

CHAPTER -VII: FORESTRY AND WILD LIFE (EXPENDITURE)

7.1 Introduction

The Principal Chief Conservator of Forests (PCCF) heads the Forest Department under the administrative control of the Principal Secretary (Forest) who is assisted by eight Additional PCCsF (APCCsF) and 16 Chief Conservators of Forest (CCsF) at Headquarters.

7.2 Results of Audit

We have conducted Audit of Production and treatment of bamboo in Chhattisgarh involving financial effect of ₹ 117.38 crore. Also, we conducted test check of the records of 22 units out of 60 units relating to Forest Department during the year 2013-14. We found irregularities in non-evaluation of treatment of degraded bamboo forest, execution of treatment of degraded bamboo forests in ineligible areas, non observance of job rates fixed by the CsF while treating the degraded bamboo forests and avoidable expenditure etc. involving ₹ 284.95 crore in 209 cases which fall under the following categories in the **Table 7.1** below:

Table 7.1

(₹ in crore)

Sl. No.	Category	Number of cases	Amount
1	Performance Audit on “Production and Treatment of Bamboo in Chhattisgarh”	1	117.38
2	Irregular expenditure	99	88.33
3	Avoidable expenditure	13	12.22
4	Unfruitful expenditure	13	5.52
5	Excess expenditure	50	36.87
6	Other irregularities	33	24.63
Total		209	284.95

During the course of the year, the Department accepted 39 cases of irregular/unfruitful/ excess expenditure and other irregularities involving financial effect of ₹ 41.15 crore.

An amount of ₹ 36.69 lakh was recovered in one case after forwarding Performance Audit to the Government.

The Performance Audit on **“Production and treatment of bamboo in Chhattisgarh”** involving financial effect of ₹ 117.38 crore and a few illustrative cases involving ₹ 5.67 crore are discussed in the following paragraphs.

7.3 PRODUCTION AND TREATMENT OF BAMBOO IN CHHATTISGARH

Highlights:

Non-evaluation of treatment of degraded bamboo forest resulted in irregular expenditure of ₹ 26.47 crore.

(Paragraph 7.3.10.1)

Execution of treatment of degraded bamboo forests in ineligible areas resulted in irregular/ avoidable expenditure of ₹ 9.73 crore.

(Paragraph 7.3.10.3)

Non observance of job rates fixed by the Conservators of Forests while treating the degraded bamboo forests resulted in excess expenditure of ₹ 2.52 crore.

(Paragraph 7.3.10.5)

Treatment of the area already treated resulted in avoidable expenditure amounting to ₹ 54.86 lakh.

(Paragraph 7.3.10.7)

Treatment of degraded bamboo forest in naxal affected areas where bamboo could not be felled, resulted in doubtful/ unfruitful expenditure of ₹ 2.11 crore.

(Paragraph 7.3.10.8)

Department incurred expenditure of ₹ 28.26 crore on bamboo plantation. However, it failed to evaluate the success/ failure of the plantation.

(Paragraph 7.3.11.1)

Unsuitable sites were selected for bamboo plantation resulted in irregular expenditure of ₹ 22.51 lakh.

(Paragraph 7.3.11.2)

Non-exploitation of due bamboo coupes having 1.91 lakh hectare bamboo area resulted in loss of revenue amounting to ₹ 39.10 crore. Besides, the Department had no planning for exploitation of bamboo area in naxal affected area and unprofitable coupes were not treated further.

(Paragraph 7.3.12.1)

There were huge variations between estimates and actual production of bamboo which resulted in non-realisation of revenue to the tune of ₹ 4.71 crore.

(Paragraph 7.3.12.2)

Non-compliance of the conditions envisaged in the tender document for sale of industrial bamboo resulted in loss of revenue amounting to ₹ 19.23 lakh.

(Paragraph 7.3.13)

7.3.1 Introduction

Bamboo is a fast growing, wide spread, renewable, versatile and low cost non-wood forest produce. Due to its multiple utility and accessibility to common man, it is also called Green Gold. As per the information furnished by the Department, total forest area in the State was 59,772 sq. km. of which bamboo bearing area is 11,368 sq. km.



(A bamboo coupe in Bhanupratappur (East) division)

As per the Working Plan (WP) prescriptions, the bamboo areas are treated in a cycle of four years. The treatment includes Rehabilitation of Degraded Bamboo Forest (RDBF¹) work, harvesting of Bamboo etc. Harvesting of bamboo and treatment of degraded bamboo areas in every four years is not only important from the production point of view, but also for the further growth of bamboo because, if developed bamboo is not harvested at the right time, the bamboos in clumps shall entangle and decay soon. Keeping this in view, the WPs also prescribe that bamboo areas must be treated periodically.

7.3.2 Organisational Set up

The organisational set up of the Forest Department is as follows:

Principal Secretary (Forest)

Principal Chief Conservator of Forest (PCCF)

Additional PCCFs (8) CCFs (16)

CFs (6) at Raipur, Bilaspur, Kanker, Bastar, Durg and Surguja

Divisional Forest Officers (37)

¹ Rehabilitation of degraded Bamboo Forests Circle includes the compartments having 50 to 100 degraded bamboo clumps per hectare. The area is to be treated with bamboo plantation in blank areas and cleaning and mounding of the available bamboo clumps.

7.3.3 Audit objectives

The Performance Audit was conducted to ascertain whether:

- treatment of degraded bamboo forest was done in accordance with the provisions envisaged in WP, departmental norms and the results of treatment have been attained;
- bamboo plantations were done in accordance with the provisions given in WP, departmental norms and instructions;
- the production and transportation of exploited bamboo was done in accordance with the rules, provisions and departmental instructions; and
- the disposal of bamboo through auction, supply to *nistaris/ bansods* etc. have been done in accordance with the rules, provisions and departmental instructions.

7.3.4 Audit criteria

The provisions of the following Acts, Rules etc. were used as the criteria of Performance Audit:

- Indian Forest Act, 1927 and rules made thereunder;
- Working Plans of the Divisions as approved by the Government of India;
- Chhattisgarh Financial Code; and
- Instructions, guidelines, norms etc. issued by the Department and the Government from time to time.

7.3.5 Audit scope and methodology

Out of the 37 territorial divisions in the State responsible for execution of the forest activities, 15² territorial divisions were selected on the basis of Simple Random Sampling (SRS). Along with the test check of records at the execution units, records pertaining to planning and allocation of funds at the Head of the Department level were also seen for the period between 2008-09 and 2013-14. The scope and methodology of audit was discussed with the Principal Secretary, Forest Department in an entry conference held on 5 May 2014. The draft report was forwarded to the Government and the Department on 14 August 2014. The exit conference was held on 16 September 2014 wherein audit findings, conclusions and recommendations were discussed. The Government was represented by the Principal Secretary, Forest Department whereas the PCCF and APCCsF represented the Department. The responses received during the exit conference and at other points of time have appropriately been incorporated in the relevant paragraphs.

7.3.6 Acknowledgement

Indian Audit and Accounts Department acknowledges the co-operation of the Forest Department for providing requisite information and records to audit.

² Bastar, Bhanupratappur (East), Bijapur, Dantewada, Dhamtari, Gariyaband, Katghora, Khairagarh, Koriya, Narayanpur, Raigarh, Raipur, Sukma, Surajpur and Surguja

7.3.7 Expenditure on degraded bamboo forests

The Government has made a specific budget head namely “6724 – Rehabilitation of degraded bamboo forests” for the development and growth of degraded bamboo forests in the State. During the period from 2008-09 to 2013-14, the Department had incurred expenditure of ₹ 219.60 crore on treatment of degraded bamboo forests as detailed in the following **Table 7.2**:

Table 7.2*(₹ in crore)*

Year	Total Plan Budget for the State	Total Plan Expenditure	Sanction for treatment of degraded bamboo forests	Expenditure incurred	Percentage of expenditure on RDBF as against the total plan
2008-09	230.21	202.03	21.44	21.33	10.56%
2009-10	231.70	215.16	25.77	25.78	11.98%
2010-11	237.34	212.7	28.83	28.81	13.54%
2011-12	281.94	265.49	42.52	42.08	15.85%
2012-13	334.97	307.39	48.91	48.68	15.84%
2013-14	440.28	431.96	53.66	52.92	12.25%
Total	1,756.44	1,634.73	221.13	219.60	

[Source: Form 7 of the APCCF (Development/ Planning)]

It may be seen from the above table that between 2008-09 and 2013-14, plan expenditure of the Department was ₹ 1,634.73 crore of which, the expenditure of ₹ 219.60 crore was incurred on the treatment of bamboo forests. The share of outlay on treatment of bamboo forests showed an increasing trend and the incurred expenditure ranged between 10.56 to 15.85 *per cent* of the total plan expenditure.

