

## CHAPTER IV

### ENVIRONMENT AND FORESTS DEPARTMENT

#### 4.1 Chief Controlling Officer based audit of the Forest Department

##### Executive Summary

Tamil Nadu has a recorded forest area of 22,877 square kilometres (sq.km.) which represents 17.59 *per cent* of the total geographical area of the State. There are five National Parks, 10 Wildlife Sanctuaries, 12 Bird Sanctuaries, one Zoological Park and eight Zoos in the State, besides a Conservation Reserve, Biosphere Reserves and Tiger Reserves. The Forest Department is responsible for carrying out afforestation works to bring the available area under forest cover, soil and water conservation works and conservation and management of wildlife. The Chief Controlling Officer based audit of the department revealed some areas of concern in financial management, programme management, internal control and monitoring.

The State has not prepared its own forest policy despite passage of five years since recommendation of the National Forest Commission to frame the State's own forest policy.

The State could achieve only 22 *per cent* coverage of the forest and tree cover against the targeted 25 *per cent* by 2007.

As against the Union Planning Commission's recommendation of four *per cent* allocation for forestry and wildlife sector, the State's allocation for the sector in the Eleventh Five Year Plan was 1.51 *per cent* only. Government released ₹ 693 crore only for forestry activities in the four years (2007-11) out of the allocation of ₹ 1,285 crore for the Plan period (2007-12).

Arrears of lease rent of ₹ 105.20 crore remained to be collected from three Public Sector Undertakings under the control of the department. The progress of declaring the lands as reserve forest was tardy and 1,12,386 hectares of land remained to be notified.

In twelve out of 26 test-checked divisions, 9,547 cases of encroachment involving an area of 10,197 hectares of forest land were pending eviction as of March 2011.

As per the Reports of the Forest Survey of India (FSI), forest and tree cover of the State showed a marginal decrease from 28,665 sq.km. in 2005 to 28,306 sq.km. in 2009 and the decrease was mainly due to decrease in tree cover area from 5,621 sq.km to 4,968 sq.km, despite spending ₹ 471.61 crore during 2002-07 on social and farm forestry activities.

As against the Eleventh Plan target of bringing seven lakh hectares under tree cover outside the forest areas, the achievement during the four years (2007-11) of the Plan period was 49,194 hectares (seven *per cent*) only.

In 23 out of 26 test-checked divisions, the survival rate of plantations was less than 40 *per cent* in majority (59 *per cent*) of the plantations.

Vacancies in posts, shortfall in training of staff and arrears in settlement of audit objections were observed.

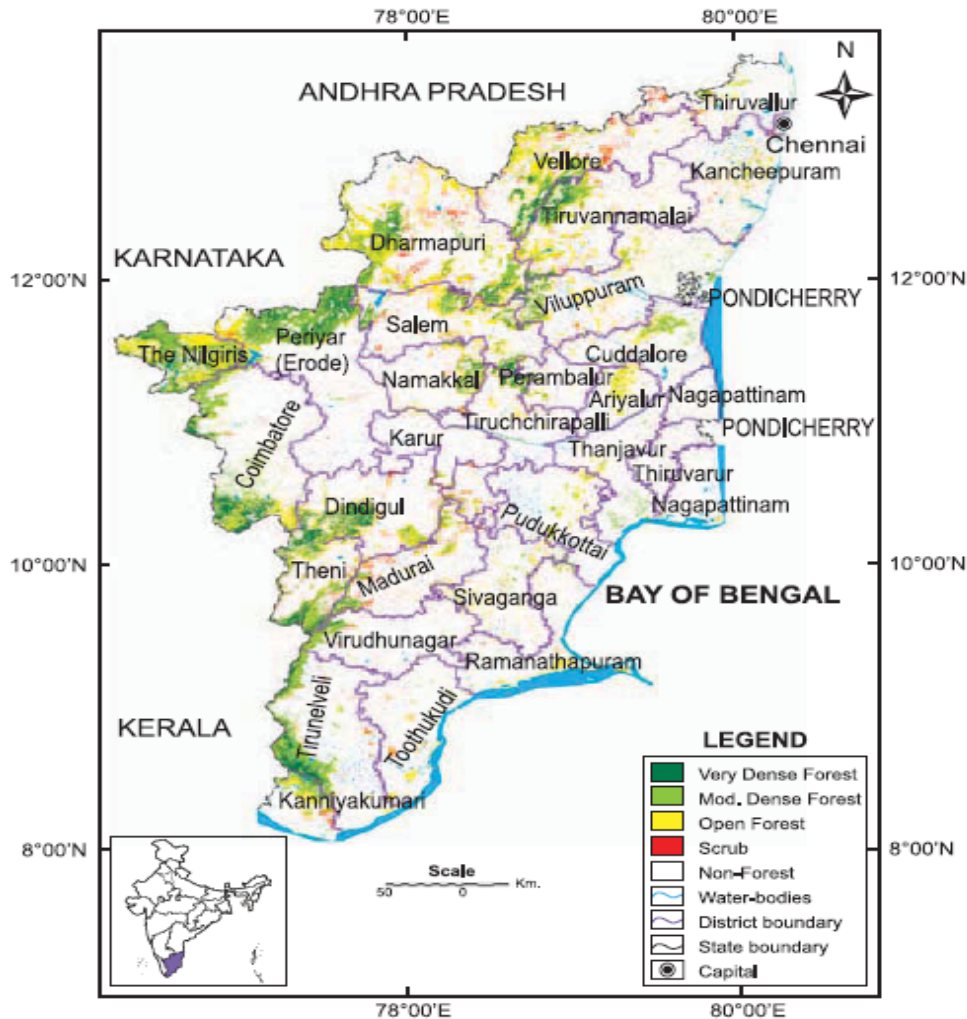
#### **4.1.1 Introduction**

The National Forest Policy, 1988 was framed to increase the area under forest and tree cover of the country by need-based and time-bound programme of afforestation and tree planting. The policy aimed at maintenance of environmental stability and restoration of ecological balance through conservation, upgradation and increase in the forest cover. Tamil Nadu has recorded forest area of 22,877 sq.km., which represents 17.59 *per cent* of the 1.30 lakh sq.km. geographical area of the State. The State's *per capita* forest and tree cover was 0.04 hectare only as against the national average of 0.08 hectare. There are 10 Wildlife Sanctuaries, five National Parks, 12 Bird Sanctuaries, one Conservation Reserve, one Zoological Park, eight Zoos, three Biosphere Reserves and three Tiger Reserves in the State.

