

**CHAPTER–III**  
**Plantation under Compensatory**  
**Afforestation Fund Management and**  
**Planning Authority (CAMPA)**



## CHAPTER-III

### Plantation under Compensatory Afforestation Fund Management and Planning Authority (CAMPA)

The Forest Department erroneously identified already planted forest land for Compensatory Afforestation (CA) plantation. The Department short recovered the Compensatory Afforestation (CA) charges, Catchment Area Treatment (CAT) charges and centage charges from the user agencies in lieu of diversion of forest land for non-forestry purposes.

The Forest Department did not register lease agreements as per the Registration Act, 1908 and also short realised premium/ lease rent.

#### Introduction

**3.1** As per MoEF guidelines on State CAMPA, 2009, the functions of State Compensatory Afforestation Fund Management and Planning Authority (CAMPA) shall include funding, overseeing and promoting CA done in lieu of diversion of forest land for non-forestry use under the Forest (Conservation) Act, 1980 (FC Act). It would administer the amount received and utilise the monies collected for undertaking compensatory afforestation, assisted natural regeneration, conservation and protection of forests, infrastructure development, wildlife conservation and protection and other related activities. MoEF & CC, GoI accords prior approval on proposals of the State/UT Government for diversion of forest land to user agencies for non-forest purpose in two stages- first In-principle or Stage I<sup>1</sup> approval; and second on compliance to the conditions of the In-principle (Stage I) approval, final or Stage II<sup>2</sup> approval for diversion of forest land. Further, one of the conditions in Stage II (Final) approval of MoEF & CC, GoI stipulates that CA over identified non-forest land<sup>3</sup> or degraded forest land<sup>4</sup> shall be raised by the State Forest Department within a period of one year with effect from the date of issue of Stage II clearance and maintained thereafter in accordance with the approved plan from the funds deposited in State CAMPA account by the User Agency (UA).

#### Expenditure under Compensatory Afforestation

**3.2** The Compensatory Afforestation Fund Act, 2016 provides for the establishment of funds under the public accounts of India and the public accounts of each State and crediting thereto the monies received from the user agencies towards CA, additional CA, penal CA, net present value and all other amounts recovered from such agencies under the FC Act, 1980 to compensate for the loss of forest on account of diversion of forest land. Funds collected with State CAMPA are utilised as per prescriptions of Annual Plan of Operation (APO) proposed by concerned Forest Division with approval of the State Authority.

<sup>1</sup> In Stage I, the proposal shall be agreed to in principle in which usually the conditions relating to transfer of the equivalent non-forest land for CA and provision of funds for raising CA thereon are given for compliance by the user agency.

<sup>2</sup> After receipt of report from the State Government regarding compliance to the stipulated conditions, formal approval under the Forest (Conservation) Act, 1980 is issued, which is also called the Stage II clearance.

<sup>3</sup> CA is to be raised on non-forest land equivalent to the area proposed for diversion.

<sup>4</sup> CA shall be raised and maintained at the cost of user agency on degraded forest land twice in extent of the forest area diverted.

The amount received for CA is used for site-specific schemes submitted by the State along with the approved proposals for diversion of forest land. The amount for Non-CA comprises of the monies received towards net present value of the diverted forest land and spent in management of forest and wildlife. Year-wise details of funds received in State CAMPA and expenditure therefrom are detailed in **Table 3.1** below:

**Table 3.1: Year-wise details of funds received and expenditure by State CAMPA**  
(₹ in crore)

Year	Opening Balance	Amount received in CAMPA fund	Total	Total Expenditure out of the fund	Balance lying at the end of the year
2016-17	146.58	107.88	254.46	127.50	126.96
2017-18	126.96	150.92	277.89	97.66	180.23
2018-19	180.22	161.73	341.95	194.92	147.03
2019-20	147.03	7.71	154.74	120.22	34.52 <sup>5</sup>
2019-20 <sup>6</sup>	--	1,819.63	1,819.63	62.31	1,757.31
2020-21	--	--	1757.31	252.06	1,505.25
2021-22	--	--	1541.71 <sup>7</sup>	362.12	1,179.59
<b>Total</b>		<b>2,247.87</b>		<b>1,216.79</b>	

*Source: Information provided by the Forest Department*

It is evident from above table that CAMPA funds amounting to ₹ 1,179.59 crore remained unutilised at the end of year 2021-22.

