

**CHAPTER V**  
**FORESTS & ENVIRONMENT**  
**DEPARTMENT**



# CHAPTER – V

## FORESTS & ENVIRONMENT DEPARTMENT

### 5.1 Administration

Meghalaya ranks third among the states in terms of percentage of forest cover<sup>48</sup> in the country. The forest and tree cover of the State is 17,046 sq.km (76 *per cent* of the total geographical area of the State) contributing 2.39 *per cent* of India's total forest and tree cover. Unlike the rest of the country where forests are mostly owned by the State and managed by the State Forests Department, in Meghalaya, substantial forest area is under the un-classed category and are owned by private individuals, clans, village councils, district councils and other traditional community institutions. Only 1,113 sq km<sup>49</sup> of forests, in Reserved Forests, Protected Forests, National Parks and Sanctuaries are under the direct control of the State Forest Department. Community and private forests are under the administrative control of the three Autonomies District Councils *viz.*, Khasi Hills, Jaintia Hills and Garo Hills. The collection of forest revenue is governed by the provisions of the Assam Forest Regulation, 1891 (as adapted by Government of Meghalaya).

The Commissioner & Secretary to Government of Meghalaya, Forests & Environment (F&E) Department is in overall charge of the Department at the Government level. The Principal Chief Conservator of Forests (PCCF) is the administrative head of the Department who is assisted by Chief Conservators of Forests and Conservator of Forests. At the district level, Divisional Forest Officers (DFOs) are entrusted with management of forests and wildlife through various divisions such as territorial, wildlife, social forestry, *etc.*, including levy and collection of forest dues, wherever applicable.

### 5.2 Results of Audit

Test-check of records of two units during 2022-23 revealed short-collection/loss of revenue, and other irregularities in 11 cases involving an amount of ₹ 82.79 crore, which fall under the following categories:

Table 5.1: Results of Audit conducted during 2022-23

| (₹ in crore) |                             |              |              |
|--------------|-----------------------------|--------------|--------------|
| Sl. No.      | Category                    | No. of cases | Amount       |
| 1.           | Short collection of revenue | 2            | 39.56        |
| 2.           | Loss of revenue             | 1            | 10.89        |
| 3.           | Other irregularities        | 8            | 32.34        |
| <b>Total</b> |                             | <b>11</b>    | <b>82.79</b> |

The Department is yet to convey its acceptance of the aforementioned cases and initiate action for the recovery of the amounts kept under audit objection.

<sup>48</sup> India State Forest Report 2021.

<sup>49</sup> Source: Forest Survey of India, State Forest Report 2021.

An illustrative case with financial impact of ₹ 1.18 crore has arisen due to the Department's failure to collect cess from three lessees is elaborated upon in the following paragraph.

### **5.3 Non-collection of Cess**

***Lack of coordination between the Forest Department and the Mining and Geology Department resulted in non-collection of Cess amounting to ₹ 1.18 crore.***

***(The Divisional Forest Officer, Social Forestry & Territorial Division, Nongstoin; August 2022)***

Section 3 of the Meghalaya Minerals Cess (MMC) Act, 1988 specifies the imposition of cess on coal, sillimanite, limestone and fire-clay from any person who removes the minerals from any dumping ground in the State.

As per the existing arrangements<sup>50</sup>, the collection of mineral cess is done by the District Mining Officer. To ensure that cess has been deposited by the lessees, the Forest Department issues Form K<sup>51</sup> to the lessees requiring the latter to provide details of the cess paid. No transport challan is to be issued to the lessee until the necessary cess payments had been completed, and District Forest Officer has received completed Form K.

Audit test-checked (May-June 2023) the records of the Divisional Forest Officer (DFO), Social Forestry & Territorial Division, Nongstoin for the period from April 2018 to March 2023 and observed that 16 mining leases were granted upto March 2023. Out of these 16 mining leases, it was observed that Cess amounting to ₹ 1.18 crore was not collected from three lessees for certain periods as given in **Table 5.2**.

**Table 5.2: Summary of Cess payable**

| (Amount in ₹) |                         |                           |   |                                 |
|---------------|-------------------------|---------------------------|---|---------------------------------|
| Sl. No.       | Name of the lessees     | Period                    | Quantity of limestone transported (in MT) | Amount of Cess payable (@60/MT) |
| 1.            | Nikton Mines & Minerals | May to December 2019      | 57,600                                    | 34,56,000                       |
| 2.            | Khrikshon Lyngkhoi      | January to March 2019     | 85,500                                    | 51,30,000                       |
| 3.            | Edina R. M. Lyngdoh     | February to December 2019 | 53,100                                    | 31,86,000                       |
| <b>Total:</b> |                         |                           | <b>1,96,200</b>                           | <b>1,17,72,000</b>              |

Given that the DFO possessed the information on transportation of limestone, the DFO should have instructed the lessees to deposit the cess due before the issuance of transport challans (Form H) against each lessee as mentioned in **Table 5.2**. However, the DFO neither directed the lessees to deposit the cess nor informed the Mining Department to raise the demand for payment of cess against the lessees. The matter was communicated to the Department on August 2023, and subsequently to the Government on October 2023.

<sup>50</sup> Decision taken on 05 November 2028.

<sup>51</sup> Form for submission of Monthly returns.

To confirm whether cess was paid by the lessees, the matter was taken up by Audit with the DMR in October 2023. Subsequently, in November 2023, the DMR responded that records for payment of cess by the lessees from 04 January 2019 to 19 December 2019 were not available with DMR. Information of the same is being sought for from the lease holders after which demand notices will be issued. As of March 2024, the status of payment of cess by the three lessees is yet to be intimated.

Thus, due the lack of co-ordination between the DFO, Social Forestry & Territorial Division, Nongstoin and the DMR, revenue in the form of cess amounting to ₹ 1.18 crore was not realised and remains recoverable.

Comments of the Government is invited (April 2024).

**Recommendation:** Steps should be taken to establish effective communication channels and collaboration mechanisms between the two departments. Implementing a streamlined process for sharing information and coordinating activities will facilitate timely collection of Cess, ensuring revenue is properly accounted for and minimising potential losses to the State Government.



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Shillong

The 05 November 2024

*Countersigned*



(GIRISH CHANDRA MURMU)

Comptroller & Auditor General of India

New Delhi

The 12 November 2024

