

CHAPTER VI- FOREST RECEIPTS

6.1 Result of audit

Test check of records of forest receipts during the year 2005-06 revealed loss of revenue amounting to Rs.53.81 crore in 186 cases which can broadly be categorised as under:

(In crore of rupees)

Sl. No.	Category	Number of cases	Amount
1.	Loss due to low yield of timber	48	50.90
2.	Others	138	2.91
	Total	186	53.81

During the year 2005-06 the department accepted one case involving amount of Rs.7.17 crore.

A few illustrative cases involving Rs.12.54 crore are mentioned in the following paragraphs:

6.2 Loss of interest due to non collection/ remittance of funds in the form of fixed deposits

Government of India (GOI), Ministry of Environment and Forest issued instruction in March and September 2004 that the State Government should receive the funds for compensatory afforestation and net present value (NPV) from the user agencies for diversion of forest land for non forestry purposes and keep the fund in the form of fixed deposits (FDs) in the name of concerned divisional forest officer (DFO) or the nodal officer of the State for the amount prescribed by the State Forest Department. During the years 2003 to 2005, interest receivable from nationalised banks on FD ranged between 5.5 and 6.5 per cent.

6.2.1 Test check of records of DFO, Dhamtari in March 2006 revealed that 316.276 hectare forest land was allowed between July 2004 and August 2005 for construction of water tanks under Irrigation Department. NPV amounting to Rs.24.67 crore was however, not recovered, even after delay ranging between 6 and 30 months. This not only resulted in non realisation of Rs.24.67 crore but also loss of minimum interest of Rs.1.20 crore accrued thereon.

After this was pointed out, the DFO stated that efforts are being made to collect the NPV. Further, reply on recovery was awaited (October 2006).

6.2.2 Similarly, test check of records between March and May 2006 of eight[∇] forest divisions revealed that 1464.653 hectare forest land was diverted for non forestry purposes during 2003-04 to 2004-05. The amount of Rs.118.09 crore received from various users agencies as NPV of diverted land was deposited in personal deposit account (PDA) instead of FDs. Thus, retention of Rs.118.09 crore in PDA instead of FDs for a period ranging between 11 and 25 months resulted in a minimum loss of interest of Rs.10.35 crore[◦].

After this was pointed out, four[±] DFOs stated between March and May 2006 that the amount was deposited into PDA as per directions of the State Government and GOI letter of March 2004 was not available in the office records. Replies of remaining four[∩] DFOs were still awaited. The reply was not tenable, as GOI instructions of March 2004 and September 2004 clearly directed the State Government to deposit the money as FD in any nationalised bank.

The matter was reported to Government in May 2006; their reply had not been received (October 2006).

[∇] DFO, Dhamtari, Rajnandgaon, Bilaspur, East Raipur, Dantewada, Kanker, Durg, Kawardha.

[◦] Calculated at the minimum interest rate of 5.5 per cent prevalent during the years 2003 to 2005.

[±] DFO, Dhamtari, Bilaspur, East Raipur, Rajnandgaon.

[∩] DFO, Dantewada, Kanker, Durg, Kawardha.

6.3 Loss of revenue due to low yield of timber

As per Chief Conservator of Forests (Production) instructions of January 1984, variation upto 10 *per cent* between estimated quantity of timber as assessed by territorial wing and actual yield of timber as per production wing is permissible.

Test check of records of three divisions in October 2003, March and April 2006 for the years 2001-05 revealed huge variations between actual yield and estimated yield of timber and fuel wood as shown under:

S. No	Divisions	Year	Particulars	Estimated quantity (cum)	Actual Yield (cum)	Shortfall (cum)	Percentage of shortfall	Revenue involved ^φ (Rs. in lakh)
1.	DFO, Dhamtari	2002-03	Timber	1,023.218	689.688	333.53	33	42.66
			Fuel wood	2,396	1,322	1,074	45	
		2003-04	Timber	2,336.000	1,241.163	1,094.837	47	
			Fuel wood	4,059	1,912	2,147	53	
2.	DFO, East Raipur	2001-02	Timber	1,156.904	345.141	811.763	70	52.87
			Fuel wood	3,433	2,462	971	28	
		2003-04	Timber	595.265	225.484	369.781	62	
			Fuel wood	1,023	768	255	25	
		2004-05	Timber	1,024.144	680.655	343.479	34	
3.	DFO, Korba	2002-03	Timber	71.915	20.456	51.459	72	3.96
			Fuel wood	898	196	702	78	
	Total		Timber	6,207.446	3,202.587	3,004.859	48	99.49
			Fuel wood	11,809	6,660	5,149	44	

The shortfall in actual production ranged between 33 to 72 *per cent* in case of timber and 25 to 78 *per cent* in case of fuel wood. The production fell short by 3,004.859 cu.m. timber and 5,149 fuel stacks involving revenue of Rs.99.49 lakh. No action was taken at any level to find out the reasons for such shortfall in actual yield which led to loss of revenue of Rs.99.49 lakh.

After this was pointed out DFO, Dhamtari stated in March 2006 that low yield was due to different geographical situations of the division. The DFO, East Raipur stated in April 2006 that the estimation of yield is prepared on the basis of form factor and low yield of timber is due to biotic pressure in the coupes and dense habitations. The DFO, Korba stated in October 2003 that the estimated yield has been worked out on the basis of unfelled trees whereas actual production has been worked out after measurement of felled trees in depot. The replies are not tenable as marking of trees and estimation of yield were carried out keeping in view all these factors. Moreover, excessive variation between estimated and actual yield should have been investigated in the interest of government revenue.

The matter was reported to Government in June 2004 and May 2006; their reply had not been received (October 2006)

^φ Calculated at sale price of timber ranging between Rs.4.142 to Rs.7 and for fuel wood ranging between Rs.500 to Rs.570.

6.4 Blockage of revenue due to non exploitation of bamboo coupes

Bamboo is felled/exploited in four years felling cycle prescribed in the relevant working plan of the division. Non felling of bamboo prevents fresh growth of coppice shoots/clumps which eventually generate future bamboo crop.

Test check of records between September 2005 and May 2006 of three DFOs, Bijapur, Rajnandgaon and Raipur and three Conservators of Forest (CF) Bastar, Durg and Kanker revealed that 88 coupes having 25,148.536 notional tonne bamboo which were due for felling were not felled during the period 2002-03 to 2004-05. There was thus, blockage of revenue of Rs.6.53 crore[⊗].

After this was pointed out, the DFO Rajnandgaon, Bijapur stated (September 2005 and January 2006) that non felling was due to uneconomical working of coupes and naxalite activities. It was also stated that cases were sent to concerned CF, for write off. DFO Raipur stated (May 2006) that since the bamboo coupes were unfit for exploitation, proposal for write off had been sent to CF and coupe B Chengaria had been written off by the CF. Reply from three circles (CF Baster, Durg and Kanker) is awaited (October 2006).

The replies were not tenable as the Additional PCCF (Development) in March 1998 has already quashed all these reasons as invalid and directed all the forest divisions to invariably carry out operation as per approved working plan.

The matter was reported to the department and Government (May and June 2006); their reply had not been received (October 2006).

[⊗] *The estimated yield was calculated on the basis of average of actual yield of the coupes felled during 2004-05 and Chapter 8 of Part-II of working plan for the year 1999-2000 to 2008-09 in Raipur Division.*