#### **Erroneous identification of degraded forest land for CA plantation**

**3.3** Para 2.8(ii) of Guidelines, 2019 stipulates that the scheme for CA, submitted at the time of applying for diversion of forest land for non-forest purpose, should be site specific, and include detailed work schedule including year wise operations to be carried out.

Audit noticed that two patches of protected forest land measuring 17.9668 hectare in Meerut and 28.3240 hectare in Bagpat were diverted (October 2020) to National Highways Authority of India (NHAI) for widening of NH-334B (Meerut-Baghat Road). In respect of above diversion, degraded forest land measuring 73 hectare and 20 hectare situated in Kaitha and Angeetha forest blocks respectively of Rath Range of Hamirpur Forest Division were earmarked for raising CA against which ₹ 3.00 crore was deposited by user agency in State CAMPA.

Audit further noticed that the entire area of land of Kaitha reserved forest block was only 122.0410 hectare, out of which 70 hectare (30 hectare in 2017-18, 20 hectare in 2018-19 and 20 hectare in 2020-21) was already planted under Social Forestry scheme. Thus, only 52.0410 hectare area of land was left for future plantation against earmarked 73 hectare area of land for CA plantation in that forest block.

Thus, the Forest Department identified 20.959 hectare area of land which was already planted.

<sup>5</sup> The amount remained unutilised during the year 2019-20 under ad-hoc CAMPA.

<sup>6</sup> In 2019-20, the funds available under ad hoc CAMPA was transferred to State CAMPA fund.

<sup>7</sup> It (1,505.25+ 36.46= 1,541.71) includes closing balance of 2020-21 and the amount lying unutilised under banking system in the year 2019-20 including interest thereon.

In reply (April 2023) and in Exit Conference (15 April 2023), the Forest Department stated that other land will be identified for CA and due approval will be sought from GoI.

The reply corroborates the audit observation.

#### **Short recovery of CA charges**

**3.4** Prior approval was required from the Government of India under Section 2 of FC Act, 1980 for diversion of forest land for non-forestry purpose subject to fulfillment of prescribed terms and conditions including levy of CA charges on user agencies for carrying out afforestation on non-forest land. Further, as per Para 2.5 of Guidelines, 2019, CA shall be raised and maintained at the cost of the user agency on degraded forest land twice in extent of diverted forest area. As per terms and conditions of Stage I approval of diversion of forest land, the CA will be maintained for 10 years. The charges shall be deposited in advance by the user agencies with the Forest Department. The charges may also include appropriate provision for anticipated cost increase for works scheduled for subsequent years.

- Audit noticed that in 20 cases for the period between 2014 and 2022, 10 Forest Divisions calculated CA charges to maintain the plantation for five to eight years only instead of for 10 years as per condition stipulated in Stage I approvals. Thus, the CA charges amounting to ₹ 7.50 crore (including centage charges<sup>8</sup> of ₹ 0.48 crore) (**Appendix-3.1**) were not levied and realised from the user agencies in contravention of the terms and conditions of the Stage I approval.

In reply (April 2023) and in Exit Conference (15 April 2023), the Forest Department stated that there was no provision regarding binding of years for maintenance of plantation in Guidelines, 2019 issued by GoI under FC Act, 1980. Therefore, amount for maintenance was realised for seven to 10 years as per rules.

The reply is not acceptable as Stage I approval granted to user agencies by MoEF & CC, GoI clearly mentioned that CA plantations were to be maintained for ten years. Further, in other cases, the maintenance charges were levied for 10 years. Hence the maintenance amount was short realised from the user agencies.

