 *per cent* in 2010-11 and 79 *per cent* in 2011-12 of the amounts released. Though the percentage of expenditure had increased progressively over the last three years, concerns remain on the absorptive capacity of the State considering that ₹ 1,527.93 crore (including interest) are accumulated with Ad-hoc CAMPA in the Compensatory Afforestation Fund for the State (31 March 2012) and can be released only for specified forestry related activities.

First instalment of ₹ 81.65 crore was released by Ad-hoc CAMPA in August 2009 for implementation of CAMPA programme in the state but no funds were utilised by the State CAMPA during the year 2009-10 due to non-preparation of APO. In the years 2010-11 and 2011-12, the CAMPA programme was implemented/ executed in five categories viz. Net Present Value (NPV), Compensatory Afforestation (CA), Protected Area (PA), Others Activities²⁷⁷ and Catchment Area Treatment (CAT) Plan. Only two activities viz. NPV and PA were implemented and no emphasis on basic activities of CAMPA viz. CA and CAT plan was given by the state CAMPA in the year 2010-11. Ministry stated (April 2013) that emphasis was given on CA and CAT Plans in the year 2010-11 and 2011-12. The reply is not tenable as no expenditure was incurred under CA and CAT Plans in the year 2010-11.

4.2 Irregularities in utilisation of funds

(₹ in crore)

Sl. No.	Nature of irregularity	Description	Amount
1	Expenditure not authorised by State CAMPA guidelines and NCAC	CAMPA funds should not be used for creating infrastructure at State Forest headquarters and ecotourism. However test check revealed that expenditure was incurred on renovation of official residence of Principal Secretary (₹ 0.16 crore), maintenance of residential quarters (₹ 0.24 crore), Purchase of vehicles for PCCF-VP (₹ 0.05 crore), office expenses (₹ 0.72 crore), briquetting machines (₹0.13 crore), Atal Adarsh Gram Yojna (₹ 4.99 crore), Strengthening Van Panchayats and operational expenses etc. (₹ 5.35 crore), Honorarium (₹ 0.62 crore) etc. Ministry stated (April 2013) that audit observation pertained to the field level officers and reply would be submitted later.	12.26
2	Irregular expenditures out of CAMPA	Following irregular expenditure were made from CAMPA funds <ul style="list-style-type: none"> In Dehradun forest division, an expenditure of ₹ 2.84 lakh was incurred for providing lunch on the event of budget 	6.14

²⁷⁷Road side plantation, gap-filling, dwarf species plantation, monitoring & evaluation etc.

Sl. No.	Nature of irregularity	Description	Amount
	funds	<p>approval (March 2011) of forest department by State Assembly and ₹ 0.02crore on printing of Uttarakhand Forest Statistics 2010-11.</p> <ul style="list-style-type: none"> State CAMPA provided a financial assistance of ₹ 0.22 crore to 'Sparsh Ganga Board' during the year 2011-12 for conducting special campaign against pollution and plastic eradication despite the fact the Board was established by State Government. An expenditure of ₹ 2.13 crore was incurred on 19 activities which were not provided in the approved APO for 2010-11 and 2011-12. An expenditure of ₹ 3.74 crore was incurred on 25 activities in excess of provisions made in APO for 2010-11. <p>Ministry stated (April 2013) that expenditure on the above works was incurred as per approved APOs. The reply of Ministry is not tenable as the expenditure on the above works was in contravention of State CAMPA guidelines.</p>	
3	Irregular expenditure on protected area and other activities	<p>In the year 2011-12, an expenditure of ₹ 0.35 crore was incurred out of CAMPA funds on celebration of platinum jubilee of Corbett Tiger Reserve National Park which was not approved in the APO for 2011-12. Further, during the years 2010-11 and 2011-12, an expenditure of ₹ 0.15 crore was incurred on construction of buildings for forest guard chowkies which was in contravention to the provisions of the FC Act 1980 prohibiting any new construction in the National Parks.</p> <p>Ministry stated (April 2013) that audit observation pertained to the field level officers and reply would be submitted later.</p>	0.50
4	Non execution of CAT Plan work	<p>A CAT Plan was intended to mitigate erosion and landslide hazards resulting from the Hydro Power Project (HEP) activities. Accordingly, a comprehensive CAT plan taking care of soil erosion and landslide hazards was required to be undertaken in accordance with the State CAMPA guidelines. The cost of CAT plan of forest area was to be borne by the respective owner of the HEP which was around two <i>per cent</i> of the total project cost and forms the part of the CAMPA fund.</p> <p>However, funds earmarked for CAT plan of ₹ 9.21 crore were not utilised in the year 2010-11 and only a meagre amount of ₹ 0.57 crore (six <i>per cent</i>) could be utilised in the year 2011-12.</p> <p>Accepting the facts, Ministry stated (April 2013) that corrective measures had now been taken for execution of CAT Plans work</p>	