7.3.8 Production of bamboo and expenditure on production

The annual production of bamboo in the State during the period from 2008-09 to 2013-14 was as detailed in **Table 7.3** below:

Table 7.3*(Quantity in Notional Tons³)*

Year	Industrial Bamboo ⁴		Commercial Bamboo		Total	
	Target	Production	Target	Production	Target	Production
2008-09	37933	35505	27866	23563	65799	59068
2009-10	38006	22334	36212	15902	74218	38236
2010-11	21606	18720	25151	12626	46757	31346
2011-12	20573	22117	15587	15899	36160	38016
2012-13	19575	19426	17445	14776	37020	34202
2013-14	11009	17074	16072	11009	27081	28083

(Source: Information provided by the Department)

³ Weight of Bamboo is measured in Notional Tons. One Notional Ton is equivalent to 2,400 running meters of Bamboo.

⁴ The cut bamboo is classified in two groups viz Industrial and Commercial Bamboo. Thin and small pieces of bamboo of length of one and two meters having least commercial value are classified as industrial bamboo and are kept in the bundles of 20 pieces. Longer bamboos are classified as commercial bamboos and kept in Depots according to their length of 3.30, 4.60, 5.50, 6.50 and 7.30 meters.

The above table clearly indicates that except in the year 2011-12 and 2013-14, the Department failed to achieve the targets of production. It may also be seen from the table that from 2008-09 to 2013-14, the yield of bamboo had shown decreasing trend from 59,068 NT in 2008-09 to 28,083 NT in 2013-14 i.e. production was decreased by more than 52 *per cent*.

During the period from 2008-09 to 2013-14, the Department had incurred the expenditure of ₹ 73.89 crore for the production of bamboo as detailed in **Table 7.4** below:

Table 7.4

(₹ in crore)

Year	Budget Estimates (BEs)	Allotment	Expenditure
2008-09	15.20	14.51	11.25
2009-10	16.22	12.36	10.31
2010-11	15.20	10.72	8.67
2011-12	13.85	13.85	12.12
2012-13	13.85	12.69	11.48
2013-14	22.15	21.61	20.06
Total	96.47	85.74	73.89

(Source: Information provided by the Department)

7.3.9 Trend of revenue receipts from State trade of bamboo

During the period from 2008-09 to 2013-14, revenue income from State trade of bamboo is as detailed in the following **Table 7.5**:

Table 7.5

(₹ in crore)

Year	Revenue realisation	
	Target	Actual Receipt
2008-09	9.37	8.14
2009-10	10.65	10.72
2010-11	12.66	9.85
2011-12	12.65	11.71
2012-13	12.81	14.55
2013-14	14.24	15.08
Total	72.38	70.05

(Source: Information provided by the Department)

It may be seen from the above table that the Department could not achieve the target of revenue realisation in 2008-09, 2010-11 and 2011-12. We observed that in 2009-10 and 2012-13, though production was lower than the targets, the revenue realisation was higher than the revenue targets. Similarly, in 2011-12, though the production was higher than the targets, the revenue targets could not be achieved by the Department. This clearly shows that there is no relation of target fixation with the bamboo production.

It may be seen from the above details that the Department had incurred average annual expenditure of ₹ 12.32 crore in last six years while the average annual revenue receipts from bamboo was only ₹ 11.68 crore.

AUDIT FINDINGS

During the course of Performance Audit, we noticed several deficiencies in treatment of degraded bamboo forests, bamboo plantation, production of bamboo and sale of bamboo as discussed in the succeeding paragraphs.

7.3.10 Treatment of degraded bamboo forests

7.3.10.1 Non-evaluation of Rehabilitation of Degraded Bamboo forests work

As per the provisions of WPs, objective of RDBF (Overlapping) Circle is to rehabilitate the degraded bamboo forests through cleaning of bamboo clumps and mounding of soil in clumps so that productivity of bamboo forests could be increased to ensure supply of bamboo to the needy villagers and industries. PCCF had also instructed (July 2011) all the field officers that after four years of treatment of degraded bamboo forest area, a Gazetted officer shall evaluate it and if found feasible for production, bamboo felling shall be done. Otherwise, reasons for failure shall be recorded and the required silvicultural⁵ operations shall be taken up.

During test check of the budget files, progress reports, project reports and payment vouchers of 14 divisions⁶, we noticed that 30,984.818 hectare and 39,416.803 hectare of degraded bamboo forest area was treated through cleaning of bamboo clumps and mounding of soil in clumps incurring expenditure of ₹ 9.81 crore and ₹ 16.60 crore in the years 2008-09 and 2009-10 respectively. As per the provisions, these areas should have been evaluated and accordingly reported upon by Gazetted officer whether felling should be done or further silvicultural activities should to be taken up. However, we observed that no evaluation of the above mentioned treatment was made by



(A pictorial comparison of treated and untreated degraded bamboo forest)

the Department after four years i.e. 2012-13 and 2013-14. Further, no plan was found to be made by the divisions regarding felling of bamboo in the above treated area. Hence, the treated area could not become productive even after the lapse of more than four years. Due to laxity of Department in evaluating the results of treatment, the success or failure of the treatment could not be assessed. Further, these areas were also not converted into bamboo exploitable areas and due to non-evaluation, reasons for failure of treatment as well as further silvicultural operations could not be ascertained. Thus, non-evaluation

⁵ Silviculture implies to the various forestry treatments to be carried out including plantation, cleaning, rehabilitation works etc.

⁶ Bastar, Bhanupratappur (East), Bijapur, Dantewada, Dhamtari, Gariyaband, Katghora, Khairagarh, Koriya, Narayanpur, Raigarh, Sukma, Surajpur and Surguja

of rehabilitation of degraded bamboo forest works resulted in unfruitful expenditure of ₹ 26.47 crore (*Appendix 7.1*).

During the exit conference, the Government, partially agreeing with the audit observation, informed that inspection had not been done in some of the treated areas. As pointed out by the Audit, the areas have been inspected and out of the total 70,401 hectare treated area, 12,689 hectare area was found feasible for felling. Of this, felling of bamboo has been done in 926 hectare area and in remaining areas, felling shall be done in current year. The reply itself clarifies the failure of the Department in monitoring and evaluation of the treatment work as a result of which merely 18 *per cent* of the treated area could have been turned productive. Also, only 15 *per cent* of the area that became productive due to treatment done in 2008-09 could have been exploited.

The Government may consider evolving an effective system of monitoring and evaluation of treatment of degraded bamboo forests so that the productivity of the treated area could have been assessed and accordingly further treatment or production of bamboo may be taken up in those areas.

7.3.10.2 Non-treatment of bamboo clumps in written off coupes

PCCF had instructed (January 2005) that as per the silvicultural viewpoint, every bamboo clump must be treated in due year. If treatment work will not be taken, the bamboo clumps would be entangled and decay after some time. Further, CF, Jagdalpur instructed (July 2005) that the degraded bamboo clumps in written off bamboo coupes should be treated as per the provision of WP.

During the test check of budget files, coupe control registers and WP of Bijapur and Bastar divisions, we noticed that bamboo forest was to be felled in 16,239 hectare of 74 compartments (year 2006-07 to 2010-11) and 5185.826 hectare of 20 compartments (year 2008-09 to 2010-11) of Bijapur and Bastar divisions respectively as per their respective WPs. According to the Bamboo exploitation and transportation statement, no felling work was carried out by the divisions in due 94 compartments because of unprofitability. Divisions submitted proposal for write-off to CF, Jagdalpur. CF, Jagdalpur had written-off the 94 compartments for felling. However, these divisions knew that these compartments did not have exploitable bamboo due to degradation in bamboo clumps. Thus, divisions should have taken up treatment work of degraded bamboo clumps in order to ensure the restoration of exploitable bamboo. Despite the instructions of PCCF and CF, Jagdalpur, the divisions had not carried out treatment work in 21,424.826 hectare of 94 compartments. Consequently, clumps would have been entangled and reached to decayed position. In addition, Department was deprived of bamboo production.

During the exit conference, the Government informed that these areas were not exploited being unprofitable/ unproductive and were written off accordingly. As per the availability of budget, 5,185 hectare area in Bijapur division was treated. Reply is not acceptable as the divisions did not submit proposals for treatment of written off coupes. It indicates the failure of Department in planning the treatment of due bamboo area which has become unprofitable/ unproductive.

The Government may consider ensuring the treatment of unprofitable/unproductive bamboo coupes in due time.

7.3.10.3 Treatment of bamboo forests in ineligible areas

(A) As per the provisions envisaged by the territorial CFs of Surguja and Bastar in the job rates for forestry works, cleaning and mounding of bamboo clumps should not be done in the areas having slope more than 20°.

During test check of the budget files of the five⁷ test checked divisions, we noticed that during the period between 2009-10 and 2013-14, CFs of Bastar and Surguja allotted ₹ 13.13 crore for treatment of bamboo forest in 28,837.187 hectare area of 121 compartments. Further scrutiny of Compartment Histories (CHs) and project reports revealed that 126 compartments admeasuring 32,981.882 hectare in which 20,687.314 hectare area was of slope above 30°⁸ and rest 12,294.598 hectare was under 30° slope. Divisions carried out the treatment of bamboo forest in 28,837.187 hectare and incurred the expenditure of ₹ 13.14 crore as detailed in **Table 7.6** below:

Table 7.6

Name of Division	Period of work	Area of treatment (Ha.)	Expenditure incurred (₹ in lakh)	Area above 30° slope (Ha.)	Expenditure incurred in area above 30° slope (₹ in lakh)
Bijapur	2011-12 to 2013-14	2,350.144	105.26	1,483.624	65.60
Dantewada	2009-10 to 2011-12	7,047.940	223.52	4,537.441	142.91
Koriya	2009-10 to 2012-13	5,530.692	268.18	3,287.374	160.29
Bastar	2011-12 to 2013-14	1,646.841	86.98	910.880	48.12
Sukma	2009-10 to 2011-12	12,261.570	629.91	6,323.270	313.66
Total		28,837.187	1,313.85	16,542.589	730.58

It is evident from the above table that out of 28,837.187 hectare in which bamboo treatment work was done incurring expenditure of ₹ 13.14 crore, 16,542.589 hectare was above 30°. However, the divisions carried out the work in that 16,542.589 hectare area and incurred expenditure of ₹ 7.31 crore. Thus, the divisions executed work in ineligible areas incurring expenditure of ₹ 7.31 crore which was irregular.