- Audit noticed that 14 Forest Divisions, in 49 cases of diversion of forest land for the period between 2016 and 2022, calculated the amount of CA for 1,34,001 trees, instead of 2,20,959 trees at the rate of 1,100 trees per hectare and maintenance thereof for ten years after plantation on the identified degraded forest land. As a result, CA charges amounting to ₹ 9.80 crore were not levied and realised from the user agencies for 86,958 trees to be planted (**Appendix-3.2**).

In reply (April 2023), the Department stated that provision of site specific plan regarding CA was given in Para 2.8 (ii) of Guideline, 2019, which provided that minimum 1,000 plants per hectare were to be planted in the degraded forest lands.

The reply is not acceptable as above provision was applicable on non-forest lands while the audit observation relates to degraded forest land. As per

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<sup>8</sup> As per GoUP order dated 11 November 2014, rate of centage charges is 6.875 per cent.

prescription of Working Plan, the plantation on degraded forest land was to be done at the rate of 1,100 plants per hectare. Resultantly, shorter amount was realised towards CA charges.

#### **Short/non provision for cost escalation**

**3.5** As per terms and conditions enshrined in in-principle/ Stage I approval granted by MoEF & CC, GoI for diversion of forest land for non-forest use, the cost of CA at the prevailing wage rates as per CA scheme and the cost of survey, demarcation and erection of permanent pillars, if required on the CA land, shall be deposited in advance with the Forest Department by the project authorities. The CA shall be maintained for 10 years. The scheme may include appropriate provision for anticipated cost increase for works scheduled for subsequent years.

From examination of 157 estimates of CA plantation on behalf of the user agencies in test checked 26 Forest Divisions during the period 2016-17 to 2021-22, Audit noticed that in 19 Divisions, 55 financial estimates did not include escalation provision for anticipated cost increase for works planned in subsequent years as per terms of approval for diversion of forest land. Besides, 21 Divisions short provisioned the cost increase in 102 estimates for raising and maintenance of plantation in subsequent years with escalation rate ranging from five *per cent* to 10 *per cent* instead of uniform 10 *per cent* per year<sup>9</sup>.

Thus, the Forest Department failed to recover the cost escalation amounting to ₹ 102.77 crore (**Appendix-3.3**) in respect of plantation works scheduled for subsequent years in contravention of the condition for recovery of anticipated cost increase stipulated in the approvals for diversion of forest land which may affect the achievement of objectives of CA plantation adversely.

In reply (April 2023) and in Exit Conference (15 April 2023) Department stated that there was no provision regarding rate of cost increase for each year in Para 2.8 of the Handbook of Guidelines, 2019 issued under FC Act, 1980. All CA estimates are approved by GoI when found appropriate.

The reply is not acceptable as MoEF & CC, GoI, while according Stage I approval, stipulated that the scheme may include appropriate provision for anticipated cost increase for plantation works scheduled for subsequent years, however required provision for anticipated cost increase was not included in the CA estimates by the Department.

#### **Failure to realise Catchment Area Treatment (CAT) charges and implement the CAT Plan**

**3.6** Para 9.2 guidelines (2019) issued under FC Act, 1980 stipulates that a proposal for diversion of forest land for Irrigation/Hydro-electric projects shall invariably be accompanied by detailed Catchment Area Treatment (CAT) Plan except in respect of small hydel projects (up to maximum 10 MW capacity). The CAT Plan is an important and essential plan for enhancing and maintaining the ecological health of the catchment area of the proposed irrigation/hydroelectric project through site-specific biological and engineering measures for conservation of soil and moisture and management of water regime.

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<sup>9</sup> Cost escalation has been taken at the rate of 10 *per cent* compounding annually based on the minimum rates of wages for unskilled agriculture labour issued by Ministry of Labour and Employment, GoI.