Sl. No.	Nature of irregularity	Description	Amount
		from the year 2011-12.	
5	Deficiencies in implementation of programmes	There were deficiencies in implementation of various programmes in the state CAMPA. Steering committee (SC) met on 04 October 2012 for approval of current outlay for the year 2012-13 but no detailed APO showing units wise/ activity wise proposals was put before the SC. Only a size of main components ²⁷⁸ amounting to ₹ 100 crore was approved by the SC and units/activities wise APO was not prepared (November 2012) with only four months left for its execution/ implementation. It was also decided by the SC that advance soil work in 4,681 ha and CA work in 540 ha would be done in the current year (2012-13) knowing the fact that the CA work in hilly areas could only be done in monsoon season; hence, it was not clear, how these targets of CA work could be achieved by the implementing agencies.	
6	Retention of funds in non-nationalised banks	Audit observed that CAMPA funds provided by state CAMPA to DFO, soil conservation division, Ranikhet; Pithoragarh forest division and Rudraprayag forest division were initially kept in non-nationalised banks (Rural/Co-operative Banks) for a period ranging from 13 to 15 months whereas funds of ₹ 1.90 crore provided to DFO, Champwat were kept in a current account of non-nationalised bank for a period 16 months. Thus, keeping of CAMPA funds in non-nationalised banks by DFOs was in contravention of the CAMPA Guidelines.	
7	Interest earned on CAMPA funds	During the test check of records of State CAMPA it was observed that funds available with State CAMPA were invested and a return of ₹ 18.02 crore was earned. However, at the same time this signifies that the funds made available by the Ad-hoc CAMPA were not being utilized timely by the State for intended purposes. Ministry stated (April 2013) that the focus of State CAMPA had been to provide enabling framework for execution of CAMPA's works strictly as per guidelines. The reply of Ministry is not tenable as instead of remitting the unspent funds to Ad-hoc CAMPA, these were invested with the banks as evident from the audit observation.	
	Total		18.90

²⁷⁸NPV (₹54.06 crore), CA (₹15 crore), PA (₹2crore), CAT Plan (₹20.94 crore), Others(₹8 crore).

5. Land Management

5.1 Fact sheet

Particulars (2006-12)	
Forest land diverted	As per records of RO ²⁷⁹ – 1,281.01 ha ²⁸⁰ As per records of NO – 9,669.74 ha
Non forest land received in lieu	As per records of RO – 3,315.23 ha As per records of NO – Nil
Non forest land short received	As per records of RO – (-) 2,034.22 ha As per records of NO – 9,669.74 ha
Chief Secretary Certificate on non availability of non forest land attached	Yes. Chief Secretary issued a general certificate in 2002 and 2009. Separate certificate on case to case basis was not obtained.
Area identified for CA as per NO	On degraded forest land – 19,339.46 ha On Non forest land – Nil
Area on which CA done as per NO	On degraded forest land – Nil for 2006-2011. 4,178 ha in 2011-12 On Non forest land – Nil
Received Non forest land transferred/mutated	As per records of RO- Nil As per records of NO – Nil
Non forest land received notified as reserved/protected forest	As per records of RO- Nil As per records of NO – Nil

As is evident from the table, there were un-reconciled variations in the data provided by the Nodal Officer of the State CAMPA and the concerned Regional Office of MoEF. As per the records of RO, forest land diverted for non forestry purposes was 1,281.01 ha and the non forest land received in lieu thereof was 3,315.23 ha (Civil-Soyam land was stated to have been received double in quantity to the forest land diverted) while as per records of NO the forest land diverted was 9,669.74 ha and no non forest land was received in lieu thereof. As per records of RO and NO, no non forest land was transferred /mutated in favour of the forest department and notified as RF/PF. As per records of NO, no afforestation was done on non forest land and afforestation done on degraded forest land was 22 *per cent* of the area to be afforested.