During the exit conference, the Government informed that the treatment of degraded bamboo forests was done as per the prescriptions envisaged in the WPs of the respective divisions as approved by GoI. Restrictions cannot be imposed on any work merely on the basis of any mention in the job rates fixed by the CFs. Reply is not acceptable as the restrictions imposed by the territorial CFs on the basis of local conditions of the forest should have been adhered along with prescriptions of working plan while executing the RDBF work.

⁷ Bijapur, Dantewada, Jagdalpur, Sukma and Koriya

⁸ Though the provision restricts treatment work above 20°, but the slope of the areas were mentioned as up to 10°; 10° to 30°; 30° to 40° and above 40° in the Compartment Histories. As such, the calculations had been made taking 30° as basis.

(B) As per the provisions envisaged in the WPs, Bamboo Rehabilitation Working Circle has been formed including areas having 50 to 100 degraded bamboo clumps per hectare in order to obtain good bamboos and the demand of local villagers could be met after treatment of the degraded bamboo forest.

During scrutiny of the budget files of bamboo treatment work in five⁹ test checked divisions of the period from 2008-09 to 2012-13, it came to the notice of Audit that CF, Bastar, Bilaspur and Raipur sanctioned an amount of ₹ 2.88 crore for treatment of 5,552.972 hectare of 43 compartments and the divisions incurred expenditure of ₹ 2.88 crore. However, as per the CHs and WP of these divisions, we observed that of the treated area, 4,751.012 hectare was devoid of bamboo clumps. Execution of bamboo treatment work in such area was in contradiction to provisions of WP. Thus, the incurred expenditure of ₹ 2.42 crore on the above work was avoidable (*Appendix 7.2*).

During the exit conference, the Government informed that the areas in which the abovementioned treatment was done were inspected by the Gazetted Officers. It was found that the treated areas have enough bamboo clumps (ranging from 47 clumps per hectare to 400 clumps per hectare) and was not devoid of bamboo. Reply is not acceptable as the WPs of the respective Divisions as approved by the GoI have classified the degraded bamboo areas which require the treatment and accordingly the treatment series had been made in the WPs and this area had not been classified as RDBF area. Non-classification of the areas mentioned above as degraded bamboo forests in the WPs approved by the GoI proves that these areas were not treatable with rehabilitation of degraded bamboo forests.

The Government may consider implementing the prescriptions of WPs approved by the GoI and departmental instructions to ensure the management of degraded bamboo forest area for sustainable development of bamboo.

7.3.10.4 Bamboo treatment done in contravention of departmental instructions

As per the instructions issued by the Department (1999 and October 2012), cleaning and mounding of congested bamboo clumps should be done in the months from November to February only. In the cases where projects were sanctioned lately, the work may be carried out in the month of March.

Test check of the records pertaining to bamboo treatment work for year 2011-12 and 2012-13 in two¹⁰ test checked divisions we noticed that CF, Bastar allotted ₹ 4.72 crore (October 2011, November 2011 and May 2012) for treatment of degraded bamboo forest in 11,489.387 hectare in 69 compartments. During scrutiny of project reports and vouchers of bamboo treatment work, we observed that 6,50,891 clumps in 6,237.124 hectare area of 33 compartments were treated incurring expenditure of ₹ 2.19 crore in the months of March, May and June as detailed in **Table 7.7**:

⁹ Bastar, Bijapur, Dhamtari, Gariyaband and Katghora

¹⁰ Bastar and Bijapur

Table 7.7

Division	Year	No. of comp.	Treated area (Ha.)	Clumps cleaned in the month other than prescribed in instructions issued by the Department	Expenditure incurred (₹ in lakh)
Bastar	2011-12	01	222.226	3,675	4.47
Bijapur	2011-12	03	639.036	57,614	24.22
	2012-13	29	5375.862	5,89,602	190.00
Total		33	6237.124	6,50,891	218.69

Thus, the expenditure of ₹ 2.19 crore on treatment of 6,50,891 clumps in the months other than prescribed in the instructions issued by the Department was irregular.

During the exit conference, the Government informed that in accordance with departmental circular (October 2012), treatment of degraded bamboo has been done in the period between October and March. We do not agree with the reply as in payment vouchers of the work, it had been mentioned that the work was executed in the months from March to June.

The Government may consider strengthening the internal control mechanism to ensure the execution of treatment work in due time period and in an effective manner.

7.3.10.5 Cleaning of bamboo clumps at higher rates

Conservator of Forest (CF) prescribes the job rates for different forestry work. Based upon these job rates and prevailing labour rate, payment has been made for different forestry works. During test check of the records, we noticed several cases of non-observance of job rates fixed by the CFs while cleaning and mounding of bamboo clumps as discussed in the following paragraphs.

(A) CF, Kanker Circle, Kanker had prescribed (March 2007) job rates of 0.20 man days and 0.12 man days for cleaning of each bamboo clump, mounding of soil with making uphill trenches near the clumps towards slope, cutting, bundling and recording of bamboo for diameter of clump above two meter and up to 2 meter respectively. Further, CF revised (September 2012) the job rates of 0.36 man days and 0.27 man days for cleaning of each bamboo clump, mounding of soil with hoeing/ weeding in the clumps (instead of uphill trenches), cutting, bundling and recording of bamboo for diameter of clumps above two meter and up to two meter respectively.

During test check of the budget files of Narayanpur and Bhanupratappur (East) divisions, we noticed that CF, Kanker allotted ₹ 1.64 crore for cleaning of bamboo clumps in 3,243.38 hectare area in 2012-13 and 2013-14. During further scrutiny of project report, payment vouchers, form 7¹¹ and cash book, we noticed that 2,57,800 bamboo clumps were cleaned at the rate of 0.27 and 0.36 mandays per clump and expenditure of ₹ 1.23 crore was incurred. However, as per the project reports of the bamboo cleaning work and payment vouchers, degraded bamboo clumps were treated by making of uphill trenches

¹¹ Form 7 is the expenditure Statement of the Division maintained monthly.

instead of hoeing/ weeding work in the clumps. Thus, the rate of 0.12 and 0.20 mandays per clump should have been applied while executing



(A cleaned and mounded bamboo clump)



(An untreated degraded bamboo clump)

the work. Hence, non-observance of the job rates fixed by the CF for cleaning of bamboo clumps by making uphill trenches resulted in excess expenditure of ₹ 62.68 lakh (*Appendix 7.3*).

During the exit conference, the Government informed that the job rates fixed by the CF, Kanker in August 2007 were revised in September 2012 on the basis of work study. None of these job rates had mention for making uphill trenches. The revision of rates included the change in the rates only and not the work to be done. Reply is not acceptable as the work study itself mentions that the earlier method was of making uphill trenches and the order of revision of job rates clarifies that the work should have been done through hoeing instead of making uphill trenches for which the revised rates shall be applicable. The correct job rates fixed by the CF for the work actually done were not applied to while executing the treatment of degraded bamboo clumps.

(B) CF, Bastar (2002) had prescribed the job rates of 0.18 mandays and 0.25 mandays per clump for cleaning and mounding of clumps having diameter up to 2.5 meter and above 2.5 meter respectively.

During test check of the budget files and project reports of four¹² divisions, we noticed that between 2009-10 and 2012-13, these divisions carried out the work of cleaning of 39,29,284 bamboo clumps in 40,372.837 hectare area and incurred expenditure of ₹ 12.13 crore. During further scrutiny of payment vouchers, form-7 and cash book, we noticed that bamboo clumps were cleaned at the rate of 0.20 and 0.27 mandays per clump instead of 0.18 and 0.25 mandays per clump as fixed by the CF for clumps having diameter upto 2.5 m and above 2.5 m respectively. Thus, the DFOs did not adhere to the job rates fixed by the CF and executed the works on higher rates which resulted in excess expenditure of ₹ 1.26 crore (*Appendix 7.4*).

During the exit conference, the Government informed that rates fixed by the CF, Bastar for cleaning of clumps do not include the rates for mounding and 0.02 mandays was provided separately for the same. Accordingly, the work was executed and expenditure was incurred. Reply is not acceptable as work of mounding in the clumps is already included in the work of cleaning of bamboo clumps for which rates of 0.18 and 0.25 mandays per clump were

¹² Bastar, Bijapur, Dantewada, and Sukma

fixed. Also, it was seen at Sukma division that CF, Bastar sanctioned the project report of same work at the rates of 0.18 and 0.25 mandays in the year 2011-12.