Audit noticed that MoEF & CC, GoI approved for diversion of reserved forest land in two patches measuring 3.571 hectare and 6.8826 hectare for Rapti Nahar Nirman Khand- I/II, Tulsipur, Balrampur for irrigation projects in Sohelwa Wildlife Division, Balrampur in June/ December 2020. The Division prepared detailed proposal for diversion of reserved forest land and submitted financial estimates for Catchment Area Treatment (CAT) Plans for ₹ 32.44 lakh and ₹ 87.48 lakh respectively for treatment (afforestation/ plantation) of both patches of catchment area. Audit observed that these estimates of CAT Plans did not include the provision of cost increase for works scheduled for subsequent years and centage charges on the estimated cost of works. Consequently, CAMPA fund was short provided by an amount of ₹ 79.73 lakh<sup>10</sup> for CAT Plans. Further, no recovery was effected from the user agencies even against the estimate of ₹ 1.20 crore<sup>11</sup> for the CAT plans till date (April 2023). In the absence of recovery of CAT charges, the CAT plans could not be implemented resulting in ecological loss to catchment area of these projects.

In reply (April 2023) and in Exit Conference (15 April 2023), the Department stated that action has been taken as per guidelines issued by GoI. It was further stated that no such condition was given in Stage I approval by GoI in case of diversion of 3.571 hectare land and in case of diversion of 6.8826 hectare land no direction was received from higher level for recovery of CAT plan charges from the user agency in compliance to Stage I approval of GoI. Hence no CAT plan charges were realised. Further, there is no provision of centage charges on CAT plan amount.

The reply is not acceptable because as per provision of guidelines (2019) amount of CAT Plan was to be deposited by the user agency as the proposals for diversion of forest land in the instant cases were to be accompanied with detailed CAT plan.

#### **Private entrepreneurs operating without forest clearance**

3.7 Para 4.7 of guidelines (2019) issued under FC Act, 1980 mentioned that Central Government has agreed to accord general approval under FC Act, 1980 for diversion of not more than 0.1 hectare of forest land in each case to Government Departments/Private Establishment. This general approval is applicable for approach/ access through the strip plantation along the linear projects which has been declared as protected forest under Indian Forest Act, 1927 and not owned by the Forest Department. The user agencies are required to submit the project proposal to the State Government in prescribed format online on ministry's web portal <http://parivesh.nic.in>. Further, as per Para 1.21 (ii) of the above-said guidelines, in cases where forest land is diverted before grant of forest clearance, the penalty for violation shall be equal to NPV of forest land per hectare for each year of violation from the date of actual diversion as reported by the inspecting officer with maximum five times of NPV *plus* simple interest of 12 *per cent* till the date of deposit.

Audit noticed that in Bareilly and Rampur Forest Divisions, 15 entrepreneurs (**Appendix-3.4**) were running their businesses from the establishments situated on the road sites in area which were notified as protected forest under the provision of Indian Forest Act, 1927. As per provisions of FC Act, 1980

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<sup>10</sup> ₹ 66.89 lakh towards cost escalation and ₹ 12.84 lakh towards centage charges.

<sup>11</sup> ₹ 32.44 lakh + ₹ 87.48 lakh.

the entrepreneurs were required to have forest clearance for approach/access road to their establishments before start of their businesses from the State Government. But the entrepreneurs had neither approached the Forest Department for getting forest clearance nor did the Forest Department initiate any action as per the guidelines except issuing notices to such private entrepreneurs in Bareilly Division whereas Rampur Division even failed to issue notices to such unauthorised users of forest land. Here it would be pertinent to mention that PSUs like BPCL and HPCL were taking permission for forest clearance for approach way while installing retail outlets on the road sides.

In reply (April 2023), the Department stated that no work was executed on protected forest lands by the entrepreneurs, they utilised only the community/public path. Department further stated that proceeding with regard to diversion of forest land for non-forest purposes was initiated only after receiving a proposal from the entrepreneurs for the same.

During the Exit Conference (15 April 2023), the Department reiterated that permission for non forest use for forest land under FC Act, 1980 is approved when the proposal is received through *PARIVESH* portal.