Further, CA on 19,339.48 ha degraded land was to be carried out by State CAMPA for which an amount of ₹ 82.84 crore was deposited with Ad-hoc CAMPA by the user agencies during the period 2006-12. It was however seen that CA on 4,178 ha degraded land was carried out during the year 2011-12 at a cost of ₹ 11.90 crore. It was further seen that despite of availability of funds, the State CAMPA did not make any provision for CA during the years 2009-10 and 2010-11. Further the provision made for CA for the year 2012-13 remained

²⁷⁹ Regional Office (RO) of Ministry of Environment & Forests and Nodal Officer (NO) of State Forests Department

²⁸⁰ Excluding exempted projects

unutilized as the growing monsoon season has already passed without carrying out any plantation work. Besides, it was also observed in audit that per hectare cost of CA work was not in consonance with the cost of CA being recovered from the user agencies. The CA work in the year 2011-12 was carried out by the department at the rate of ₹ 34,000 per ha whereas the user agencies were charged at the rate of ₹ 74,100 per ha. Ministry stated (April 2013) that Chief Secretary had certified in 2002 and 2009 that non-forest land was not available in the state. The reply of Ministry was not supported with the relevant documents. Ministry further stated that data pertaining to diversion of forest land and reconciliation of CA funds with Ad-hoc CAMPA would be verified by concerned Nodal Officer. It was also stated that the rates of CA were revised by CCF and the revised rates included in APO were approved by Steering Committee.

5.2 Irregularities observed in land management.

Sl. No.	Nature of irregularity	Description
1	Deficiencies in grant of mining leases	<p>As per paragraph 4.16 (i) of FC Act 1980, the approval for diversion of forest land for grant/renewal of mining leases was to be granted for a period co-terminus with the period of mining lease granted under Mines & Mineral Development (Regulation) Act, 1957 or rules framed thereunder. However, it was seen that in two cases of renewal of mining leases of major mineral was not co-terminus with the mining leases granted under MMDR Act as detailed below:</p> <ul style="list-style-type: none"> • A mining lease in favour of M/s Almora Magnesite Ltd., was initially granted in August 1984 by erstwhile State of Uttar Pradesh for a period up to May 2003 and as per provision of the FC Act, the MoEF could grant lease only up to February 2003. However, in contravention to this provision, lease under the FC Act was renewed by the MoEF in May 2001 for a period of 20 years (upto 2021) whereas the renewal of mining lease under MMDR Act was not permitted. • Similarly, another mining lease for mining of soap stone in favour of M/s N.S. Corporation, Jharkot which was initially granted in 1974 for 20 years was renewed in June 1995 for another 20 years (upto 2015). The permission for diversion of forest land under FC Act was granted by MoEF in July 2000 with the condition that period of diversion would be coterminous with the renewal of lease (i.e. upto May 2015). However, contrary to above condition, it was seen that the lease granted by the forest department to the firm under FC Act was for 20 years (upto 2020) from the date of issue of order (September 2000) by the state government. <p>Ministry stated (April 2013) that audit observation pertained to the field level officers and reply would be submitted later.</p>
2	Encroachment of forest land	<p>9,672.44 ha forest land was lying encroached, no efforts were made by the state forest department for its vacation.</p> <p>Ministry stated (April 2013) that audit observation pertained to the field level officers and reply would be submitted later.</p>

The audit also visited four CA sites at Chakrata, Mussoorie, Almora, and Pauri wherein the plantation works executed were found in existence but survival rate of these plantations could not be ascertained as the plantation was done in the year 2011-12 only. Some of the photographs taken by audit from these sites are given below:



Geographical Location: Kalsi-I (Panuwa-I) Longitude: 30o 35' 41" Latitude: 77o 53' 44"

Plantation work at Panuwa-I (DFO, Kalsi)



Amla Tree plantation at Mussoorie Forest Div under CAMPA

Plantation work at Mussoorie Forest Division

6. Status of Accounts and audit of State CAMPA Accounts

As per state CAMPA guidelines issued by MoEF, the accounts of state CAMPA were to be audited by the Accountant General at such intervals as may be specified by him. However, State CAMPA did not prepare its annual accounts for the years 2009-10 to 2011-12 in the prescribed format. In the absence of proper accounts, these could not be audited. The State CAMPA did not maintain cash book and subsidiary ledgers for the funds received from Ad-hoc CAMPA and expenditure incurred there from. In the absence of cash book and subsidiary ledgers, the receipts and payments of the years 2009-10 to 2011-12 could not be verified in audit

Further, as per State CAMPA guidelines, the State Government and the MoEF had the powers to conduct special audit or performance audit of the state CAMPA. However, no such audit was conducted.