(C) CF, Raipur (2011-12) had prescribed the job rates of 0.1 mandays and 0.2 mandays per clump for cleaning and mounding of clumps having diameter up to 1.5 meter and above 1.5 meter respectively.

During test check of the budget files and project reports of Gariyaband division, we noticed that the division carried out the work of cleaning of 4,32,333 bamboo clumps in 4,141.960 hectare area incurring expenditure of ₹ 1.58 crore in 2011-12 and 2012-13. During further scrutiny of payment vouchers, form-7 and cash book, we noticed that bamboo clumps were cleaned at the rate of 0.18 and 0.28 mandays per clump instead of 0.1 and 0.2 mandays per clump as fixed by the CF for clumps having diameter upto 1.5 m and above 1.5 m respectively. Thus, the DFO did not adhere to the job rates fixed by the CF and executed the works on higher rates which resulted in excess expenditure of ₹ 62.63 lakh.

During the exit conference, the Government replied that the work was executed in accordance with the job rates fixed by the CF, Raipur (March 2004). Reply is not acceptable as the work was carried out by the division at the rates of 0.18, 0.28 and 0.37 mandays per clump for clumps having diameter up to 1.5 meter, 1.5 to 2.0 meters and above two meters respectively which have been amended by the CF himself in 2011-12 who then fixed the rates of 0.1 and 0.2 mandays per clump having diameter up to 1.5 meter and above 1.5 meter.

7.3.10.6 Non-observance of the norms fixed by the Department during treatment of degraded bamboo clumps

PCCF had fixed (September 2013) the mandays for cleaning and mounding work of bamboo clumps. It includes 0.25 mandays and 0.15 mandays for cleaning of each bamboo clumps, mounding with making uphill trenches near the clumps towards slope, cutting, bundling and recording of bamboo for clump having diameter above 1.5 meter and up to 1.5 meter respectively.

During the test check of budget files, project reports and payment vouchers of five¹³ test checked Divisions, we noticed that these divisions carried out the treatment of degraded bamboo forest in 8,761.287 hectare in which 5,35,613 clumps having diameter up to 1.5 meter and 1,80,674 clumps having diameter above 1.5 meter were cleaned and mounded at the job rate of CFs instead of those fixed by the PCCF. Since PCCF had decided the rates for the work, the job rates fixed by the CF for the same should have not been applied. Thus, non-adherence of the mandays fixed by the Department resulted in excess expenditure of ₹ 73.96 lakh on cleaning and mounding of bamboo clumps (*Appendix 7.5*).

During the exit conference, the Government replied that the revised rates were sanctioned in January 2014 and issued to the field offices in February 2014. Before issuance of the new rates, the work had been completed at the earlier

¹³ Bhanupratappur (East), Katghora, Koriya, Narayanpur and Raigarh

rates. Reply is factually incorrect as the revised rates had been issued by the Department in September 2013 which were applicable since October 2013.

7.3.10.7 Avoidable expenditure on treatment of the already treated area

PCCF had instructed (July 2011) that those compartments which were included in both circle of Rehabilitation of Degraded Forest (RDF)¹⁴ and RDBF, shall be considered only RDF circle. If in earlier year, treatment of degraded bamboo forest work has been taken in those compartments which were include in RDBF circle then there is no need of taking the treatment of RDF work in the same compartment again.

- During test check of the budget files, progress reports, plantation report and Working Plan of two¹⁵ test checked divisions, we noticed that out of 1,261.743 hectare area in five compartments, clumps were cleaned and mounded in 1,244.315 hectare area between 2010-11 and 2012-13. Such treatment should not be done for next four years. However, we observed that in the year 2012-13, in the same compartments, 876.192 hectare area was again treated within two years of start of previous treatment. It clearly indicates that 856.664 hectare area in these compartments was again taken up for treatment by the Divisions and expenditure of ₹ 45.11lakh was incurred.
- During test check of the budget files, progress reports, plantation report and Working Plan of two¹⁶ test checked divisions, we noticed that out of total 597.882 hectare area in two compartments, bamboo plantation was done in 403.67 hectare area in 2008-09 and 2009-10. However, we observed that in the year 2009-10 and 2010-11, in the same compartments, bamboo cleaning and mounding work was done in 482.245 hectare area. It clearly indicates that at least 288.033 hectare area in these compartments was again taken up for treatment by the Divisions and expenditure of ₹ 9.75 lakh was incurred.

Since, the earlier treatments were still going on, there was no need for further treatment until previous work was completed and evaluated. Thus the expenditure of ₹ 54.86 lakh incurred on the already treated area of these compartments was avoidable (*Appendix 7.6*).

During exit conference, the Government informed that RDF and RDBF are different working circles. RDBF work can be done with RDF work but RDF work cannot be completed with RDBF work. Also, Bamboo plantation work is done in blank spaces of the compartment and during plantation, RDBF work is not carried out. These areas were due in RDBF circle in later years. As such the treatment had been carried out as per the provisions of WP. Replies are not acceptable as per the instruction of PCCF; treated area is not to be taken for further treatment. If earlier work was failure then treatment work can be taken

¹⁴ Rehabilitation of degraded Forests (RDF) Circle includes the compartments having rare, blank and degraded forests. The area is to be treated with plantation in blank areas and dressing, adoption, protection and preservation of the available root stock in rare forests.

¹⁵ Bijapurand Khairagarh

¹⁶ Dantewada and Gariyaband

after approval of competent authority and reasons of failure should have been recorded but it was not found in records.

7.3.10.8 Treatment of bamboo forests in naxal affected areas

During the course of Performance audit, we observed that the areas where bamboo could not be harvested due to naxal problem were treated in the same or subsequent years without any problem as detailed below:

- In three¹⁷ test checked divisions, 2,232.490 hectare area in 10 compartments either could not be exploited or the exploited material could not be transported between 2008-09 and 2012-13 due to naxal extremism. However, RDBF work was carried out in the same area during the period between 2008-09 and 2013-14 and expenditure of ₹ 84.27 lakh was incurred.
- In two¹⁸ test checked divisions, 6,283.61 hectare area in 25 compartments could not be exploited between 2008-09 and 2012-13 due to naxal extremism. However, soil and water conservation work was carried out in the same area during the period between 2009-10 and 2011-12 and expenditure of ₹ 1.27 crore was incurred.

The expenditure of ₹ 2.11 crore incurred on the above stated works appears doubtful as the villagers refused to enter the forest area for exploitation due to naxal terror. Further, any treatment in the area shall be unfruitful as the Department shall not be able to exploit the results of the treatment due to naxalite problem. Thus, the expenditure of ₹ 2.11 crore incurred on the RDBF and soil and water conservation work was doubtful/ unfruitful.

During the exit conference, the Government replied that if the naxal problems subside in the area, these coupes can be exploited. The silvicultural activities have been taken up in these areas as the provisions of WP. Reply is not acceptable as it does not clarify how the works were executed in areas where villagers had refused to go for exploitation of bamboo due to naxal terror.

7.3.11 Bamboo Plantation

7.3.11.1 Failure of Department in evaluating the success of bamboo plantations

As per the provisions envisaged in WPs of the Divisions, the length and collar girth of plants shall be measured annually for five years since plantation and recorded in plantation journals for evaluation. If there is any doubt in the success of plantation, the possible reasons shall be recorded in plantation journals. The PCCF had also instructed (March 2013) that Division shall count the plants in April and October months of each year up to four years of plantation. Further, evaluation of plantation shall be done by a team consisting of a CF, DFO, SDO and RO of other circles.

Test check of the plantation reports in 13¹⁹ test checked divisions revealed that during the period between 2008-09 and 2013-14, 45,08,477 bamboo plants

¹⁷ Bijapur, Narayanpur and Sukma

¹⁸ Dantewada and Sukma

¹⁹ Bastar, Bhanupratappur (East), Bijapur, Dantewada, Dhamtari, Gariyaband, Katghora, Khairagarh, Koriya, Raigarh, Raipur, Surajpur and Surguja

were planted in 10,375.096 hectare area of 184 compartments and expenditure of ₹ 28.26 crore was incurred (**Appendix 7.7**). Further scrutiny of plantation journal of bamboo plantation revealed that DFOs did not evaluate the bamboo plantation as per the provisions of WP because no entries regarding height and collar girth of plants was found in plantation journal. Further, we noticed that the field officers did not comply the Departmental instructions regarding counting of plants. Also, the department failed to monitor the evaluation of plantation work. Thus, audit could not check the success of plantation and inclusion of these plantations as regular felling series in future.

During the exit conference, the Government partially accepted the observation and replied that plantation journals in the test checked divisions may not have been produced or incomplete journals were produced. All the plantations mentioned herein have been inspected and their progresses have been recorded in the respective journals along with the comments of higher officials. Reply is not acceptable as only 10 journals had been produced to the audit during Exit conference. Also, the produced journals were deficient of requisite information. Further, the plantation journals do not have column for recording the collar girth as required under the provisions.

The Government may consider issuing the proper format of plantation journal and ensure the maintenance of the same as per the provisions envisaged in WPs for effective monitoring of progress of plantation.