The important objectives of the Forest Department are:

- (i) Conservation of biodiversity and genetic resources by protection of forests and wildlife;
- (ii) Augmentation of water resources in the forest areas;
- (iii) Rehabilitation and restoration of the degraded forest for improvement of forest cover;
- (iv) Enhancing tree cover outside the forest area for livelihood security and climate change mitigation; and
- (v) Welfare of the tribal and forest fringe villages to ensure economic prosperity and ecological stability.

The Forest cover map of Tamil Nadu is given below:



(Source: Forest Survey of India)

The Chief Controlling Officer (CCO) based audit is an audit of a fair number of units in a department in an integrated manner to have common audit findings from the selected sample units. It assesses all aspects of functioning of a department such as financial management, planning and project management, human resources management, material/stores management, monitoring, internal controls, etc. The Forest Department was selected for CCO based audit in view of the magnitude of investment in the sector and its importance to ecosystem.

#### 4.1.2 Organisational structure

The Principal Secretary, Environment and Forests Department is overall in-charge of the Forest Department. The Principal Chief Conservator of Forests (PCCF) is the Head of the Department. PCCF (Wild life) is the Head of the Wildlife Wing and is responsible for conservation of wildlife in the State.

There are 10 Additional Principal Chief Conservators of Forests (APCCF) responsible for specific areas of work and they are assisted by 24 Chief Conservators of Forests (CCF). At the field level, there are 12 Circles each headed by a Conservator of Forests (COF) and the Circles are divided into Divisions totaling 70, each one headed by a District or Divisional Forest Officer (DFO) or Deputy Director (DD). The DFOs/DDs are assisted by Forest Range officers, Foresters, Forest Guards and Forest watchers.

#### **4.1.3 Audit objectives**

The objectives of the CCO based audit were to assess whether:

- (i) there was any State-specific forest policy and planning of the forest activities was effective;
- (ii) the budgeting was realistic and there were economical and effective financial controls;
- (iii) there was improvement in the forest cover in the degraded forests and in the tree cover outside the forest areas due to interventions of the department;
- (iv) various schemes and programmes were implemented economically, efficiently and effectively; and
- (v) the internal controls and monitoring were adequate and effective.

#### **4.1.4 Audit criteria**

The audit findings were benchmarked against the terms and conditions contained in the following.

- (i) National Forest Policy, 1988.
- (ii) Forest (Conservation) Act, 1980; Tamil Nadu Forest Act, 1882; Wildlife Protection Act, 1972 and Biodiversity Act, 2002.
- (iii) Five Year and Annual Plan targets.
- (iv) Working Plans of the forest divisions and Management Plans of sanctuaries.
- (v) Government Orders and Circulars/Instructions issued by the PCCF.
- (vi) Tamil Nadu Budget Manual, Tamil Nadu Financial Code and Manuals of the Forest Department.
- (vii) Guidelines of various developmental schemes.



#### 4.1.5 Audit coverage and methodology

The CCO based audit conducted during March - June 2011 covered the period 2008-11. Records of the Principal Secretary, Environment and Forests Department; the Principal Chief Conservators of Forests; seven out of 18 Conservators of Forests; 26 out of 70 District/ Divisional Forest Officers; one<sup>1</sup> out of four Wild Life Wardens and all the three Deputy Directors of Tiger Reserves<sup>2</sup>; the Additional PCCF, Tamil Nadu Forest Academy, Coimbatore; the Forest Engineer, Thiruchirappalli; and the Forest Extension Officer, Tirunelveli were scrutinised. Records relating to implementation of the National Afforestation Programme (NAP) were test checked in seven out of 32 Forest Development Agencies (FDAs). In all, records of 42 out of 99 Drawing and Disbursing Officers (DDOs) in the Department were test-checked. The list of test-checked units is given in **Appendix 4.1**. The scope and objectives of audit were discussed with the Principal Secretary to Government, Environment and Forests Department in an entry conference held in March 2011. The audit findings were discussed with him in an exit conference held in December 2011 and the Government response was taken into account while finalising the report.

#### Audit Findings

The findings of CCO based audit are discussed in the succeeding paragraphs:

#### 4.1.6 Policy and Planning

##### 4.1.6.1 Non-framing of the State Forest Policy

**State specific forest policy was not framed though recommended by the National Forest Commission in March 2006.**

The National Forest Commission recommended (March 2006) that each State should have its own forest policy for sustainable management of the forest and wildlife resources of the State. The policy, *inter alia*, was to address issues pertaining to conserving the remaining natural forests, increasing sustainability of forest/tree cover through massive afforestation and social forestry programmes, creation of people's movement for the objectives, etc. It was, however, observed that even after five years of the above mentioned recommendation, the State Government had not framed its own forest policy.

Audit scrutiny revealed that the draft State forest policy sent to Government in October 2007 for approval was returned in March 2010 by Government with instructions to include certain areas such as forest roads, tribal development, eco-tourism, etc. The PCCF stated (December 2011) that the revised draft policy was submitted to Government in September 2011, after incorporating the observations made by the Government. Further, PCCF, during the exit conference stated (December 2011) that the policy would be got approved by Government. The inordinate delay of two and half years at Government level

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<sup>1</sup> Wild Life Warden, Nagapattinam

<sup>2</sup> Deputy Directors of Mudumalai, Anamalai and Kalakkad Tiger Reserves.

for returning the draft policy and the delay of one and half years at PCCF level to resubmit the draft policy to Government led to non-framing of the State specific forest policy.

The National Forest Policy envisaged that the forest and tree cover in the country should be brought to 25 per cent in 2007 and to 33 per cent in 2012. The State could achieve only 22 per cent<sup>3</sup> coverage against the targeted 25 per cent by 2007. However, it was observed from the Eleventh Five Year Plan documents that though there were areas where potential regeneration and restoration were possible, much of the areas were under cultivation or taken over by urbanisation and industrialisation including settlements in the past few years and that bringing such areas under forests and increasing the forest and tree cover remained a big challenge. Even though the department was aware of the fact that it was difficult to achieve the target of 33 per cent forest/tree cover by 2012 as envisaged in the National Forest Policy, a State-specific forest policy with attainable physical targets was not framed by the Government.

#### **4.1.6.2 Planning**

The National Forest Policy envisaged time-bound programmes of afforestation and tree planting. Five Year and Annual Plans were to flow from the policy so as to ensure implementation of the programmes.

As against the total State plan outlay of ₹ 1,720 crore for forestry and wildlife in the Tenth Five Year Plan period 2002-07, the State Government provided ₹ 1,348.10 crore and released ₹ 741.31 crore (43 per cent of the State Outlay) only and the department spent only ₹ 705.97 crore. Similarly, in the Eleventh Five Year Plan, as against the State plan outlay of ₹ 1,285 crore for forestry and wildlife, Government provided an amount of ₹ 692.68 crore and the department spent ₹ 685.15 crore during the four years (2007-11). The actual allocation of funds for forestry and wildlife sector in the State which was 4.30 per cent<sup>4</sup> of the total outlay in the Tenth Five Year Plan declined to 1.51 per cent<sup>5</sup> in the Eleventh Five Year Plan as against four per cent recommended by the Union Planning Commission. The PCCF stated (December 2011) that the shortfall was due to non-sanction of schemes proposed by the department.