Ministry stated (April 2013) that annual account for the year 2010-11 and 2011-12 had been prepared in the prescribed and submitted to audit. The reply of Ministry is not tenable as the annual accounts for the years 2009-12 submitted to audit, were not in the prescribed format.

7. Declining budgetary commitment towards forest

An analysis of State's budget and expenditure of Forest Department for the period 2008-09 to 2011-12 revealed that there was declining trend in departmental budget provisions and expenditure incurred, as detailed below:

(₹ in crore)

Year	Major head (MH) wise expenditure*				Expenditure under plantation and conservation of Forest
	MH-2406 (Plan)		MH-4406	MH-6406	
	BE	Actuals			
2008-09	195.23	146.89	17.35	Nil	49.68
2009-10	139.08	88.09	13.40	Nil	27.41
2010-11	109.65	95.05	16.47	Nil	40.33
2011-12	115.83	79.04	16.36	Nil	28.71

Source: Department & Finance Accounts figures (*summerised position of grant no. 27, 30 & 31).

The revenue expenditure under Major Head -2406 (plan) during 2009-10, 2010-11 and 2011-12 in comparison to the year 2008-09 stood at 60 *per cent*, 65 *per cent* and 54 *per cent* respectively which coincided with the onset of CAMPA programme in the State from the year 2009-10. Thus, the gradual withdrawal of budgetary support for forest management in the State was a set back as the funds received under CAMPA were meant for compensating the damages which occurred due to the implementation of various developmental projects in the State.

Ministry stated (April 2013) that audit observation pertained to the field level officers and reply would be submitted later.

8. Monitoring

As per the state CAMPA guidelines the Steering Committee was to meet twice in a year. The Steering Committee of Uttarakhand CAMPA met three times during 2009-12 as against six times. The Governing Body met once only during 2009-12.

9. Good practices in the state

A work of road side plantation (Pauri-Srinagar road) carried out by Garhwal Forest Division, Pauri was physically verified by audit and the work was commendable as can be seen from the photographs given below:

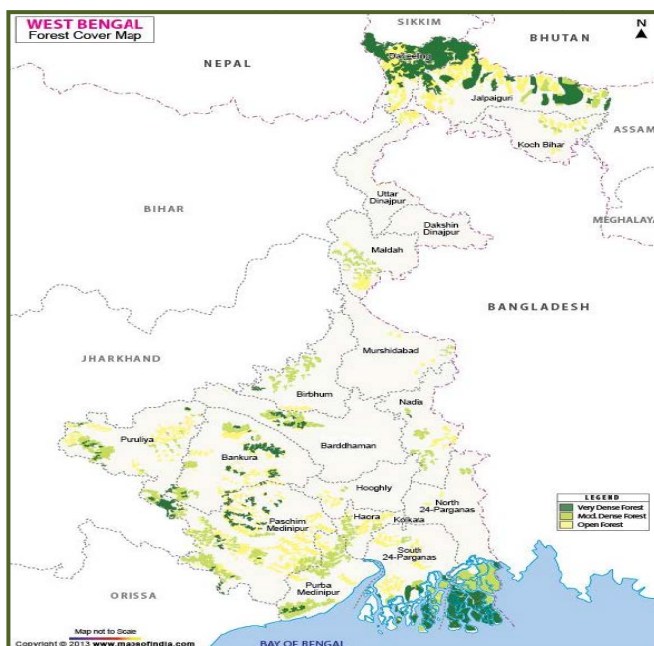


Photograph of a constructed building in Dhella Range (taken by audit team during physical verification) can be seen alongside.