7.3.11.2 Selection of unsuitable sites for bamboo plantation

As per the provisions envisaged in WPs of the Divisions, plantation in which above 40 *per cent* plants are alive is considered as successful plantation.

During test check of the budget files, plantation journal and WP of DFO, Koriya, we noticed that CF, Surguja allotted ₹ 22.77 lakh for bamboo plantation in 150 hectare of three compartments between 2008-09 and 2010-11. The Division carried out the plantation in these three sites and incurred expenditure of ₹ 22.51 lakh as detailed in the following **Table 7.8**:

Table 7.8

(₹ in lakh)

Comp. No.	Area of plantation (in Ha.)	Year of plantation	No. of plants planted	Allotment	Expdr. Incurred
197	50.00	2008-09	20,000	7.09	6.92
198	50.00	2009-10	20,000	7.77	7.72
199	50.00	2010-11	20,000	7.91	7.87
Total	150.00		60,000	22.77	22.51

During scrutiny of CHs and WP, we observed that the above compartments belong to Selection-cum-Improvement (SCI) Working Circle having density above 0.5. During joint physical verification of these sites, we observed that



(Plantation area in Compartment no. 197)



(Plantation area in Compartment no. 198)

these compartments had abundant root stock and good regeneration. In the abovementioned plantations, only 10 to 15 *per cent* plants were alive and the height of the survived plants ranged between three and four feet. Due to the selection of unsuitable site for plantation, only 10 to 15 *per cent* plants could have survived. Also, the survived plants were underdeveloped. As such the plantations were unsuccessful, the expenditure of ₹ 22.51 lakh incurred on the above plantations was unfruitful.

During the exit conference, the Government replied that DFO had inspected the plantations and as per their reports, survival of plants is more than 46 *per cent* and height of plants is approximately two meters. Reply is not acceptable as during the joint physical verification of sites, the survival in the plantation in all three sites was found 10 to 15 *per cent* and the joint physical verification report was made and attested by the departmental officials.

7.3.11.3 Wrong selection of site for bamboo plantation under National Bamboo Mission

National Bamboo Mission (NBM) was started in order to propagate the production of bamboo in the state by plantation and rehabilitation of degraded bamboo. Bamboo plantation was taken up in 7,874 hectare of forest land by incurring expenditure of ₹ 11.32 crore between 2009-10 and 2013-14 under NBM. As per the provisions envisaged in WPs of the Divisions, plantation in which above 40 *per cent* plants are alive is considered as successful plantation.

During test check of the budget files, plantation journal, WP of the fifteen divisions of NBM, we noticed in three²⁰ divisions that ₹ 30.145 lakh was allotted for 200 hectare in three compartments for bamboo plantation between 2007-08 and 2011-12. The Divisions carried out the plantation in these three sites and incurred expenditure of ₹ 29.05 lakh. Further physical verification of these sites revealed the following irregularities as detailed in **Table 7.9** below:

²⁰ Bhanupratappur (East), Korea and Surajpur

Table 7.9

Division	Com p.No.	Area of plantation (in Ha.)	Year of plantation	No. of Plants planted	Allotment (₹ in lakh)	Expend-iture (₹ in lakh)
Bhanupratappur (East)	1039	50	2011-12	20,000	7.80	7.80
Physical verification of the site revealed that out of the total 20,000 plants planted by the division in 2011-12, only four to five <i>per cent</i> of the plants are alive.						
Surajpur	217	50	2008-09	20,000	6.42	5.97
During scrutiny of CH of the compartment and WP, we observed that the density of the site was above 0.5 and have adequate root stock. Physical verification of the compartment we observed that eight to 10 per cent of plant was alive.						
Koriya	328	100	2007-08	40,000	15.93	15.28
Physical verification of the site it was seen that only two to three per cent of the plants were alive and the site was predominant with moorum and hard rock.						
Total		200		80,000	30.15	29.05



(Bamboo plantation site in compartment no. 217 of Surajpur Division)

During physical verification, we observed that the above mentioned sites being predominated by dense forest, *moorum* and hard rock, were not suitable for plantation. The survival of two to 10 *per cent* plants proves the failure of plantations and thus the expenditure of ₹ 29.05 lakh on the above plantations was unfruitful.

During the exit conference, the Government replied that two out of the above three plantations relating to Bhanupratappur (East) and Koriya Divisions are successful as survival of plants is more than 40 *per cent*. Action shall be taken up in one case relating to Surajpur Division where survival of plants is 22 *per cent*. Reply is not acceptable as during the joint physical verification of sites, the survival in the plantation in all three sites was found two to 10 *per cent* and the joint physical verification report was made and attested by the departmental officials.

7.3.12 Production of bamboo

7.3.12.1 Non-exploitation of bamboo forests

As per the instructions issued by the PCCF (January 2005), bamboo areas should be treated as per the provisions envisaged in the WP as if these were not treated as prescribed, the clumps shall entangle and decay soon. CCF (Production) had also instructed (June 2008) that bamboo production coupes shall not be written off on the basis of unprofitability or any other

circumstances. In cases of unprofitability, the bamboo coupes shall be treated with silvicultural operations as envisaged in the WP.

During test check of the WP and production reports of seven²¹ DFOs, we noticed that between 2008-09 and 2013-14, 333 coupes having 1.91 lakh hectare area due for felling were not felled. As a result of this, 1,61,507.622 NT bamboo valuing ₹ 39.10 crore could not be harvested by the Department as detailed in **Table 7.10** below:

Table 7.10

Name of the Division	Period	Coupes due but not felled		Estimated quantity of production (NT)	Estimated value of un-harvested bamboo (₹ in crore)
		Nos.	Area (Ha.)		
Dantewada	2008-09 to 2011-12	36	22,507.600	6,672.00	4.41
Khairagarh	2008-09 to 2012-13	35	9,943.413	10,738.89	3.68
Raipur	2011-12 to 2012-13	03	445.523	516.810	0.27
Narayanpur	2008-09 to 2012-13	21	13,817.14	12,753.220	10.15
Bijapur	2008-09 to 2013-14	163	98,475.520	1,10,489.534	17.94
Bastar	2008-09 to 2013-14	50	34,824.176	20,337.348	2.65
Raigarh	2008-09 to 2013-14	25	11,097.002	Estimates and valuation could not be done due to no reference in WP in this regard.	
Total		333	1,91,110.374	1,61,507.622	39.10

It may be seen from the above table that 1.91 lakh hectare bamboo area in 333 bamboo coupes were not exploited for the period ranging between one to five years after becoming due. As a result of this, the bamboo clumps shall entangle and decay with the passage of time.

DFO, Bastar, Bijapur, Dantewada and Narayanpur informed that 258 bamboo coupes could not be exploited due to naxal problems in the area. However, we observed that despite repeated failures in fetching the bamboo from naxal affected areas, no such plan was found to be made by the Government/ Department for fetching the bamboo from naxal affected areas. Also, silvicultural operations as per the prescriptions of WP were not found to be carried out by the Department in 50 coupes in Bastar, Khairagarh and Raipur divisions which were not felled due to non-profitability. Such inaction on the part of the Department in respect of exploitation of due bamboo coupes not only resulted in loss of revenue to the tune of ₹ 39.10 crore, but also in depletion of valuable bamboo forests in 1.91 lakh hectares of forest area.

During the exit conference, the Government replied that due to naxal problems in above divisions except Raigarh and Raipur, bamboo felling could not have been done. In Raigarh and Raipur divisions, felling was not done due to financial non-viability. Replies are not acceptable as non-exploitation of bamboo would result in entangled clumps which shall decay in near future leading to permanent loss of the bamboo forests. Further, on the basis of financial non-viability, no bamboo coupes can be written off. In such cases, adequate silvicultural treatments should be carried out for increasing the productivity. However, it was not found to be done.

²¹ Bastar, Bijapur, Dantewada, Khairagarh, Narayanpur, Raigarh and Raipur

The Government/ Department should make a long term plan for exploitation of bamboo in naxal affected areas and carry out adequate silvicultural activities in financially non-viable bamboo coupes.

7.3.12.2 Variations between estimated and actual production of bamboo

As per the provisions envisaged in the WP, sample plots of 0.1 hectare shall be made in the production area and number of bamboo clumps shall be counted in each plot on the basis of which, estimated production of bamboo shall be calculated. As such, estimation shall be made for the production of bamboo in the whole coupe. During test check of the records in selected divisions, we noticed that there were huge variations between the estimates and actual production. The variations and its effect are discussed in the following paragraphs.