#### **4.1.7 Financial management**

##### **4.1.7.1 Revenue realisation**

Forest revenue comprises sale proceeds of sandalwood and timber, pulpwood, minor forest produce, lease rent, entry fees, fines, etc. The details of revenue earned by the department during 2008-11 are given in **Table 1**.

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<sup>3</sup> Forest cover - 23,338 sq.km.; 17.94 per cent  
Tree cover - 4,968 sq.km.; 3.82 per cent  
Total - 28,306 sq.km.; 21.76 per cent

<sup>4</sup> Tenth Five Year Plan - ₹ 1,720 crore / ₹ 40,000 crore x 100 = 4.30 per cent;

<sup>5</sup> Eleventh Five Year Plan - ₹ 1,285 crore / ₹ 85,344 crore x 100 = 1.51 per cent

**Table 1: Details of forest revenue**

(₹ in crore)

Year	Budget Estimate	Actuals
2008-09	110.56	82.65
2009-10	72.01	86.90
2010-11	90.15	139.22

(Source: Compiled by Audit from Annual Accounts)

The actual revenue collected by the department as against the budget estimate of a year fluctuated as it depended on auction-sale of sandalwood and teakwood during that particular year.

#### **4.1.7.2 Non-collection of lease rent**

**Arrears of lease rent of ₹ 105.20 crore remained to be collected from three State Public Sector Undertakings**

Forest lands were allotted to the following three Government corporations on lease basis at lease rents fixed by the department. Lease rent of ₹ 105.20 crore was due from the corporations as detailed below:

##### **(i) The Arasu Rubber Corporation Limited**

The Arasu Rubber Corporation (ARC) had taken an area of 4,279.78 hectares of forest land for rubber plantations in Kanyakumari District on lease from the Forest Department since 1984-85. Audit scrutiny revealed that lease rent of ₹ 55.48 crore (including interest) relating to the period from 1990-91 to 2008-09 was due from the Corporation as per the PCCF records. However, ARC reported that the lease rent due to the Forest Department was ₹ 5.13 crore only. The ARC had calculated the lease rent by treating the area with 300 tappable rubber trees as one hectare of matured area, whereas the department calculated the rent with reference to the planted area, which had attained seven years of age, as matured area. The failure on the part of department and Government to initiate timely action to collect the lease rent and to resolve the dispute in method of calculation of lease rent led to non-realisation of lease rent due from the year 1990-91.

##### **(ii) The Tamil Nadu Tea Plantation Corporation Limited**

An area of 3,318 hectares of forest land had been given on lease (1990-91) to the Tamil Nadu Tea Plantation Corporation Limited (TANTEA) at lease rent of ₹ 12,500 per year per hectare till 2002-03 and subsequently due to fall in tea prices, it was reduced to ₹ 2,000 per hectare per year. As on 31 March 2011, the total lease rent due from TANTEA to the department was ₹ 48.96 crore for the period from 1990-91 to 2010-11. Against the demand of lease rent raised by DFO, Coimbatore, TANTEA represented (October 2009) to Government to waive ₹ 17 crore towards the lease rent demanded for the area unutilised by it from 1990-91 to 1995-96 and also requested for waiver of interest for the overdue period. Government directed (July 2011) TANTEA to conduct survey and finalise the unproductive area, but it was yet (December 2011) to take a decision on this issue.

**(iii) The Tamil Nadu Forest Plantation Corporation Limited**

The Tamil Nadu Forest Plantation Corporation (TAFORN) was allotted (1974) forest land of 74,984 hectares on lease basis. The lease period of 32 years expired on 02 April 2006. A draft lease deed with lease rent at 30 per cent of gross revenue was finalised and sent (March 2011) to Government for approval.

As stated by Government in December 2011, the lease rent due from TAFORN was ₹ 0.76 crore for the period from 2007-08 to 2009-10. Though TAFORN earned profit during the period 2008-11, the department failed to recover the lease rent for more than five years since expiry of the previous lease period.

Further, it was also noticed that in 13<sup>6</sup> out of 26 test-checked Divisions lease rent of ₹ 124.72 crore due from agencies such as Government departments (₹ 13.94 crore), Local Bodies (₹ 0.11 crore), Tamil Nadu Electricity Board (₹ 100.84 crore), State Public Sector Undertakings (₹ 0.97 crore), Central PSUs (₹ 0.03 crore) and others (₹ 8.83 crore) in respect of 2,386 hectares of forest land were pending collection as of March 2011. Government replied (December 2011) that action was being taken by the COF/DFO to collect the arrears of lease rent from the user agencies.

**4.1.7.3 Delay in issuing notification for collection of fees from saw mills**

The PCCF sent (March 1984) a proposal to Government for taking a policy decision on regulation of saw mills, since there were no provisions in the Tamil Nadu Forest Act, 1882 for regulating the mills. As directed (1996) by the Supreme Court, Government constituted (January 1997) an expert committee to study functioning of the saw mills in the State. Based on the interim order of Supreme Court (May 1997), Government ordered (August 1997) that all the existing saw mills were to be registered with the respective District/ Divisional Forest Officer. The PCCF sent (May 1998) a proposal to Government for framing of the Saw Mill (Regulations) Rules. The Supreme Court in its final judgement (October 2002) directed the States to register all the existing saw mills. The Government, after protracted correspondence with the Central Empowered Committee and PCCF regarding the draft notification, finally ordered (December 2010) for collection of licence fee of ₹ 5,000 per mill for issue/renewal of licence once in five years. The inordinate delay of eight years (2002 to 2010) in deciding to issue the Government order resulted in non-collection of revenue of ₹ 2.40 crore towards licence fee from 3,006 saw mills. Government stated (December 2011) that out of 3,006 saw mills, 1,767 were issued licence after collection of licence fee of ₹ 5,000 per mill. The reply is incomplete as the belated decision of Government had led to loss of revenue of ₹ 2.40 crore and the licence fee was collected from 1,767 mills only prospectively from the date of issue of licence by the respective

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<sup>6</sup> DFOs, Anamalai, Erode, Dindigul, Kodaikanal, Ooty North, Salem, Sathyamangalam, Thanjavur, Theni, Tirunelveli, Thirupathur, Thiruvallur and Thiruvannamalai Divisions.

