



CHAPTER - V
ENVIRONMENT AND
FORESTS DEPARTMENT

CHAPTER – V : **ENVIRONMENT AND FORESTS DEPARTMENT**

5.1 Administration

The Principal Chief Conservator of Forests and Head of Forests Force (PCCF and HoFF), Assam who is in overall charge of the Department is assisted by four Principal Chief Conservators of Forests (PCCF), 11 Additional Principal Chief Conservators of Forests (APCCF), 11 Chief Conservators of Forests (CCF) and nine Conservators of Forests (CF). In addition, there were 68 forest divisions each headed by a Deputy Conservator of Forests (DCF)/ Divisional Forest Officers (DFOs). The divisions were further divided into ranges and beats for ensuring effective control and supervision of the forests of the State.

The principal act, regulation and rules which govern the functioning of Department of Environment and Forests are the Assam Forest Regulation, 1891; Assam Sale of Forest Produce, Coupes and *Mahals* Rules, 1977; Forest (Conservation) Act, 1980; Assam Minor Minerals Concession Rules, 1994; and, Rules and notifications/orders issued thereunder, from time to time.

5.2 Working of internal audit wing

Internal audit, a vital component of the internal control mechanism, functions as the 'eyes and ears' of the Department and is a vital tool which enables the management to assure itself that prescribed systems are functioning reasonably well.

It was observed that the internal audit wing in the Department comprised of only one internal auditor, which would have made it extremely challenging for the one-man team to discharge its assigned responsibility in any meaningful and effective manner in what is one of the largest departments of the GoA.

5.3 Results of audit

In 2016-17, test check of the records of 29 offices (out of total 92 offices) relating to forest receipts showed non/short recovery of royalty, non-levy of interest/VAT/extension fee and other irregularities involving ₹ 22.94 crore in 136 cases, which fall under the following categories in as shown in **Table 5.1**.

Table 5.1
Results of Audit

Sl. No.	Category	Number of cases	Amount (₹ in crore)
1.	Non/short recovery of royalty	10	1.33
2.	Non-levy of interest/ VAT	12	0.36
3.	Non realisation of Mines and Minerals Development, Restoration and Rehabilitation Fund	14	1.90
4.	Non-disposal of timber	12	1.98
5.	Other irregularities	88	17.37
Total		136	22.94

A few cases involving ₹ 1.05 crore are discussed in the succeeding paragraphs.

Audit observations

5.4 Mines and Minerals Development, Restoration and Rehabilitation Fund not being realised

Loss of government revenue amounting to ₹ 56.96 lakh due to non-collection of ‘other charges’

As per Rule 38 (5) and 59 (1) of the Assam Minor Mineral Concession (AMMC) Rules, 2013, the lessee/contractor operating the mining area shall be charged an additional amount equal to 10 *per cent* of the due dead rent/royalty/contract money along with instalments in the nature of ‘other charges’ towards Mines and Minerals Development, Restoration and Rehabilitation (MMDRR) Fund.

[DFO, Kamrup East Division, Guwahati; August - September 2016]

5.4.1 Audit noticed that between 2013-14 and 2015-16, Range Officers under the DFO, Kamrup East Division issued 144 permits for extraction of stone and earth. Accordingly, Range Officers under the jurisdiction of the Division realised royalty of ₹ 4.13 crore against these permits from the contractors/lessees. Examination of the permit registers however, revealed that the lessees/contractors did not pay the MMDRR Fund of ₹ 41.30 lakh (10 *per cent* of the royalty amount of ₹ 4.13 crore) resulting in non-realisation of government revenue to this extent as shown in **Table 5.2**.

Table 5.2

(₹ in lakh)

Year/period	No. of permits issued as per permit registers	Amount of royalty collected	Non realisation of MMDRR Fund (i.e. 10 per cent of royalty amount)
Stone			
2013-14	12	54.60	5.46
2014-15	72	107.07	10.71
2015-16	32	126.20	12.62
Earth			
2014-15 (March 2015)	1	3.75	0.38
2015-16	27	121.35	12.13
Total	144	412.97	41.30

The matter was reported to the Department in September 2016 and followed up in June 2017; reply was awaited (February 2018).