(A) During test check of the WP and production reports of four²² DFOs, we noticed that between 2008-09 and 2013-14, yield of 41,543.339 NT bamboo was estimated from the exploitation of 39,103.901 hectare area in 83 coupes. However, against the estimated yield, only 24,996.802 NT bamboo have been produced. The coupe-wise actual production was short than the estimated yield by 20 to 93 *per cent* as detailed in **Table 7.11** below:

Table 7.11

Name of the Division	Period	No. of coupes/ Area (Ha.)	Estimated production (NT)	Actual production (NT)	Shortage (NT)	Extent of shortage (<i>per cent</i>)
Khairagarh	2008-09 to 2012-13	32/ 8,792.941	22,364.63	14,262.405	8,451.222	20 to 83
Bastar	2008-09 to 2012-13	12/ 10,009.742	2,254.712	883.263	1371.449	30 to 93
Bijapur	2008-09 to 2013-14	21/ 10,926.268	11,075	7,058.295	4,016.705	22 to 67
Bhanupratappur (East)	2009-10 to 2012-13	18/ 9,374.950	5500	2792.839	2707.161	22 to 60
Total		83/ 39,103.901	41543.339	24996.802	16,546.537	

Clearly, the production in the said coupes was much less than the estimates. Though the production was reported less than the estimates by the Division to the extent of 93 *per cent*, no monitoring or enquiry was done by the Department regarding such huge variations. Had the Department monitored/enquired such huge variations in the production, non-realisation of revenue to the tune of ₹ 4.71 crore could have been avoided.

During the exit conference, the Government replied that due to naxal problems in the Divisions, the production and transportation of bamboo was adversely affected which resulted in short production. Reply itself indicates that the Department had no planning for the exploitation of bamboo coupes in naxal affected areas and the valuable bamboo forests have been left for depletion with the passage of time.

(B) During scrutiny of records of production and sale of industrial bamboo in Khairagarh and Raigarh Divisions, we noticed that in 2011-12, production

²² Bastar, Bhanupratappur (East), Bijapur and Khairagarh

of 3,093.41 NT industrial bamboo was estimated and same was proposed for sale through tender. However, the actual production was 4,802.574 NT and the actual production was more than the estimates by 32 to 107 *per cent*. As per the conditions envisaged in the tender document, the purchaser was bound to purchase the estimated quantity and 25 *per cent* more. Consequently, due to such huge variation between estimates and actual production, only 4,113.834 NT industrial bamboo could have been sold at the tender rates. Wrong estimation of production of industrial bamboo resulted in non-lifting of 688.740 NT in 2011-12. Further, of the industrial bamboo remained unsold in 2011-12, 669.149 NT industrial bamboo was sold at lower rates in 2012-13 resulting in short realisation of revenue amounting to ₹ 25.22 lakh (*Appendix 7.8*). Had the variations between estimates and actual production up to 25 *per cent*, the short realisation of revenue could have been avoided.

During the exit conference, the Government replied that due to naxalite problems in Khairagarh, the transportation, bundling and stacking of cut bamboo could not be completed in time. Thus, the bamboo could not be sold to purchasers and was disposed in the subsequent years. In Raigarh, the production of industrial bamboo increased abnormally as the damage caused by the wild elephants compelled the Department to classify the damaged commercial bamboos as industrial bamboos. Replies are not acceptable. Reason for excessive variation in Khairagarh was not ascertained. In Raigarh, the excess production was done in all the coupes. Also, there was only 13 *per cent* shortages in production of commercial bamboo while the industrial bamboo production increased by more than 100 *per cent*.

The Government may consider evolving a system to check the excessive variation between estimated and actual production by establishing a benchmark in this regard to safeguard the revenue interest of the Government.

7.3.12.3 Shortages in industrial bamboo during transportation from coupes to depots in excess to the prescribed limits

As per the provisions of WPs, the industrial bamboos shall be transported from coupes to depots in the bundles of one and two meter lengths. The Department had allowed (October 1975) shortage of two *per cent* in the transported quantity on account of breakages during transit and unloading at depot. It also instructed to prepare half bundles of 0.75 to 1.25 meters from the broken bamboos. The shortage above two *per cent* shall be considered as loss and action shall be taken thereupon.

During test check of the coupe completion reports of industrial bamboos in three²³ divisions, we noticed that during the period 2010-11 to 2012-13, from 67 bamboo coupes, 2,740.116 NT bamboo was transported to the depots against which only 2,610.466 NT bamboo was received in the Depots. The breakage during the transportation was 129.64 NT against the permissible limit of 54.804 NT at the rate of two *per cent* as detailed in **Table 7.12** below:

²³ Bastar, Bhanupratappur (East) and Khairagarh

Table 7.12

Name of Division	Period	No. of coupes	Quantity transported (NT)	Quantity received (NT)	Shortage (NT)	Shortage allowed (NT)	Excess shortage (NT)	Loss due to shortage (₹ in lakh)
Khairagarh	2010-11 to 2012-13	63	2620.40	2510.20	110.19	52.409	57.781	3.83
Bastar	2011-12	1	72.966	57.316	15.65	1.46	14.19	0.37
Bhanupratappur (East)	2012-13	3	46.75	42.95	3.80	0.935	2.865	0.23
Total		67	2740.116	2610.466	129.64	54.804	74.836	4.43

Thus, there was loss of 74.836 NT industrial bamboo during the transportation. We also observed that no action was taken for this excess loss of bamboo during the transportation. This resulted in loss of revenue amounting to ₹ 4.43 lakh.

During the exit conference, the Government replied that in case of Khairagarh, there is no difference in the coupe-wise total material sent and received in the depots in 2011-12 and 2012-13 while in 2010-11, shortage is within the prescribed limits. In Bastar and Bhanupratappur (East) divisions, process of recovery has been initiated. Reply of the Government in case of Khairagarh is not acceptable as the challan-wise entries shows shortages. These shortages of bamboo in challans cannot be made good by the excesses in other challans relating to some other days or months.

The Government should take effective measures to avoid the transit wastages during transportation from coupes to depots beyond the prescribed limits.

Sale of bamboo

7.3.13 Non-compliance of the conditions of tender by the industrial bamboo purchasers

As per the conditions of the tender²⁴ for purchase of industrial bamboo, purchaser shall be bound to purchase the mentioned quantity and additional 25 *per cent* thereof on the agreed rates. In case of default of the conditions, CF may terminate the agreement and forfeit the Security Deposit. Further, if the purchaser refuses to purchase the quantity of bamboo agreed for and up to 25 *per cent* thereof, and in its subsequent tenders, if that quantity is sold at lower price, the difference shall be recovered from the defaulting purchaser.

During test check of the records relating to the sale of industrial bamboo in Bastar, Khairagarh and Raipur divisions, we noticed that the conditions envisaged in the tender document were neither complied by the purchasers nor enforced by the Department as detailed in the **Table 7.13** below:

²⁴ Industrial bamboo is sold for the industrial purposes through advance tenders by the PCCF office while commercial bamboo is sold through direct sale from *nistar* depots to the villagers and auction from the Depots. The price of bamboo is fixed on the basis of average sale price obtained in last five years.

Table 7.13

Name of Division	Year	Lot No.	Quantity proposed in lots (NT)	Additional Quantity (NT) (25%)	Total (NT)	Quantity produced (NT)	Quantity lifted by the purchaser (NT)
Khairagarh	2009-10	D-5	1,000	250	1,250	1,119.994	1,000
		D-6	1,100	275	1,375	1,182.333	1,100
Total			2,100	525	2,625	2,302.327	2,100
The additional quantity of 202.327 NT (2302.327-2100) valuing ₹ 6.73 lakh was not lifted by the purchasers. Of this remaining quantity, 167.040 NT bamboo was sold in 2011-12 at the rate of ₹ 1,751 per NT while 35.287 NT bamboo was neither sold nor found available in depot. As a result of this, only ₹ 3.01 lakh was realised. Thus, non-compliance of conditions of sale by the purchasers resulted in loss of revenue amounting to ₹ 3.72 lakh.							
Bastar	2008-09	J-1	1,134	283.5	1,417.5	1,249.751	994.314
	2010-11	J-2 to J-7	2,244.820	561.205	2,806.025	1,216.877	1069
	2011-12	J-2	40.168	10.042	50.21	71.835	24.674
		J-3	200	50	250	151.466	57.316
		J-4	116	29	145	64.835	40.033
	2012-13	J-3	35	8.75	43.75	25.832	0.000
Total			3,769.988	942.497	4,712.485	2,780.596	2,185.337
The remaining quantity of 595.259 NT valuing ₹ 13.05 lakh was not lifted by the purchasers. Also, it was neither sold in the subsequent tenders nor available in the depots. This resulted in loss of revenue amounting ₹ 13.05 lakh.							
Raipur	2011-12	R-1	826.706	206.677	1,033.383	959.718	826.706
Department could not enforce the conditions on the purchaser which resulted in non-lifting of 133.012 NT. Though, the Department could manage to sale 75.523 NT of the remaining quantity in 2012-13, but the remaining 57.489 NT bamboo is still lying unsold in the depot and being unsold for more than two years, there is no chance for its sale. This resulted in non-recovery of ₹ 2.46 lakh.							
Grand Total			6,699.694	1,674.174	8,370.868	6042.641	5,112.043

It may be seen from the above table that the tenders were made for 6,699.694 NT industrial bamboo and as per the conditions of the tender documents, purchasers were bound to lift 8,370.868 NT bamboo. However, the production in respect of the abovementioned lots was 6,042.641 NT. Though, the purchasers were bound to lift the same but they lifted only 5,112.043 NT industrial bamboo. This resulted in loss of revenue amounting to ₹ 19.23 lakh on account of re-tender of remaining quantity as well as degradation in quality of bamboo unsold till date.