Divisions. The PCCF, during the exit conference attributed (December 2011) the administrative and legal requirements to the delay in framing relevant rules.

#### 4.1.7.4 Non-revision of hire charges, entry fees, etc.

As per the directions (July 2003) of Government, PCCF was to submit proposals for revision of entry fees and hire charges for vehicles in wildlife sanctuaries by 10 per cent once in three years. Even though two out of the three Tiger Reserves submitted their proposals (June 2006 and November 2008) to PCCF, he forwarded the same to Government only in June 2009 after a delay of three years and seven months respectively and no reason was stated for the delay. When Government called for (August 2009) a clarification as to why the fees in respect of other sanctuaries had not been considered, PCCF called for (August 2011) proposals from such units after a delay of two years. As a result, in the three Tiger Reserves and two Crocodile Parks, the hire charges for use of departmental vehicles and entry fees for visitors had not been revised by Government since 1992 and 2003 respectively. The details are given in **Table 2**.

**Table 2: Details of hire charges and entry fees**

Name of the unit	Nature of charges, etc.	Year last revised	Existing rate (₹)		Rate proposed by the unit (₹)		Differential amount for the period 2007-11 (₹ in lakh)
			Adult	Children (5-12 years)	Adult	Children (5 - 12 years)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Mudumalai Tiger Reserve, Udagamandalam	Hire charges for use of departmental vehicles	December 1992	20	10	50	25	538.86
	Entry fee	July 2003	15	5	20	--	32.93
Anamalai Tiger Reserve, Pollachi	Entry fee	July 2003	15	10	25	10	145.63
	Hire charges for use of departmental vehicles		25		50		144.82
Kalakad Tiger Reserve	Entry fee	July 2003	15	10	20	15	25.88
Crocodile Breeding Centre, Sathanur	Entry fee	September 1982	0.50	0.25	5.00	2.00	35.28
Crocodile Park, Amaravathy, Pollachi	Entry Fee	September 1992	0.50	0.25	5.00	2.00	14.20
<b>Total</b>							<b>937.60</b>

Source: Details furnished by the Department

Had the proposals for revision been finalised in time, the department would have earned additional revenue of about ₹ 9.38 crore during the period from 2007-08 to 2010-11 in the above mentioned five units alone. PCCF stated (December 2011) that necessary proposals were called for from the

subordinate offices for fixation of the revised rates. He added that, on receipt of the same, consolidated proposals would be sent to Government. The reply is not acceptable as PCCF failed to initiate the action well in time so as to facilitate revision of the rates every three years in accordance with the Government directions. During the exit conference, the PCCF (Wild Life) stated that with a view to avoid animal-human interface, the whole issue of entry to the reserves *vis-à-vis* revenue generation would be examined afresh and a comprehensive proposal would be sent to Government.

Similarly, Government declared (January 1995) Koonthankulam in Tirunelveli District as a Bird Sanctuary and prescribed (July 2003) an entry fee of ₹ 2 for children in the age group of 5 to 12 years and ₹ 5 for adults. However, no entry fee was collected from July 2003. The sanctuary had not maintained the details of number of adults and children who visited the sanctuary since July 2003 and hence the amount of revenue foregone could not be quantified. The DFO, Tirunelveli stated (September 2011) that no entry fee was collected since July 2003 till date due to non-posting of staff for the purpose, at least two officials in the cadre of Junior Assistants were required for collection of entry fee and to collect the fee, more money would have to be spent on collection. Further, it was stated that the department had no control over the entry or exit of visitors to the sanctuary since it was open in all sides. The reply is not acceptable since the department failed to examine and decide on the staff requirement *vis-à-vis* the revenue potential.

#### 4.1.7.5 Budget and expenditure

The details of budget provisions made for the Forest Department and expenditure incurred during 2008-11 are given in **Table 3**.

**Table 3: Budget provisions and expenditure**

(₹ in crore)

Year	Revenue Expenditure				Capital Expenditure			
	Budget Provision	Expenditure	Excess(+)/ Savings(-)	Savings (in per cent)	Budget Provision	Expenditure	Excess(+)/ Savings(-)	Savings (in per cent)
2008-09	196.85	184.77	(-) 12.08	6.14	160.48	144.90	(-)15.58	9.71
2009-10	235.56	222.13	(-) 13.43	5.70	125.10	113.60	(-)11.50	9.19
2010-11	255.52	252.59	(-) 2.93	1.15	125.39	94.43	(-)30.96	24.69
<b>Total</b>	<b>687.93</b>	<b>659.49</b>	<b>(-) 28.44</b>		<b>410.97</b>	<b>352.93</b>	<b>(-)58.04</b>	

Source: Appropriation Accounts

The reason for decline in capital expenditure since 2009-10 was due to completion of the plantation programmes under the Japanese International Cooperation Agency aided Tamil Nadu Afforestation Project – Phase II (TAP-II) in 2008-09. The reasons for huge savings in capital expenditure during 2010-11 were reported as operation of election code of conduct, belated release of funds by Government, etc. During 2009-10 and 2010-11, only maintenance works were carried out under TAP. It is evident that for capital



investment for afforestation activities, the State was largely dependent on external financial assistance and it had decreased since 2009-10.

#### 4.1.7.6 Poor budgetary controls

Few instances of poor budgetary controls are given below:-

(i) A review of the budget provisions and the expenditure incurred showed that large-scale reappropriations at the year end were made during 2008-09 to 2010-11 as given in **Table 4**. The large-scale reappropriations in almost all subheads of accounts indicated that the department's budgetary/ expenditure controls were weak.

**Table 4: Details of reappropriations**

Year	Revenue Head			Capital Head		
	Total units of appropriation	No. of units reappropriated	Percentage	Total units of appropriation	No. of units reappropriated	Percentage
2008-09	79	75	95	62	50	81
2009-10	80	75	94	60	54	90
2010-11	78	76	97	57	53	92

Source: Appropriation Accounts

(ii) Further, the reappropriations made in 14 heads during 2008-11 proved unnecessary as the actual expenditure incurred were well within the budget provisions (Original and Supplementary) as given in **Appendix 4.2**.

(iii) There were huge savings ranging from 13 to 100 *per cent* of the total provisions in excess of ₹ 1 crore in nine minor heads of account during 2008-09 and 2010-11 as given in **Appendix 4.3**. The reasons attributed by the department were non-finalisation of tender formalities, delayed release of funds by Government and operation of election code of conduct. The reply is not acceptable as the delay of two to seven months on the part of the State Government in releasing GOI funds was avoidable and that the election code of conduct did not prohibit incurring of expenditure for ongoing schemes. A scrutiny of records revealed that the heads of account in which savings were effected were already sanctioned ongoing schemes.