The reply is not acceptable as private entrepreneurs were utilising the path as right of way falling in the protected forest area under provision of IFA, 1927, which should have been permitted only after due approval from the State Government under FC Act, 1980.

#### **Construction of dam without meeting the conditions of Stage I approval**

**3.8** Para 1.14 of Guidelines, 2019 states that if a project involves forest as well as non-forest land, work should not be started on non-forest land till approval of the Central Government for release of forest land under the Act has been obtained unless and to the extent permitted by the Forest Conservation (FC) Rules or guidelines issued thereunder.

Audit noticed that in Lalitpur Forest Division, five patches of reserved forest land measuring 209.8070 hectare was to be diverted to Irrigation Department for non-forest purposes required for construction of Bhaunrat dam in District Lalitpur. The dam project required total 1266.6800 hectare<sup>12</sup> area of land. The Irrigation Construction Division II, Lalitpur of Irrigation Department of Government of Uttar Pradesh made an application<sup>13</sup> for diversion of the said area of reserved forest land. The MoEF & CC, GoI granted In-principle approval (Stage I) to the proposal of the user agency on 9 May 2018 with certain conditions to be fulfilled before final approval. Audit observed that the Forest Department neither realised ₹ 39.95 crore on account of CA, NPV, and CAT Plan from the user agency nor earmarked CA land for this purpose. Audit further noticed from the records that the Range Officer-Mahrauni intimated (23 October 2021) DFO, Lalitpur Forest Division that construction of the dam was in progress<sup>14</sup> and was likely to complete within one or two years. Further, Satellite Imagery (Google Earth) dated 6 April 2021 shown below (**Image 3.1**) also exhibits that the dam construction was in full swing.

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<sup>12</sup> 209.8070 hectare of forest land plus 1,056.8730 hectare of non-forest land.

<sup>13</sup> Proposal no. FP/UP/IRRG/17563/2016.

<sup>14</sup> The dam project was in progress since July 2016.



Image 3.1: Construction of Bhaunrat dam in District Lalitpur (dated 06 April 2021)



Thus, the Forest Department failed to ensure the compliance of the guidelines by the user agency in construction of the dam without having final approval for diversion of reserved forest land falling in dam area.

In reply (April 2023) and in Exit Conference (15 April 2023), the Department stated that work in the dam project was started on non-forest land and no work was done on forest land yet. It was further informed that work on forest land would be started after completion all formalities with respect to deposit of CA, NPV and CAT amount.

The reply is not acceptable as aforesaid guidelines stipulated that if the project involves forest as well as non-forest land, work should not be started on non-forest land till approval of the GoI for release of forest land under the Act has been obtained unless and to the extent permitted by the FC Rules or guidelines issued thereunder. Further, the forest land falling in the submergence area of dam would be deemed as diverted as that was being affected from the dam.

#### **Centage charges not levied on plantation work of Compensatory Afforestation**

**3.9** According to the provisions of Financial Hand Book Volume-VI read with GoUP order (11 November 2014), centage shall be charged at the rate of 6.875 *per cent* of the cost of work and credited to the Government account in respect of deposit works undertaken by the Forest Department on behalf of other Government Departments/Autonomous Bodies/ PSUs in the State.

Audit noticed in test checked 26 Forest Divisions that the Divisions approved the estimates of 166 cases of CA during 2016-17 to 2021-22 and raised demand on the user agencies. The user agencies deposited the amount of CA in CAMPA as per demand raised by the respective Divisions. Audit further noticed that Divisions had not included the centage charges amounting to ₹ 15.02 crore on plantation works valuing ₹ 218.48 crore in the demand raised to user agencies. Though, it was required to be levied and collected as per GO (Appendix-3.5). Thus, non inclusion of centage charges in the estimates of CA resulted in non-realisation of fund and loss of revenue to the tune of ₹ 15.02 crore to the State Exchequer. It is notable that seven Forest Divisions<sup>15</sup>

<sup>15</sup> Kaimoor, Kanpur (D), Kanpur (N), Lucknow, Mathura, Mirzapur and Shrawasti.

while approving estimates of Compensatory Afforestation levied and realised centage charges amounting to ₹ 2.24 crore on user agencies in 25 cases.