During the exit conference, the Government replied that due to naxalite problems in Khairagarh, the transportation, bundling and stacking of cut bamboo could not be completed in time. Thus, the bamboo could not be sold to purchasers and was disposed in the subsequent years. In Bastar, 470.449 NT and 131.267 NT industrial bamboo was supplied to *bansods* and *nistaris* as per their demand realising revenue of ₹ 8.01 lakh. In Raipur, the bamboo could not be supplied to the purchaser due to delay in transportation. The remaining quantity of bamboo is still lying in depot and efforts for their sale are being made. Replies are not acceptable. In Khairagarh and Raipur, the transportation of bamboo of these lots was completed in June 2010 and June 2012 respectively i.e. before expiry of the period of agreement (December 2010 and December 2012). In case of Bastar, the sale of industrial bamboo to *bansods* and *nistaris* was in contravention to the provisions as these bamboos had already been sold through advance tender. Sale of industrial bamboo at

₹ 5.04 lakh less than their actual value to *Bansods* and *nistaris* for whom industrial bamboo is not useful shows that the Department neither took care of revenue interest of the Government nor addressed the needs of *Bansods* and *nistaris*.

The Government may consider evolving an effective system to ensure the compliance of the conditions of sale by the Department and the purchasers so that optimum revenue collection during the sale of industrial bamboo may be assured.

7.3.14 Conclusion

The department failed to run the bamboo operation as a commercially viable venture (spending ₹ 219.60 crore to generate revenue of ₹ 70.05 crore only). In our opinion the scheme needs drastic review in order to make it viable. We observed that:

- Treatment of degraded bamboo forests was not evaluated by the departmental Gazetted officers after four years of the treatment as a result of which the success or failure of treatment could not be assessed. Further, the treatment of degraded bamboo forest was carried out in the ineligible as well as already treated areas. Also, none of the treated compartments turned productive.
- Job rates fixed by the PCCF and territorial CFs for carrying out the treatment of degraded bamboo clumps were not observed by the field offices resulting in excess expenditure.
- Bamboo plantation sites were unsuitably selected which resulted in failure of plantations. Department failed to evaluate the progress of bamboo plantations as envisaged in WPs as a result of which, the success or failure of plantation could not be assessed.
- The Department could not enforce the conditions envisaged in the tender document for sale of industrial bamboo, which resulted in loss of revenue on account of re-tender of remaining quantity as well as degradation in quality of bamboo unsold till date.

Other Audit Observations

7.4 Avoidable expenditure on plantation in areas already treated/ under treatment

As per the WP, plantation work shall not be taken up in the areas having enough root stock, rocky areas and at least five hectare area is available for plantation at one site. The PCCF has also instructed (December 2010) that plantation shall be taken up in areas having density 0.2 and below. Plantation shall not be taken up in the areas having enough coppice regeneration.

7.4.1 Raigarh Division carried out the plantation in 1,170.76 hectare in 31 compartments between 2010-11 and 2011-12. Out of this, there were three compartments namely P/805, 1261 and 1352 where plantation was done in 42.18, 41.904 and 50.149 hectare incurring expenditure of ₹ 6.25 lakh, ₹ 6.21 lakh and ₹ 7.30 lakh respectively. Further scrutiny revealed (October 2012) that the total area of these three compartments is 422.292 hectare. Out of total area of three compartments, Division had already carried out plantation in 409.55 hectare between 2003-04 and 2005-06 as detailed in **Table 7.14** below.

Table 7.14

Comp. No.	Total area of the compartment (Ha)	Working Period	Area treated (Ha)
P/805	83.456	2004-05 and 2005-06	49.55+41.00=90.55
P/1261	65.347	2004-05	65
P/1352	273.489	2003-04 and 2004-05	29+225=254
Total	422.292		409.55

As there were no space left for further plantation and no specific mention was made regarding failure of earlier plantation in project report, the expenditure of ₹ 19.76 lakh incurred on plantation in three compartments in the year 2010-11 and 2011-12 was irregular.

After we pointed this out (October 2012), DFO, Raigarh replied that in compartment 805, plantation was carried out in only 12.5 hectare of the area in 2004-05 and no plantation was carried out in the subsequent year. In compartment 1261, plantation was carried out in 13.66 hectare in the year 2004-05 and in compartment 1352 plantation was carried out in 29 and 70.54 hectare of the forest land in 2003-04 and 2004-05 respectively. Thus, the plantation was carried out in year 2010-11 and 2011-12 in the remaining area of the three compartments. The reply of DFO, Raigarh is not correct as the plantation report of the division shows that plantation was already carried out in 409.55 hectare in 2003-04, 2004-05 and 2005-06 and there were no area left in these three compartments for subsequent plantation.

7.4.2 During test check of the budget files, form-7 and WP of the DFO, Rajnandgaon we noticed (April 2013) that CF, Durg accorded (October 2011 and May 2012) sanction of ₹ 60.60 lakh to the DFO, Rajnandgaon for site

preparation and plantation in 354 hectare area. DFO carried out the work in five²⁵ compartments and incurred expenditure of ₹ 60.60 lakh between 2011-12 and 2012-13. Further scrutiny of records, we noticed following irregularities in the plantation work in two compartments:-

- (a) As per the approved WP of Rajnandgaon Division, total area of compartment no. 950 was 161.77 hectare and there was no rare/ blank area. According to the compartment history, the density of compartment was 0.5 and 135 hectare teak plantation was done in the compartment in earlier years which was successful. However, the Division carried out plantation of 60,308 plants in 150.77 hectares area of the compartment, without availability of any further space and incurred expenditure of ₹ 25.75 lakh between 2011-12 and 2012-13.
- (b) As per the WP of Rajnandgaon Division, total area of compartment no. 695 was 285.90 hectares of which, 275.13 hectare area had already been treated (with plantation of 2,13, 885 plants in 175 hectare area and without plantation treatment in 100.13 hectare area) between 2005 and 2012. However, the Division carried out plantation of 48,364 plants in 120.91 hectares area of the compartment, without availability of any further space and incurred expenditure of ₹ 20.68 lakh between 2011-12 and 2012-13.

After we pointed this out (April 2013), the DFO, Rajnandgaon replied that both the above compartments are kept in the rehabilitation working circles and works were taken up in form of gap plantation as per the conditions of forests. The work had been taken up as they were required as per the provisions of WP. The reply of DFO, Rajnandgaon, is not acceptable as the instructions of PCCF and prescriptions of WP state that the plantation shall be done in the blank/ rare forests areas having density 0.2 or less. The root stock area was available in the compartment no. 950 with the density of 0.5 and hence as per the provisions, it should not have been treated with plantation. In compartment no. 695, 275.13 hectare out of total 285.92 hectare area of the compartment had already been treated between 2005 and 2012 which includes treatment with plantation in 175 hectare and treatment without plantation in 100.13 hectare area.

7.4.3 During scrutiny of the budget files, form-7 and WP of the DFO, Dhamtari, we noticed (August 2013) that as per the approved WP of the Division, total area of the compartment no. 50 was 363.704 hectares with density having 0.5 to 0.6. Further scrutiny of plantation reports and progress reports, we noticed that 85,826 plants planted in 214.066 hectare of the compartment in the period of 2007-08 to 2010-11 and 149.638 hectare area was treated without plantation work in the period of 2008-09 to 2012-13 incurring the expenditure of ₹ 23.61 lakh and 9.69 lakh respectively. It is clear from the above fact that the whole area of the compartment was treated by the plantation and without plantation work. Thus, there was no scope for further treatment. But, further scrutiny of plantation report and progress report of 2011-12, revealed that the Department planted 84,000 plants in 120 hectare in the above mentioned compartment in 2011 and incurred the expenditure of

²⁵ 535, 536, 607, 695 and 950

₹ 42.88 lakh (*Appendix 7.9*). Since the treatments, commenced from 2007-08 and 2008-09 in the whole area of the compartment, were also continued up to 2012-13; there was no requirement of further treatment. Also, no mention was made in project reports of new work regarding earlier work. Thus, the division took up the work in area already under treatment and incurred the expenditure of ₹ 42.88 lakh which was irregular.

After we pointed this out (August 2013), DFO, Dhamtari replied (August 2013) that 149.638 hectare area where without plantation work was done earlier, had deteriorated and the density of area reduced due to heavy biotic pressure. Hence, plantation work was taken up in 120 hectare with the sanction of the competent authority to restore the forest density of the area. Reply of the DFO, Dhamtari is not acceptable as without plantation work was continued during the period between 2008-09 and 2012-13. Had the area been deteriorated in 2011-12 requiring treatment through plantation, the expenditure of earlier work thereupon should have not been continued. Also, before taking up plantation work in 120 hectare, no record had been made available by the Department regarding failure of earlier treatment.

It is evident from the above details that the provisions of WPs as well as instructions issued by the PCCF were not adhered to while selecting the sites for plantations. Thus, expenditure of ₹ 1.09²⁶ crore, incurred on plantation at ineligible sites was avoidable.

The matter was reported to the Government/ Department (January 2014); their reply is awaited (December 2014).