(iv) Scrutiny of budget files/ records revealed that persistent savings/surrender of funds in excess of 20 *per cent* were noticed in three heads of account, *viz*, Integrated Forest Protection, Conservation and Management of Mangroves and Forest Development Fund during the years 2008-11 as given in **Appendix 4.4**.

#### 4.1.8 Forest Management

Forests are required to be managed in the most sustainable manner which involves control over forest land, preparation of working plans and plantation programmes and maintenance of forests.

#### **4.1.8.1 Control over forest land**

As per the Tamil Nadu Forest Department Code, the District Forest Officer (DFO) is to select, demarcate the block, prepare a plan and issue draft notification of boundaries. The Forest Settlement Officer is to inspect, correct the map, prepare register of claims and issue final notification in consultation with the DFO. In order to manage the forests well, proper demarcation of the forest land is required for which settlement proceedings were being undertaken by the Revenue Department in collaboration with the Forest Department.

##### **(i) Poor progress in notification of forest land**

The National Forest Policy, 1988 has set the protection of existing forest lands as one of the essentials of forest management. The Tamil Nadu Forest Act, 1882, provides for declaring the forest land/other land as reserve forest to increase the forest cover. For declaration of the lands as reserve forest, the Forest Department has to initiate action under Sections 4<sup>7</sup> and 16<sup>8</sup> of the Act.

For the purpose of settlement and notification of lands as reserve land and reserve forest, Government sanctioned (October 2010) nine posts of Forest Settlement Officers (FSOs) in the Revenue Department. The State Forest Commission recommended (2009) that Forest Settlement Officers be posted for a fixed tenure so that they could devote their time exclusively for the forest settlement work and complete the process of settlement early. However, the services of FSOs under the direct control of District Collectors were mainly utilised for works of the Revenue Department. Non-utilisation of the services of FSOs exclusively for the forest settlement work coupled with other reasons such as pendency with DFOs/COF/PCCF, time required for scrutiny of proposals by FSO/District Collector/Government, etc., were the reasons for pendency in issuing notification under Section 16 in respect of 1,71,063 hectares (ha) of land notified under Section 4 since 1952.

The PCCF stated (December 2011) that as of June 2011, an extent of 58,677 ha was notified under Section 16 and proposals for 8,467 ha had been sent to Government. The facts remained that the progress was only 34 *per cent* and an extent of 1,12,386 hectares still remained to be notified.

In 15 test-checked divisions<sup>9</sup>, it was noticed that as of March 2011, total area of 39,648 hectares and 50,049 hectares of land were yet to be notified under

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<sup>7</sup> Government under Section 4, shall publish a notification in the official Gazette of the district for declaring and constituting any land as Reserve Forest, specifying the situation and limits of such land (transfer of revenue land as reserve land).

<sup>8</sup> Government under Section 16 shall publish a notification in the official Gazette specifying the limits of the forest which is intended to reserve and declaring the same to be reserved from a date to be fixed by such notification (transfer of reserve land to Reserve Forest).

<sup>9</sup> DFOs, Dindigul, Erode, Kallakurichi, Kodaikanal, Namakkal, Ooty North, Perambalur, Pollachi (Anamalai Tiger Reserve), Salem, Theni, Thirupathur, Thiruvallur, Thiruvannamalai, Thiruchirappalli and Vellore Divisions.

Section 4 and Section 16 respectively due to various processes pending at various stages in the Divisions, District Collectorates, Circles, PCCF office and State Government as given in **Table 5**.

**Table 5: Pendency of settlement cases**

(Area in hectare)

Section No.	DFO	FSO/ District Collector	COF	PCCF	Government	Due to court cases	Total area (ha)
Section 4	28,775	4,903	991	2,859	2,120	-	39,648
Section 16	796	39,649	227	1,842	7,326	209	50,049

Source: Details furnished by the Department

There is a necessity to expedite the pending cases so as to achieve the intended purposes. During the exit conference, the Principal Secretary to Government, Environment and Forests Department assured (December 2011) to take necessary action in this regard.

**(ii) Poor progress in eviction of encroachments**

Any encroachment on forest land is required to be evicted immediately. For this purpose, powers have been delegated to the Forest Range officers. Section 68A of the Tamil Nadu Forest Act, 1882 envisaged taking immediate action for eviction of the encroachment after 15 days of notice period. Government of India (GOI), Ministry of Environment and Forests (MOEF), instructed (May 2002) all the States to frame a time bound programme for eviction of the encroachers from the forest lands. The details of encroachments and evictions made during 2008-10 are given in **Table 6**.

**Table 6: Extent of encroachments (Area in ha)**

Year	Opening Balance	Additions during the year	Evictions during the year	Closing Balance	Percentage of eviction
2008	15,213.82 (18,930)	456.08 (171)	725.73 (405)	14,944.17 (18,696)	2
2009	14,944.17 (18,696)	153.93 (114)	503.91 (385)	14,594.19 (18,425)	2
2010	14,594.19 (18,425)	186.00 (264)	428.02 (124)	14,352.17 (18,565)	1
<b>Total</b>		<b>796.01</b>	<b>1,657.66</b>		

Source: Details furnished by the Department (number of cases is given in brackets)

It was noticed that 14,352 hectares of forest land was under encroachment at the end of December 2010 including new encroachments of 796 hectares during 2008 – 2010. The extent of encroachment both in terms of area and number of cases remained more or less at the same level during the period 2008-10.

**In 12 test-checked Divisions, 9,547 cases of encroachments involving total area of 10,196.65 hectares were pending for eviction.**

In 12 test-checked divisions<sup>10</sup>, as of March 2011, an area of 10,196.65 hectares of forest land was reported as encroached (9,547 cases) by private individuals, educational institutions, defence establishments, State Government departments, etc. In eight Reserve Forest areas of five Divisions<sup>11</sup>, the land was under encroachment for more than 30 to 50 years. Government stated (December 2011) that encroachments were made for cultivation purposes, construction of dwelling huts and houses; the eviction process involved law and order problems; and effective co-ordination among the officials of the Police, Revenue and Forest Departments was necessary. The reply is not acceptable as they are known factors and the extent of eviction made during the years had come down.

GOI, Ministry of Environment and Forest, suggested (May 2002) constitution of a Monitoring Committee under the Chairmanship of Chief Secretary of the State to monitor the forest encroachments. The Committee, constituted (July 2002) by the Government, met only thrice during 2008-11 instead of the prescribed six meetings. Though the Committee issued case-wise recommendations for eviction of encroachments suggesting effective coordination of revenue, police and forest officials at the field level, the progress achieved as compared to the total encroachments was meagre and coming down.