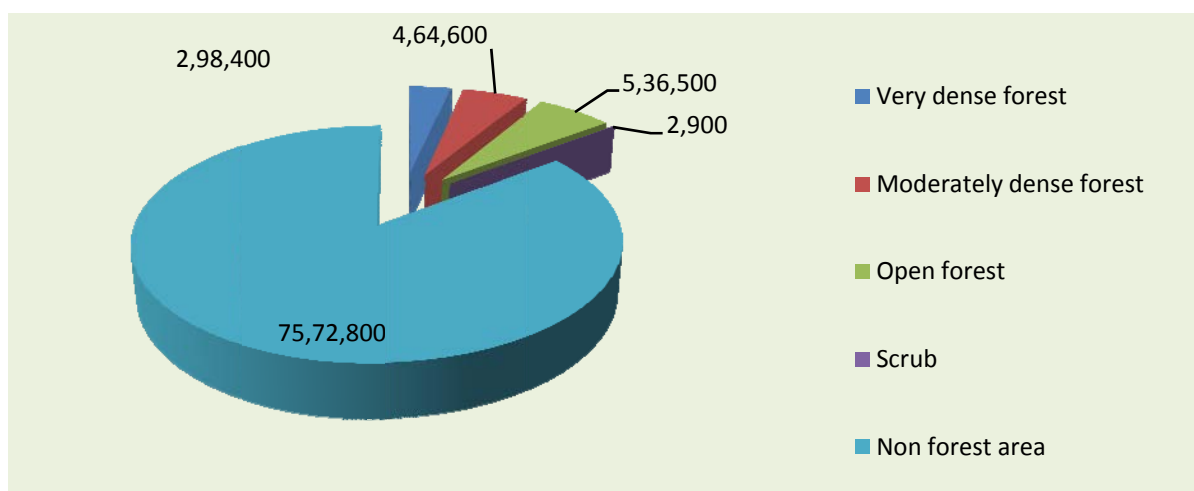
West Bengal

1. Background²⁸¹

The total geographical area of West Bengal is 88,75,200 hectare. Based on the interpretation of satellite data of November 2008- January 2009, the forest cover in the State was 12,99,500 hectare which was 14.64 per cent of the State's geographical area. In terms of forest canopy density classes, the State had 2,98,400 hectare of area under very dense forest, 4,64,600 hectare of area under moderately dense forest and 5,36,500 hectare of area under open forest. Compared with the previous assessment of 2009, the forest cover showed an increase of 100 hectare in the 2011 assessment.



Forest cover – Types of forest (in hectare)-2011



2. Compensatory Afforestation Fund of the State

State CAMPA was constituted in September 2009. Funds remitted by State CAMPA to Ad-hoc CAMPA, funds released by Ad-hoc CAMPA to State CAMPA and expenditure incurred there against during the period 2006-07 to 2011-12 were as detailed below.

²⁸¹Source: India State of Forest Report 2011 published by Forest Survey of India.

(₹ in crore)

Year	Amount transferred to Ad-hoc CAMPA	Amount received by State CAMPA from Ad-hoc CAMPA	Expenditure incurred by State CAMPA	Accumulation of funds with State CAMPA ²⁸²
2006-07	0.00	Nil	Nil	Nil
2007-08	27.51	Nil	Nil	Nil
2008-09	22.32	Nil	Nil	Nil
2009-10	32.62	5.30	Nil	5.30
2010-11	10.38	6.28	5.12	6.46
2011-12	3.16	4.84	2.86	8.44
Total	95.99	16.42	7.98	

As can be seen from the table, in compliance with the orders of the Supreme Court, 17 per cent of the total Compensatory Afforestation funds remitted by State CAMPA to Ad-hoc CAMPA were released between 2009 and 2012. Of ₹ 16.42 crore released against APOs, 51 per cent remained unutilised, leading to accumulation of funds with State CAMPA. Funds of ₹ 7.85 crore were not remitted by State CAMPA to Ad-hoc CAMPA and were deposited in State Government account.

3. Receipts into State CAMPA

The cases of non recovery/short recovery of NPV/CA/PCA etc. in West Bengal that came to the notice of audit are given below. The gist of these cases is also given in table 24 and 27 in Chapter 3.

