

**Chapter-VI**  
**Forest Receipts**

## CHAPTER -VI Forest Receipts

### 6.1 Tax administration

The overall charge of the Forest Department vests with the Principal Chief Conservator of Forests. The tax administration is governed by Acts and Rules framed by the Department.

### 6.2 Results of Audit

Test check of the records of 24 units relating to Forest and Wildlife during 2014-15 revealed irregularities involving ₹ 214.22 crore in 5,647 cases, which fall under the following categories:

(₹ in crore)			
Sl. No.	Categories	No. of cases	Amount
1.	Non/short realisation of royalty	126	104.23
2.	Unauthorized provision and expenditure of Funds	21	7.48
3.	Non adherence of Codal provision in maintenance of Government Receipts	1	32.90
4.	Other irregularities	5,499	69.61
	<b>TOTAL</b>	<b>5,647</b>	<b>214.22</b>

During the year 2014-15, the Department accepted the audit observations in 326 cases pertaining to earlier years and recovered an amount of ₹ 3.86 lakh there against.

A few illustrative cases involving ₹ 12.59 crore are discussed in the succeeding paragraphs:

### 6.3 Blockage of revenue due to non-felling of bamboos

***Non harvesting of 9,500 clumps of bamboos due for harvesting resulted into blockage of revenue of ₹ 67.83 lakh.***

As per working plan of the Hoshiarpur division, bamboos were required to be felled/exploited in three year rotation cycle. Each felling series became due for felling after every three years.

We noticed that 9,500 clumps of bamboos which were due in Hoshiarpur division for harvesting during 2012-14 were not harvested resulting in blockage of revenue of ₹ 67.83 lakh<sup>1</sup>.

<sup>1</sup> Amount calculated on the basis of number of bamboos in a clump and rates of bamboos taken on an average basis as per data of DFO, Dasuya.

Government in its reply (October 2015) accepted the audit objection and assured that prescribed felling as per working plan would be under taken in the year 2015-16.

### 6.3.1 Irregular adjustment of royalty

***PSFDC irregularly adjusted royalty of ₹ 7.53 crore against the rent of two towers of Forest Complex in contravention of the Financial Rules.***

Article 266 (1) of the Constitution of India provides that all revenues received by the Government of a State, all loans raised by that Government by the issue of treasury bills, loans or ways and means advances and all moneys received by that Government in repayment of loans shall form one consolidated fund to be entitled 'the Consolidated Fund of the State'. Further, Rule 2.4 of the Punjab Financial Rules Vol-I prohibits utilization of revenue towards expenditure.

Punjab State Forest Development Corporation (PSFDC) was required to deposit the amount of royalty on account of standing trees offered to it with the Department within a period of seven months from the date of offer of trees.

We noticed that the royalty amounting to ₹ 7.53 crore was adjusted by the PSFDC against the rent of two towers of Forest Complex building during 2012-13 and 2013-14. The adjustment of royalty against rent was irregular and in contravention of the Rules *ibid*. ***Even though this matter was also included in the Audit Report (Revenue Sector) for the year ended 31 March 2013 (Para 5.3), such transgression of Rules *ibid* continues.***

The matter was reported to the Government/Department (July 2015); their replies were awaited (November 2015).

### 6.3.2 Non realization of interest on royalty

***Interest of ₹ 4.38 crore on late deposit of royalty was not recovered from Punjab State Forest Development Corporation.***

Consequent upon the formation of PSFDC in the year 1983, the standing trees were sold to PSFDC by the Forest Department at the rates fixed by the Government from time to time. The cost of these trees was recoverable in the form of royalty and interest was required to be charged at the rate of 12 per cent per annum on the outstanding amount of royalty which was not paid by the Corporation.

We noticed from the records of five divisions<sup>2</sup> that interest of ₹ 4.38 crore on late deposit of royalty of ₹ 25.95 crore for the period 2011-14 was not recovered from the PSFDC.

The Government in its reply (October 2015) stated that request of PSFDC for waiving of interest was under consideration. Final compliance would be awaited in audit.

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<sup>2</sup> Amritsar, Dasuya, Garhshankar, Patiala and Sangrur.