#### **4.1.8.2 Plantation programmes**

Tamil Nadu has recorded forest area of 22,877 sq.km. under three categories namely reserve forest<sup>12</sup> – 19,388 sq.km., protected forest<sup>13</sup> – 2,183 sq.km. and un-classified forest<sup>14</sup> – 1,306 sq.km. It was noticed from the Annual Plan documents that nearly half of the forest area in the State is subjected to heavy degradation on account of biotic pressure and that various schemes and programmes of Government were aimed at restoring the degraded forests and expanding the forests outside the Reserve Forest area. Plantations under various plan, non-plan and centrally-sponsored schemes were carried out by the Forest Divisions both inside and outside forest areas.

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<sup>10</sup> DFO, Dindigul, Kodaikanal, Namakkal, Perambalur, Theni, Thirupathur, Thiruvallur, Thiruvannamalai, Thiruvarur, Thiruchirappalli, Vellore and Wild Life Warden, Nagapattinam

<sup>11</sup> Dindigul, Salem, Theni, Thiruvallur and Vellore

<sup>12</sup> Area notified under the provisions of Indian Forest Act or State Forest Act having full degree of protection and unless otherwise permitted, all activities thereon are prohibited

<sup>13</sup> Area notified under the provisions of Indian Forest Act or State Forest Act having limited degree of protection and unless otherwise permitted, all activities thereon are prohibited

<sup>14</sup> Area recorded as forest but not included in the reserve or protected category.

**(i) Increasing forest and tree cover inside the forests**

This programme aimed at restoration of the original forest vegetation in the degraded forests, restoration of bio-diversity and increase in productivity of the forests. Tamil Nadu Afforestation Project – Phase II (TAP-II) and National afforestation Programme (NAP) were the main schemes implemented to increase the forest cover within forests.

**(ii) Tamil Nadu Afforestation Project – Phase II**

TAP-II was being implemented with an outlay of ₹ 567.42 crore consisting of a soft loan of ₹ 409.08 crore from the Japanese International Cooperation Agency and State funds of ₹ 158.34 crore. The main strategy of the project was to treat 1,77,500 hectares of degraded forests in 800 villages including 150 tribal villages through Joint Forest Management on integrated watershed basis in a period of eight years from 2005-06 to 2012-13.

Since the afforestation activities under the project in 1.77 lakh hectares had been completed in 2008-09, only maintenance works in older plantations and other allied works were carried out in 2009-10 and 2010-11. In order to continue and consolidate the gains of the project and to sustain the momentum of the activities, the Government sanctioned ₹ 23.70 crore in 2009-10 from the State funds to benefit 150 villages covering an extent of 31,050 hectares. As soil and moisture conservation works and nursery works were carried out in 2009-10 at a cost of ₹ 23.31 crore, the planting work was taken up during 2010-11 only.

**(iii) National Afforestation Programme**

National Afforestation Programme (NAP), a people participatory Central scheme was introduced during the Tenth Plan period (2002-07) with the objectives of regeneration and eco-development of degraded forests and adjoining areas on watershed basis and augmentation of fuelwood, fodder and grass availability from the regenerated areas, etc. NAP was implemented by the Joint Forest Management Committees at village level and Forest Development Agencies (FDA) at Divisional level. GOI grants of ₹ 34.87 crore were received during the period 2007-11 by 12 to 32 FDAs. During the first three years of Eleventh Five Year Plan (2007-10) expenditure of ₹ 24.27 crore was incurred for afforestation and allied activities over an area of 12,170 hectares. During 2010-11, restoration of forests over an area of 4,175 hectares involving outlay of ₹ 8 crore was proposed. An expenditure of ₹ 34.14 crore had been incurred as of March 2011.

**The increase in forest and tree cover of the State as per the Reports of FSI for 2005 and 2009 was meagre (294 sq. km)**

When the year-wise details of targets and area actually covered under the programme were called for in audit, PCCF stated that separate target and achievement details for NAP were not available with the department. It was noticed that three FDAs<sup>15</sup> had an unspent balance of ₹ 63.76 lakh out of grants-in-aid received during 2006-07 and 2007-08 and surrendered

<sup>15</sup> Coimbatore, Kancheepuram and the Nilgiris North

₹ 63.26 lakh to the State Forest Development Agency only in February 2011, after a lapse of three years. PCCF stated (December 2011) that no new works were sanctioned to the three FDAs during the succeeding years as the unspent balance could not be spent by them. The reply is not acceptable since the unspent balance was neither got refunded nor transferred in time to other FDAs for effective utilisation. Despite implementation of the schemes with external assistance, Central funds and State funds, the increase in forest cover was only 294 sq.km. (23,044 sq.km. in 2005 and 23,338 sq.km. in 2009) which worked out to only 0.1 per cent.

**(iv) Increasing tree cover outside the forest areas**

During the Tenth Plan period (2002-07) the department spent ₹ 471.61 crore for social and farm forestry activities with a view to increase the tree cover outside the forest area. The Eleventh Five Year Plan (2007-12) emphasised on resource mobilisation by the States for increasing tree cultivation outside the forest area and Government made an outlay of ₹ 375 crore for the purpose (December 2007).

As against the Eleventh Plan target of seven lakh hectares under the scheme of increasing tree cover outside the forest areas, the achievement was 0.49 lakh hectares (seven per cent) only during 2007-11

In order to encourage tree cultivation outside the forests, a programme called Tree Cultivation in Private Lands (TCPL) was launched by Government in 2007-08. The programme involved planting tree seedlings in the holdings of small and marginal farmers and envisaged bringing about seven lakh hectares under tree cover during the Eleventh Plan period and increasing the tree cover considerably outside the traditional forest area. During 2007-11, 3.99 crore seedlings were reported planted in 49,194 hectares of private lands at a cost of ₹ 44.42 crore. The details of physical and financial targets and achievements are given in **Table 7**.

**Table 7: Details of target and achievement**

Year	Area covered (in ha)	Target (No. of seedlings) (in crore)	Achievement (No. of seedlings) (in crore)	Financial	
				Target (₹ in crore)	Achievement (₹ in crore)
2007-08	11,639	0.750	0.825	10.00	10.00
2008-09	10,441	2.750	1.000	36.58	9.42
2009-10	10,461	5.000	0.910	66.50	10.00
2010-11	16,653	7.500	1.260	99.75	15.00
<b>Total</b>	<b>49,194</b>	<b>16.000</b>	<b>3.995</b>	<b>212.83</b>	<b>44.42</b>

Source: Details furnished by the Department

As against the Eleventh Plan targeted area of seven lakh hectares and distribution of 25 crore seedlings, the achievement during the four years (2007-11) was 49,194 hectares (seven per cent) and four crore (16 per cent) seedlings only. As against the outlay of ₹ 375 crore for increasing the tree cover during the Eleventh Plan period, budget provisions of only ₹ 45 crore were made in the four years (2007-11) indicating huge shortfall in provision of funds for the programme. This was due to inadequate resource mobilisation by Government for the purpose. It was noticed that as per the Reports of



Forest Survey of India 2005 and 2009, there was decrease (12 *per cent*) in the estimated tree cover area from 5,621 sq.km. in 2005 to 4,968 sq.km. in 2009, despite spending of ₹ 471.61 crore during the Tenth Plan period (2002-07) on social and farm forestry activities. The overall forest and tree cover of the State also decreased marginally from 28,665 sq.km. in 2005 to 28,306 sq.km. in 2009.