(₹ in crore)

Sl. No.	Description	Amount
1.	There was one case ²⁸³ involving forest land of 14.70 ha in which NPV was not collected from the user agency ²⁸⁴ to whom in principle approval was granted before October 2002 and the final approval was granted after that.	0.85 ²⁸⁵
2.	In Durgapur forest division, MoEF granted approval for diversion 90.30 ha forest land at Jhanjra area for coal mining by the ECL for a period of 10 years in January 1996. The user agency paid only ₹ 1 crore in 1995 against the assessed amount of environmental loss of ₹ 9.15 crore. Subsequently, the environmental loss was revised to ₹ 18.14 crore in accordance with the revised guidelines of MoEF. Durgapur forest division did not pursue the case thereafter and the amount remained unrecovered. Ministry stated (April 2013) that realisation of the amount on the basis of the	17.14

²⁸² Cumulative amount at the end of the year lying unutilised with State CAMPA out of the funds released by Ad-hoc CAMPA 2009 onwards.

²⁸³ As per status report of MoEF issued on 16 March 2012.

²⁸⁴ Bakreswar Thermal Power Project

²⁸⁵ Audit estimated the total amount of NPV due in these cases on a conservative basis by applying the minimum rate of ₹ 5.80 lakh per hectare (14.7 x 5.8)

Sl. No.	Description	Amount
	present assessment would be realised after renewal of lease was approved. The reply of Ministry is not tenable as the user agency was liable to make payment of environmental loss at revised rates for the lease period.	
3.	Stage I approval to divert 238.54 ha forest land for construction of Reservoir at Bakreswar Thermal Power Plant (August 1994) was given to West Bengal Power Development Corporation. The user agency started construction of reservoir without depositing NPV/CA. Ministry stated (April 2013) that fresh proposal was sought from user agency and NPV at prevailing rate would be collected from user agency.	14.93
4	Stage I approval to divert 10 ha of forest land in Kakdwip Char (September 2004) was given to State Fisheries Department for construction of fishing harbour. The user agency started construction of fishing harbour on the forest land without depositing NPV/CA etc. Ministry stated (April 2013) that action was being taken for recovery of NPV/CA etc. from user agency.	0.69
	Total	33.61

4. Utilisation of CAMPA funds

4.1 Year wise and component wise breakup of funds allotted to State CAMPA and utilisation of the funds released.

(₹ in crore)

Main-Components	2009-10			2010-11			2011-12		
	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure	Amount released by Ad-hoc CAMPA	Amount released by State CAMPA	Expenditure
NPV ²⁸⁶						3.77			1.86
Compensatory Afforestation						0.40			0.77
Protected Area ²⁸⁷						0			0
CAT Plan						0.95			0.02
Other specified activities						0			0.21
Total	5.30	NA	Nil	6.28	NA	5.12	4.84	NA	2.86

Component-wise details not furnished.

²⁸⁶ NPV is spent on protection, conservation and management of forest

²⁸⁷ Protected Area Fund is spent on wildlife management

Funds for the years 2009-10 and 2010-11 were released by Ad-hoc CAMPA without APO and APO for the year 2011-12 was approved by Steering Committee in April 2011. No expenditure was incurred by State CAMPA in the year 2009-10

From the table it is evident that the percentage of expenditure incurred as against the amounts released by Ad-hoc CAMPA was zero *per cent* in 2009-10, 82 *per cent* in 2010-11 and 59 *per cent* in 2011-12. Considering the underutilization of the amount released over the last three years, concerns remain on the absorptive capacity of the State considering that ₹ 114.96 crore (including interest) are accumulated with Ad-hoc CAMPA in the Compensatory Afforestation Fund for the State (31 March 2012) and can be released only for specified forestry related activities.

4.2 Irregularities in utilisation of funds

(₹in crore)