In reply (April 2023) and in Exit Conference (15 April 2023), the Department stated that there was no provision with regard to realisation of centage charge in cases of diversion of forest lands under Forest (Conservation) Act, 1980. In some cases, centage charges were imposed on being pointed out by the audit.

The reply is not acceptable as the Department prepared the site specific plan of area identified for CA and also prepared estimate for the CA. The cost of CA was to be borne by the user agencies concerned as the Forest Department carry out plantation on behalf of user agencies. As such, centage charges was required to be levied and realised as per Government Order.

#### **Failure to deposit Centage Charges in Government Account**

**3.10** GO (25 January 2011) of GoUP stipulated that the amount of centage charges shall be credited in the designated head of account<sup>16</sup> of the Forest Department through transfer entry.

Audit noticed that seven Forest Divisions levied centage charges amounting to ₹ 2.24 crore in 25 cases of Compensatory Afforestation during 2016-17 to 2021-22 in lieu of diversion of forest land for non-forest use. The above amount of centage charges of ₹ 2.24 crore was deposited by the user agencies in CAMPA fund instead of designated Government Account Head. The details of centage charges not deposited in the Account Head are given in **Table 3.2** below:

**Table 3.2: Centage Charges deposited in CAMPA**

Sl. No.	Name of Forest Division	No of cases	Estimated expenditure for Compensatory Afforestation/other works (₹ in crore)	Centage Charges levied (₹ in crore)
1	DDSF Kaimoor	3	2.37	0.16
2	DDSF Kanpur Dehat	5	3.48	0.23
3	DDSF Kanpur Nagar	5	4.25	0.29
4	DDSF Lucknow	1	7.84	0.46
5	DDSF Mathura	1	0.41	0.03
6	DDSF Mirzapur	9	12.30	0.85
7	DDSF Shrawasti	1	1.77	0.22
<b>Total</b>		<b>25</b>	<b>32.422</b>	<b>2.24</b>

*Source: Records provided by the Forest Department*

Thus, due to not depositing centage charges in Government Account, Government exchequer was deprived of revenue amounting to ₹ 2.24 crore.

In reply (April 2023) and in the Exit Conference (15 April 2023), the Department stated that there was no provision with regard to realisation of centage charges in cases of diversion of forest lands under FC Act, 1980.

The reply is not acceptable as the Department itself levied and realised centage charges in 25 cases of diversion and same was deposited in CAMPA fund instead of depositing in concerned revenue head of the Government.

<sup>16</sup> Account Head 0406-01-800-01/ 0406-02-800-01.

**Additional amount of NPV not levied on user agencies**

**3.11** In compliance to the order (March 2008) of Supreme Court of India, MoEF & CC, GoI *vide* its Order (5 February 2009), fixed the rates of NPV to be realised from user agencies depending upon the eco-class and crown density of forest land to be diverted for non-forest use. The Order also stated that the NPV rate is subject to variation after three years. Further, MoEF & CC, New Delhi, while according Stage I approval on proposals requiring diversion of forest land, had stipulated a condition that in case of enhancement in the rates of NPV, user agencies have to deposit additional amount of NPV. An undertaking to this effect was also required to be furnished by the user agencies while submitting the proposal for diversion of forest land.

MoEF & CC, GoI revised (6 January, 2022) NPV rates as detailed below in **Table 3.3**.

**Table 3.3: Revised NPV (per hectare) rates**

(Amount in ₹)

Eco-Class	Very Dense Forest	Dense Forest	Open Forest
Class-I	15,95,790	14,36,670	11,16,900
Class-II	15,95,790	14,36,670	11,16,900
Class-III	13,57,110	12,28,590	9,57,780
Class-IV	9,57,780	8,61,390	6,70,140
Class-V	14,36,670	12,92,850	10,05,210
Class-VI	15,16,230	13,72,410	10,69,470

Further, MoEF & CC, GoI clarified (March 2022) that the revised rates will be applicable on all proposals that have been granted Stage I (In principle) approval after 6 January 2022 and also in the cases which were granted Stage I approval prior to 6 January 2022, where even after lapse of five years, the Stage II/Final approval was not granted due to non-submission of complete compliance of the conditions stipulated in Stage I approval.