PCCF stated (December 2011) that sufficient funds were not allotted by Government for increasing the tree cover outside the forest area in the Eleventh Five Year Plan. The PCCF further stated that decrease in tree cover outside the forests could be due to harvest of rotation plantations raised in farmlands and other fields. The reply does not give complete picture in view of the fact that for the period 2007-11, PCCF had sent proposals to Government for an amount of ₹ 45 crore only as against the plan allocation of ₹ 212.83 crore for the said period.

#### **4.1.8.3 Low survival of plantations**

As per section 44(3) of the Tamil Nadu Forest Department Code, a “Control Journal Register” should be maintained by PCCF indicating the revenue, expenditure on plantations, name of the plantations, village, year of planting, condition of plantations etc. The register which is a key source for deriving the survival percentage of plantations at PCCF Office is to be maintained based on the annual returns received from the Range Officers. It was noticed that the defective returns received from Range Officers and non-consolidation of the data at PCCF office resulted in non-monitoring of the survival rate of plantations at PCCF level.

In 23 out of 26 test-checked divisions,<sup>16</sup> 25,846 plantations were raised (year 1953 onwards) in an area of 7.45 lakh hectares. Out of these plantations, low survival of plants (survival rate of less than 40 *per cent*) in 15,228 plantations raised in an area of 3.30 lakh hectares (zero to 20 *per cent* in 11,488 plantations and 20 to 40 *per cent* in 3,740 plantations) was noticed. While Government *inter-alia* attributed (December 2011) biotic interference and inappropriate selection of site and species for low survival, the DFOs attributed non-allotment of funds for maintenance of the plantations after three years from raising and increase in human/cattle population. The reply given in general term is not acceptable as the survival rate was below the norms and as per the prescribed procedure, feasibility of raising the plantations in suitable areas was to be ensured before carrying out the planting programmes.

#### **4.1.8.4 Forestry Research**

Forestry Research wing of the Department had identified certain thrust areas such as bio-diversity conservation, silviculture, environmental management, tree improvement, afforestation programmes, forest utilisation, medicinal plant

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<sup>16</sup> DFO, Dindigul, Erode, Kallakurichi, Kodaikanal, Madurai SF, Namakkal, Ooty North, Perambalur, Salem, Salem MSCS, Satyamangalam, Sirumalai IFF, Thanjavur, Theni, Tirunelveli, Thiruvallur, Thirupathur, Thirupathur RFW, Thiruvannamalai AFF, Thiruvannamalai, Thiruchirappalli, Thiruchirappalli SF and Vellore.

conservation, soil nutrient management and organic tree farming and agro forestry. The objective of forestry research is to enhance forest conservation and to improve productivity, thereby producing more goods and services for the benefit of people. Experiments are being conducted to find out the best species and most suitable regeneration techniques for different climatic and soil conditions. As reported (June 2011) by the COF (Research), State Forestry Research Institute, Kolapakkam, Chennai the achievements of Research units were standardisation of bio-fertilizers, techniques for raising tall seedlings for forest species, cultivation practices, identification of suitable tree species for pollution abatement, etc. As against the Tenth Plan provision of ₹ 87.02 crore for research activities, the department spent (2002-07) a meagre amount of ₹ 7.43 crore only. Even though ₹ 26.03 crore was allocated for research and Geographical Information System in the Eleventh Plan (2007-12), the department provided total budget provision of ₹ 11.06 crore only during 2007-11. The reasons for shortfall in provision of funds for research were not stated.

#### **4.1.9 Implementation of Centrally Sponsored Schemes**

Thirty-three fully funded centrally sponsored schemes (CSS) and seven schemes shared between the Central and State Governments were being implemented by the department. During the period 2008-11, ₹ 43.91 crore and ₹ 22.64 crore were spent on CSS and shared schemes respectively by the department. Audit findings on implementation of one of the CSS are given below:

##### **4.1.9.1 Integrated Development of Wild Life Habitats**

The PCCF proposed (June 2008) to Government for acquiring patta lands of 592.17 acres in Moyar valley (515.22 acres) and Kallar Jaccanari village (76.95 acres) in the Nilgiris at a total cost of ₹ 19.36 crore for formation of two elephant corridors to facilitate migration of elephants from Western Ghats to Eastern Ghats and *vice-versa* and to avoid man-animal conflict in and around the proposed corridor. When the proposal was forwarded (November 2008) by Government seeking release of ₹ 10 crore as first instalment of fund, GOI requested (December 2008) Government to re-examine whether the grant could be utilised within three months of the financial year. Based on a commitment (December 2008) given by Government, which was based on the assurance given by PCCF to spend ₹ 4 crore within the year, GOI sanctioned (March 2009) ₹ 4 crore as first instalment for the scheme and released (March 2009) ₹ 3.25 crore. However, the grant was released by Government to the District Collector, Nilgiris in January 2011 only, after a delay of 22 months. Out of the above grant, an amount of ₹ 62.50 lakh only was spent (March 2011) by the District Collector towards acquisition of land measuring 13.49 acres. The remaining lands identified were not acquired by the District Collector (July 2011) as the lands were not free from encumbrances. The failure of Government to assess the feasibility of acquisition of the lands and the PCCF's failure to ensure that the land identified (May 2008) was free from encumbrances before giving commitment to GOI, had led to idling of

₹ 2.63 crore. Besides, the land acquired at a cost of ₹ 62.50 lakh could not be put to the intended use due to non-acquisition of the remaining lands. During the exit conference, the Principal Secretary to Government, Environment and Forests Department stated that encumbrances were noticed and many dwellers who were earlier willing for resettlement had gone against their commitment and that the matter would be resolved soon.

#### **4.1.10 Human Resources Management**

##### **4.1.10.1 Vacancy of posts**

Against 6,100 sanctioned posts under the field staff and ministerial staff categories as on 31 March 2011, the department had 5,261 men-in-position leaving 839 posts of various categories vacant. Important posts like Range Officers, Foresters, Forest Guards and Forest watchers who are instrumental for carrying out the forestry activities were lying vacant during the review period of 2008-11.