Sl. No.	Nature of irregularity	Description	Amount
1	Expenditure not authorised by State CAMPA guidelines and NCAC	CAMPA funds should not be used for creating infrastructure at State Forest headquarters and ecotourism. However test check revealed that expenditure was incurred on foundation stone laying ceremony and hiring of vehicles etc.	0.18
2.	Non opening of separate account under corpus fund	No separate account under corpus fund was maintained for money received in July 2009 for diversion of 0.99 ha forest land for construction of a water reservoir from Senchel Wildlife Sanctuary though prescribed under State CAMPA guidelines.	2.46
3	Outstanding UCs from forest divisions	UCs for amount released by state CAMPA to various forest divisions during the years 2009-12 were outstanding from forest divisions. Accepting the facts, Ministry stated (April 2013) that action was being taken to collect outstanding UCs from forest divisions.	1.36
4	Idle expenditure on Tiger Rescue Centre	In 24 Parganas (South) forest division, Tiger Rescue Centre Jharkhali in Sunderbans area could not be operationalised in the absence of some essential items even after incurring expenditure of ₹ 1.23 crore (December 2012). Ministry stated (April 2013) that tiger rescue centre could not be operationalised due to some administrative reasons viz. non convening of meetings of executive committee and steering committee and action in this regard was being initiated.	1.23

Sl. No.	Nature of irregularity	Description	Amount
5	Quality of CA not exemplary	Test check of records and GPS reading in four divisions ²⁸⁸ revealed that the CA was not exemplary in four ²⁸⁹ out of 10 locations. Ministry stated (April 2013) that shortfall in CA alongwith maintenance of old plantations would be undertaken from the available CAMPA funds.	0.39
6	Blocking of CAMPA funds	In Kurseong forest division, boundary pillars for demarcation of non-forest land received from NHPC in connection with Teesta Low Dam were lying unutilized as of November 2012. Ministry stated (April 2013) that works could not be undertaken due to political unrest in Darjeeling Hills and efforts were being made to obtain LOC from the government to place the funds with Kurseong division again to undertake the work.	0.22
7	Unfruitful expenditure	In Kangsbati (North) forest division, staff quarters constructed out of CAMPA funds in March 2010 were not occupied by the staff members for want of electric connection and found to be in dilapidated condition as of December 2012. Ministry stated (April 2013) that the division was being directed to get the staff quarters utilised for the purpose for which these were built.	0.08
	Total		5.92

Photos of some selected plantations



Tondu Revenue Mouza was effected by flood in July 2012 but not renovated due to insufficient fund flow



CA Plantation showing elephant depredation at Lalfa Block, Bagdogra Range

²⁸⁸ Kangsbati (North), Kurseong, Wild Life-II and Darjeeling

²⁸⁹ Puapur Mouza, Lalfa Block, Tondu Revenue Mouza and Peshok-1 Beat

5. Land Management

5.1 Fact sheet

Particulars (2006-12)	
Forest land diverted	As per records of RO ²⁹⁰ – 226.96 ha ²⁹¹ As per records of NO – 425.17 ha
Non forest land received in lieu	As per records of RO – 190.36 ha As per records of NO – 186.39 ha
Non forest land short received	As per records of RO - 36.60 ha As per records of NO – 238.78 ha
Chief Secretary Certificate on non availability of non forest land attached	NA
Area identified for CA as per NO	On degraded forest land – 469.77 ha On Non forest land – 186.39 ha
Area on which CA done as per NO	On degraded forest land – 108.83 ha On Non forest land – Nil
Received Non forest land transferred/mutated	As per records of RO- Nil As per records of NO – 186.39 ha
Non forest land received notified as reserved/protected forest	As per records of RO- Nil As per records of NO – 2.80 ha

As is evident from the table, there were un-reconciled variations in the data provided by the Nodal Officer of the State CAMPA and the concerned Regional Office of MoEF. As per the records of RO, forest land diverted for non forestry purposes was 226.96 ha and the non forest land received in lieu thereof was 84 *per cent* while as per records of NO the figures were 425.17 ha and 44 *per cent*, respectively. As per records of RO, no non forest land was transferred /mutated in favour of the forest department and notified as RF/PF while as per NO out of 186.39 ha non forest land transferred/ mutated in favour of forest department only 2.80 ha non forest land was declared as RF/PF. As per records of NO, no afforestation was done on non forest land and afforestation done on degraded forest land was 23 *per cent* of the area to be afforested.

5.2 Irregularities observed in land management

Sl. No.	Nature of irregularity	Description
1	Non-maintenance of plantation	No maintenance of the CA carried out on 30 ha of non forest land at a cost of ₹ 0.23 crore by Wildlife forest division-II in 2011 resulting in damage to these plantations. Ministry stated (April 2013) that maintenance of plantations was done with the available funds with State CAMPA.