[DFO, Kamrup West Division, Bamunigaon; October - November 2016]

5.4.2 Scrutiny of records of the DFO, Kamrup West Division, Bamunigaon revealed that in 2014-15 and 2015-16, MMDRR fund of ₹ 17.43 lakh was realised from six lessees against ₹ 33.09 lakh which was to be actually realised. This resulted in loss/short realisation of government revenue of ₹ 15.66 lakh towards the MMDRR Fund as shown in *Appendix - X*. Further, it was noticed that lease period of five leases had expired/terminated between 11 December 2015 and 4 April 2016 which therefore, virtually ruled out the possibility of realisation of ₹ 9.84 lakh from five lessees out of the ₹ 15.66 lakh.

The matter was reported to the Department in December 2016 and followed up in June 2017; reply was awaited (February 2018).

5.5 Forest royalty collected at pre-revised rate

Collection of royalty at pre-revised rate resulted in short realisation of ₹ 11.20 lakh

[DFO, Kamrup East Division, Guwahati; August - September 2016]

Under the AMMC (Amendment) Rules, 2015, the rate of royalty on building stone was revised to ₹ 200 per cum from 17 June 2015⁸⁹.

Audit noticed that between July 2015 and March 2016, DFO, Kamrup East Division issued three permits to a contractor for extraction of 13,000 cum of building stone and accordingly, realised royalty against these permits at the pre-revised rate of ₹ 130 per cum instead of ₹ 200 per cum. This resulted in short realisation of government revenue of ₹ 11.20 lakh as shown in *Appendix - XI*.

⁸⁹ Notification No. PEM.83/2009/Pt-VII-A/39 dated 17 June 2015.

The matter was reported to the Department in December 2016 and followed up in June 2017; reply was awaited (February 2018).

5.6 Unauthorised extraction of minor minerals

Non-realisation of reserve price of ₹ 37.11 lakh on the unauthorised extraction of minor minerals

[DFO, Kamrup East Division, Guwahati; August - September 2016]

Under Rule 5 of AMMC Rules, 2013, contractors engaged for works/projects of the government departments/agencies shall be granted mining permit for the required quantity as specified in the detailed project report for the execution of the works/projects subject to payment of royalty/dead rent/fee, etc. in advance as notified by the government.

Further, as per Rule 63 of the AMMC Rules, any person undertaking any mining operations without taking prior permission and advance payment of royalty shall be deemed to be indulging in illegal or unauthorised mining. Rule 64, *ibid*, provides that any illegal and unauthorised mining and removal of forest produces shall be regularised only upon realisation of the payment of the price of the mineral (i.e. reserved price fixed by the Department) and the applicable royalty for the mineral extracted alongwith fine.

The minimum reserve price of sand and stone was ₹ 187 per cum and ₹ 215 per cum respectively at Sonapur Range under DFO, Kamrup East Division, Guwahati.

Audit noticed from the records of the DFO, Kamrup East Division that a contractor, M/s RVR Projects Pvt. Ltd., Visakhapatnam utilised 6,141.80 cum of sand and 11,919.24 cum of stone between March 2013 and December 2014 in a project at Digaru. Accordingly, the Chief Construction Engineer (R&D), Ministry of Defence, GoI, deducted ₹ 28.73 lakh as royalty from contractor's bill as per the prevailing rates of royalty. Further, Audit noticed that the DFO had neither issued a permit nor Forest Royalty Clearance Certificate to the contractor for extraction/utilisation of sand and stone. Thus, the entire extraction of sand and stone was illegal and unauthorised and the contractor was liable to pay reserve price of ₹ 37.11 lakh as shown in *Appendix - XII*.

The matter was reported to the Department in December 2016 and followed up in June 2017; reply was awaited (February 2018).