Audit noticed that in eight cases of diversion of forest land measuring 809.1907 hectare for non-forest uses, in which Stage II approval was pending for more than five years (February 2023), NPV amounting to ₹ 81.67 crore was levied at pre-revised rates. However, the Forest Department failed to levy additional NPV amounting to ₹ 43.29 crore (**Appendix-3.6**) on these user agencies at revised rates as per MoEF & CC, GoI order of March 2022 which would adversely affect the management of Forest and Wildlife of the State.

In reply (April 2023) and in Exit Conference (15 April 2023), the Department stated that action was being taken for recovery of additional amount of NPV due to revision of rates.

The reply corroborates the audit observation.

**Lease agreements not registered and land premium and lease rent not charged/short charged from user agencies**

**3.12** As per GO (July 1999) of GoUP, premium at the market rate and 10 *per cent* lease rent on it will be charged from the user agencies for diversion of forest land for non-forest use. Sections 17 and 49 of the Registration Act, 1908 states that documents relating to leases of immovable property from year to year or for any term exceeding one year shall be registered compulsorily. Further, Article 35 of Schedule 1-B of Indian Stamp (IS) Act, 1899 stipulates rates of stamp duty to be charged on different types

of leases. Registration fee fixed by the State Government under Section 78 of Registration Act is also required to be paid by the lessees.

Audit noticed that 12 Forest Divisions diverted reserved forest land measuring 1,065.4614 hectare to 31 user agencies between 2016-17 and 2021-22 on the basis of in-principle/final approval without having registered lease agreement under the Registration Act, 1908. Further, the stamp duty and registration fee on the lease documents was not paid under IS Act, 1899 and Registration Act, 1908. It was also noticed that land premium and lease rent on the diverted area was not charged/short charged by the Forest Divisions amounting to ₹ 104.36 crore in above 31 cases (**Appendix-3.7**). Thus, the diversion of the reserved forest land without its registration and stamping resulted in violation of Registration Act, 1908 and IS Act, 1899 and deprived the State exchequer of revenue amounting to ₹ 108.00 crore (**Appendix-3.7**) towards premium/lease rent (₹ 104.36 crore), registration fees (₹ 1.21 crore) and stamp duty (₹ 2.43 crore). Further, in case of any dispute, this may result in contentious situation between Forest Department and user agencies in future for want of a registered document describing the terms and condition of diversion.

In reply (April 2023) and during Exit Conference (15 April 2023), the Department stated that there was no provision with regard to the execution of lease deed in FC Act, 1980. It, further, stated that there was no change in the legal status of ownership of the forest land and it lies with the Forest Department. In such cases, there is no condition to realise premium/registration fee/land value and rent *etc.* Premium and lease rent were being realised by the concerned Divisional Forest Officer, wherever applicable, as per the Government notification.

The reply is not acceptable because as per GoUP order (July 1999) read with Sections 17 and 49 of Registration Act, 1908, the lease agreements for diversion of forest land should be registered and due stamp duty/registration fee should be paid as per IS Act, 1899/Registration Act, 1908.

### **Recommendation**

***3. The Forest Department should strictly follow the guidelines for compensatory afforestation and should levy and realise the compensatory afforestation charges, additional NPV and centage charges from the user agencies as per extant instructions.***

### **Conclusion**

**The Forest Department did not recover the required CA charges, additional NPV and centage charges from the user agencies and did not maintain uniformity in applying rates of escalation with regard to cost of works to be executed in subsequent years for maintenance of CA plantation. It did not register lease agreements as per the Registration Act, 1908 and also short realised premium/lease rent.**