The vacancies in technical posts in 29 test-checked divisions<sup>17</sup> ranged between four and 51 *per cent*. PCCF stated (July 2011) that the vacancies in the technical posts were due to non-allotment of Forest Rangers by the Tamil Nadu Public Service Commission and stay order from the High Court of Madras for filling up of the vacancies in Forester category and that filling up of vacancies in Forest Guard category was under process.

##### **4.1.10.2 Training of staff**

The Tamil Nadu Forest Academy at Coimbatore conducts refresher courses and short duration courses to Indian Forest Service Officers, Rangers and Foresters. It was noticed that as against the target of 590 Rangers to be given in-service training, only 430 Rangers (73 *per cent*) were trained and as against the target of 1,010 Foresters (who were appointed during 2009) to be given compulsory six-month training, only 666 Foresters (66 *per cent*) were trained. The shortfall was attributed to lack of sufficient infrastructural facilities in the Academy.

PCCF stated (December 2011) that out of 590 Rangers, 54 Rangers were not trained for the reason that they had crossed 53 years of age. Further, with regard to training of Foresters, PCCF stated that 292 of them were trained in 2011-12 and the number of the foresters to be trained were 130 only.

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<sup>17</sup> DFOs Chennai (Urban forestry), Dindigul, Erode, Kallakurichi, Kodaikanal, Krishnagiri (Interface Forestry), Madurai (Social Forestry), Namakkal, Ooty (North), Perambalur, Salem (Mettur Soil conservation), Sathyamangalam, Sirumalai, Thiruvarur, Thanjavur, Theni, Thiruchirappalli, Tirunelveli, Thirupathur, Thiruvallur, Thiruvannamalai, Thiruvannamalai (Afforestation), Vellore Divisional forest Office, Thiruchirappalli (Social Forestry), Thirupathur (RFW), Wild Life Warden, Nagapattinam, Deputy Director/WLW, Kallakad, Anamalai and Mudumalai Tiger Reserves.

The Tamil Nadu Forestry Training College at Vaigai Dam imparts in-service training to different categories of subordinate staff (Forest Guards and Forest Watchers). The compulsory six-months training to 609 Forest Guards appointed during 2006 and 2007 was not yet given. The shortfall was attributed to lack of sufficient infrastructural facilities in the college. PCCF stated (December 2011) that 260 forest guards were trained in 2011-12.

#### **4.1.11 Internal control**

##### **4.1.11.1 Arrears in internal audit**

Annual internal audit of all the 111 units for the year 2010-11 was not conducted by the Department.

PCCF stated (December 2011) that annual audit plan for the units would be drawn up and the audit taken up.

##### **4.1.11.2 Pendency in clearance of internal audit objections**

1,773 internal audit paragraphs were pending clearance as on 31 March 2011 and the pendency related to the year 1986-87 onwards. Out of the 1,773 outstanding paragraphs, 1,318 paragraphs were pending for more than five years and 140 paragraphs were pending for more than 10 years. PCCF stated (December 2011) that the pendency had been reduced during 2011-12 from 1,773 to 1,440 and the number of paragraphs pending for more than 10 years had also reduced to 78.

##### **4.1.11.3 Response to Audit**

The Principal Accountant General (Civil Audit), Tamil Nadu conducts test check of records maintained by the head of the administrative department and subordinate officers under his control. First replies to the observations as a result of test check communicated through Inspection Reports (IRs) were to be furnished within four weeks. A half-yearly report on pending paragraphs of IRs is also sent to the Secretary to facilitate monitoring of the action taken on the observations. Position of the outstanding paragraphs of IRs issued upto May 2011 and pending at the end of November 2011 is given in **Table 8**.

**Table 8: Details of the pending IRs and paragraphs**

<b>Year of Report</b>	<b>Number of Inspection Reports</b>	<b>Number of paragraphs</b>
2004-05	1	1
2005-06	11	14
2006-07	17	33
2007-08	42	78
2008-09	42	92
2009-10	48	123
2010-11	74	293
<b>Total</b>	<b>235</b>	<b>634</b>

Source: Details collected from Inspection Reports of the Department

The pendency of 71 IRs and 126 paragraphs for a period over three years showed the department's slackness in response to audit observations.

#### **4.1.12 Monitoring and Evaluation**

Monitoring and evaluation provide the means for scheme managers, planners and decision makers to track the progress of implementation of various schemes in the sector. The deficiencies noticed in monitoring are given below:

##### **4.1.12.1 Shortfall in number of meetings of the State Board for Wildlife**

The Wildlife Protection Act, 1972, (Section 7) stipulates that the State Board for Wild Life should meet at least twice a year under the chairmanship of the Minister for Forests and Principal Chief Conservator of Forests, Chief Wildlife Warden and other officers as members. The main role of the Board was to advise the State Government on the selection and management of protected areas, formulation of policy for protection and conservation of wildlife and specified plants and measures to be taken for harmonising the needs of the tribal and other dwellers of the forest. The State Board met only once during the period of 2008-11 in 2009-10 as against the target of six meetings during the period. PCCF stated (December 2011) that the shortfall in the conduct of meetings was due to administrative reasons and that recommendations of the meeting held in July 2009 were communicated to the Divisions concerned for implementation and necessary proposal submitted to GOI. However, due to non-convening of the subsequent meetings even after two years, the action taken by the implementing units or the status of the proposals submitted to GOI could not be followed up by the department and thus the Board's monitoring was ineffective.

##### **4.1.12.2 Inadequate Monitoring by PCCF**

The PCCF was required to have a consolidated database of the activities such as survival rate of plantations, arrears of lease rent, implementation of schemes, etc., so as to monitor the position/progress periodically. However, the PCCF did not have such database and consequently these aspects remained poorly monitored at PCCF level.

#### **4.1.13 Conclusion**

The State has not prepared its own forest policy. Poor budgeting and huge surrender of funds were noticed. There was reduction in capital expenditure showing that adequate priority was not given for asset creation. The progress of land settlement was tardy. There have been large-scale encroachments that remained to be evicted. The increase in forest cover in the State during the period between 2005 and 2009 was only marginal and the tree cover in the State actually declined marginally in 2009 when compared to 2005.

**4.1.14 Recommendations**

- Efforts should be made to formulate the State specific Forest Policy for effective management of the forests of the State.
- The existing controls pertaining to preparation of budget and incurring of expenditure need to be strengthened to avoid large scale re-appropriation and surrender of funds in the year end.
- Notification of the lands as reserve forests needs to be expedited.
- The eviction of forest encroachments should be given priority.
- Execution of the schemes for increasing tree cover outside the forest area, formation of elephant corridors etc., need to be expedited.



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