7.5 Irregular expenditure on the nationalised trade of timber

The CCF had fixed (October 2010) the norms for the expenditure on the State trade of timber at 14.5 mandays per cubic meter of timber produced during the year. This does not include the expenditure on the transportation of timber during the trade.

During the test check (September 2012) of records of timber felling report in the office of CF, Kanker we found (September 2012) that neither any tree was marked before felling nor any tree was felled in Narayanpur and Bhanupratappur (West) divisions between 2009-10 and 2010-11. Further scrutiny of sanction files for above work revealed that the CF sanctioned an amount of ₹ 60.64²⁷ lakh on account of State trade of timber for two divisions in the aforementioned years. Against the sanction, the divisions incurred expenditure of ₹ 57.78²⁸ lakh on State trade of timber (*Appendix 7.10*). Since, no marking or estimation was done by the two divisions for felling work, no sanctions were to be given for the state trade of timber by the CF, Kanker. As per the felling report (as on 30 June), no tree was marked and felled, however the divisions incurred expenditure of ₹ 57.78 lakh on state trade of timber. Thus, expenditure of ₹ 57.78 lakh appears irregular/ doubtful.

²⁶ Raigarh-Comp. No. P/805-₹ 6.25 lakh, P/1261-₹ 6.21 lakh and P/1352-₹ 7.30 lakh
Rajnandgaon-Comp. No. 950-₹ 25.75 lakh, 695-₹ 20.68 lakh,
Dhamtari-Comp. No. 50 - ₹ 42.88 lakh

²⁷ Narayanpur ₹ 13.42 and Bhanupratappur (west) ₹ 47.22

²⁸ Narayanpur ₹ 12.49 and Bhanupratappur (west) ₹ 45.29

After we pointed this out (September 2012), the CF replied that information would be furnished on receipt of reply from the divisions.

The matter was reported to the Government/Department (January 2014); their reply is awaited (December 2014).

7.6 Unfruitful expenditure on soil conservation work

As per the paragraph 11.7.1.3 of Working Plan (WP) of Koriya division, no trenches will be constructed in the above 25 *per cent* slope of area because those trenches would be unfruitful.

During scrutiny of the sanction files, WP, Project Reports, Plantation Reports and Financial Progress Reports in the office of the DFO, Koriya, we noticed (June 2012) that CF, Sarguja Circle, Ambikapur sanctioned ₹ 186.37 lakh for soil conservation work in 5,037.08 hectare to DFO Koriya (October 2011). Out of this, DFO, Koriya undertook soil conservation work in 1457.69 hectare area in five²⁹ compartments and incurred expenditure of ₹ 53.93 lakh. Further, it was seen that as per the approved WP of division, 665.50 hectare was in 10 to 30 *per cent* slope area in these five compartments. As per the above provision, no soil conservation work was to be taken in the remaining 792.19 hectare area of these five compartments which belonged to the above 30 *percent* slope area. However, work was taken up by the division in that area and incurred the expenditure of ₹ 29.19 lakh which was unfruitful and in contravention of provision of the WP.

After we pointed this out (June 2012), the DFO Koriya replied that no trenches were constructed in the above 30 *per cent* slope area, only 45,200 trenches were constructed in 665.50 hectare in 10 to 30 *per cent* slope. We do not agree with the reply as division incurred an expenditure of ₹ 53.93 lakh for soil conservation work in the total area of 1,457.69 hectare instead of 665.50 hectare which can be confirmed from the expenditure report of division. If the trenches had been constructed in 665.50 hectares only, then the expenditure would have been shown accordingly in the expenditure report of the department, but this was not the case.

The matter was reported to the Government/Department (January 2014); their reply is awaited (December 2014).

²⁹ 274, 338, 134, 119 and 218

7.7 Excess expenditure on security and upkeep of roadside plantation under MNREGA

As per Rule 10 of Chhattisgarh Finance Code, Volume I, every Head of the Department is responsible for observing strict economy and enforcing financial control. The PCCF, Chhattisgarh had fixed the norms (September 2011) for roadside plantation as detailed in the following **Table 7.15**:

Table 7.15

Year	Work	Rates per 1000 plants per km (₹)
First/Second Year	Site preparation/Plantation	6,42,750
Third Year	Security and Upkeep	86,000
Fourth Year	Security and Upkeep	66,000
Fifth Year	Security and Upkeep	28,750

During scrutiny of budget files, form 7 and progress reports of Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) work in the office of the Divisional Forest Officer (DFO) Dhamtari, we noticed (August 2013) that on the basis of proposals submitted by the DFO Dhamtari, *Zila Panchayat*, Dhamtari accorded sanction of ₹ 10.05 crore for security and upkeep in third year of 143.5 km roadside plantations (at the rate of ₹ 6.79 lakh to ₹ 7.03 lakh per km for 2000 plants per km) for the 2010-11 and 2011-12. As per the norms, maximum expenditure of ₹ 2.47 crore was to be incurred on security and upkeep of plantations in third year. However, the Division had incurred expenditure of ₹ 5.67 crore on this work. Thus, non-observance of departmental norms in preparation of plantation projects as well as strict economy and financial control in spending public funds resulted in excess expenditure of ₹ 3.20 crore.

After we pointed this out (August 2013), the DFO replied that the survival and growth of roadside plantations under MNREGA is better than the plantation under departmental heads as it had provision of cement poles, more weeding, better fertilisers, pesticides and a labour involved in protection per km. of plantation. These provisions were not available in funds allotted under departmental norms. The reply is not acceptable as the departmental norms also had provisions for cement poles, weeding, fertilizers, pesticides and protection of plantation. Further, the roadside plantations carried out the departmental heads were successful. Thus, plantation work should have been done in accordance with the departmental norms.

The matter was reported to the Government/Department (January 2014); their reply is awaited (December 2014).

7.8 Excess expenditure on solar powered fencing due to acceptance of higher rates

As per Rule 9 of Chhattisgarh Financial Code, Volume I, every Government servant, while making expenditure from public funds, should observe same diligence as he applies while spending his personal money. Solar Powered Fence (SPF) is a barbed wire fence with electricity flowing in the wires to give enough shock to the elephant to avoid their movement towards the fenced area. The electricity flowing in the wires comes from the batteries that are charged through solar panels.

During scrutiny of the budget files of DFOs Surguja (South) and Surguja (North), we noticed that in order to save the villages nearby the forests from the attack of wild elephants, the Department decided to erect SPF in elephant affected areas and called the tender for the same in February 2011. The tender was awarded to M/s Crown Solar Power Fencing Limited, Hyderabad on the basis of lowest rate of ₹ 1.37 lakh per km as per negotiations (March 2011). It erected 23.27 km and 63.50 km SPF in Surguja (South) and Surguja (North) Divisions respectively at the said rates and completed the work in October 2011. The payments were made after works being found satisfactory in physical verification by the SDO.

During further scrutiny of the budget files and form-7 of the DFO, Surguja (South) and Surguja (North) (May 2013), we noticed that PCCF (Wildlife), Chhattisgarh, Raipur accorded sanction (September 2012) of ₹ 3.43 crore for erection of 250 km. SPF in five³⁰ divisions which included ₹ 1.65 crore for 120³¹ km SPF in Surguja (South) and Surguja (North) divisions at the rate of ₹ 1.37 lakh per km. Further, we observed that DFO, Surguja (South) had asked (October 2012) the interested parties for their proposals for erecting the SPF. M/s Crown Solar Power Fencing Limited had offered to erect the SPF at the same rates of 2011-12 i.e. ₹ 1.37 lakh per km. (October 2012). In the meantime, as per the instructions of CF (Wildlife), Surguja Circle, Ambikapur, DFO, Surguja (East) called tenders for erection of SPF on behalf of all the divisions in the circle (November 2012). Though the offer for erection of SPF at the rates of ₹ 1.37 lakh per km. had been received before floating the tender and DFO, Surguja (South) itself member of the tender committee but DFO, Surguja (South) did not intimate the same to the CF (Wildlife). Consequently, rates for the same work were finalised (December 2012) at the rate of ₹ 1.80 lakh by the CF (Wildlife). This resulted in excess expenditure of ₹ 51.08 lakh on erection of SPF Surguja (North) and Surguja (South) divisions.

After we pointed this out (June 2014), the Government stated that M/s Crown Solar Power Fencing Limited, Hyderabad was ready to work in 2012-13 at the rate of 2011-12 but Department called the tender (November 2012) for getting lower rate from that of the previous year. Three firms participated in tender but M/s G.K.Energy's rate of ₹ 1.80 lakh was lowest. Therefore, work order had been issued for erection of SPF in different areas to the three firms which were participated in tender at the approved rate of ₹ 1.80 lakh. The reply is not acceptable as Department got much higher rate in tender from the last year.

³⁰ Dharamjaigarh, Jashpur, Surguja (East), Surguja (North) and Surguja (South)

³¹ ₹ 82.26 lakh for erection of 60 km SPF in each of the two division

As such, Department should have cancelled the tender and negotiated with the M/s Crown Solar Power Fencing Limited. Also, no reasons were found in records for approving the higher rates despite availability of lower rates from the firm which had already done the same work in the Division in previous year. Thus, the Department would have avoided the excess expenditure on erection of solar powered fencing.

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