²⁹⁰ Regional Office (RO) of Ministry of Environment and Forests and Nodal Officer (NO) of State Forests Department

²⁹¹ Excluding exempted projects

Sl. No.	Nature of irregularity	Description
2	Transfer of unsuitable non-forest land for CA.	Of the 183.49 ha non forest land received from user agency (NHPC) ²⁹² in January 2004, 72.60 ha forest land was found un-suitable for CA (16.53 ha rocky and stony, 3.24 ha sinking and landslip, 1.48 ha Jhora and 51.35 ha already having vegetative cover, tree growth and other miscellaneous advance growth). Ministry stated (April 2013) that during execution of work of project, an area of 21.25 ha was found to be unsuitable for plantation work and required stabilisation through soil conservation measures prior to taking up plantation works and accordingly matter was being taken up with the concerned divisions for successful implementation of the project. The fact remains that non- forest land which was unsuitable for CA was accepted from the user agency.
3	Diversion of forest land without stage II approval of MoEF	In the following instances, forest land was diverted without fulfilling the conditions stipulated with stage I approval and obtaining stage II approval: <ul style="list-style-type: none"> i. State Fisheries Department was permitted to divert 10 ha of forest land in Kakdwip Char (September 2004) for construction of fishing harbour, which was constructed without fulfilling the conditions stipulated; and ii. West Bengal Power Development Corporation was permitted to divert 238.54 ha forest land for construction of Reservoir for Bakreswar Thermal Power Plant (August 1994). The user agency started construction of reservoir without fulfilling stipulated conditions. Ministry stated (April 2013) that action was being taken to regularise the diversion of forest land.
4	Irregular re-diversion of forest land	In South 24 Parganas forest division, in 1954, 8,054 acres forest land in Herobhanga 1, 2 and 3 blocks was diverted to Refugee Relief & Rehabilitation (RR&R) department which in turn transferred about 1400 acres out of 8,054 acres forest land to Sunderban Development Board (SDB) in 1991 without obtaining MoEF's approval. The re-diversion of 1400 acre forest land to SDB required regularisation as per FC Act 1980 with the payment of NPV of ₹ 35.15 crore ²⁹³ . Ministry stated (April 2013) that action was being taken to regularise the diversion of forest land.
5	Scattered and encroached non forest land received from user agency	In Bankura (South) forest division, in lieu of 14.30 ha forest land diverted (in 2007) to the railways for Bankura Mukutmanipur Railway line, the user agency (in September 2009) transferred vested land to State forest department in five different mouzas at scattered locations. The forest department could not take possession of 6.7 acre non forest land in Baraghatumouza of Bankura district as the entire area was encroached by a local women self-help group and the land was already covered with babui grass, asan and arjun plants. Ministry accepted the audit observation (April 2013).

²⁹² in lieu of diversion of 302.49 ha forest land for construction of Teesta Low Dam Project (stage III)

²⁹³ calculated at minimum rate of NPV of ₹ 6.26 lakh per ha

6. Status of Accounts and audit of State CAMPA Accounts

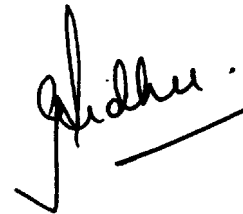
As per State CAMPA guidelines issued by MoEF, the accounts of State CAMPA were to be audited by the Accountant General at such intervals as may be specified by him. However, State CAMPA did not prepare its annual accounts for the years 2009-10 to 2011-12 in the prescribed format. The annual accounts were prepared by Chartered Accountant firm, which were not approved by any Committee of State CAMPA. Further, as per State CAMPA guidelines, the State Government and the MoEF had the powers to conduct special audit or performance audit of the state CAMPA. However, no such audit was conducted.

7. Monitoring

As per the state CAMPA guidelines the Steering Committee was to meet twice in a year. The Steering Committee met three times during 2009-12 as against six times. The Executive Committee met seven times during 2009-12. The Governing Body did not meet during the years 2009-12.

Ministry stated (April 2013) that efforts would be made to convene the meetings of the above committees as early as possible.

New Delhi
Dated: 20 August 2013



(Gurveen Sidhu)
Principal Director of Audit,
Scientific Departments

Countersigned



New Delhi
Dated: 20 August 2013

(Shashi Kant Sharma)
Comptroller and Auditor General of India