

## Chapter - III

## Collection of Compensatory Afforestation Funds

### 3.1. Introduction

As per Forest (Conservation) Act 1980, money is to be collected for compensatory afforestation from user agencies which includes money for Compensatory Afforestation (CA), Additional Compensatory Afforestation (ACA), Penal Compensatory Afforestation (PCA), Catchment Area Treatment (CAT) Plan, etc in lieu of the forest land diverted for non forest use. Till 2002, these funds were being collected and retained by the State Government for undertaking the activities of compensatory afforestation, advance soil work, maintenance etc.

In 2001 the Supreme Court noted that there was poor utilization of funds deposited for compensatory afforestation and also that a large amount of money for compensatory afforestation was not realized by the State Governments from user agencies. It further observed that monies were paid by the user agencies to the State Governments for compensatory afforestation but the utilisation of the money for reforestation was only about 83 *per cent* of the funds actually realised by the State Government and the shortfall was about nearly ₹ 200 crore. On 29 October 2002, the Supreme Court directed that the user agency was also required to pay into the Compensatory Afforestation Fund the net value of the forest land diverted for non-forest purposes depending upon the quantity and density of the forest land being diverted for non-forest use.

The Supreme Court in its order of 29 October 2002 while directing the creation of a body to manage Compensatory Afforestation Funds also ordered that the amount received on account of compensatory afforestation but not spent or any balance amount lying with the States/Union Territories or any amount that was yet to be recovered from the user agency was also to be deposited in this fund. On 5 May 2006, while ordering the creation of Ad-hoc CAMPA, the Supreme Court also accepted the suggestions of the Central Empowered Committee (CEC) that the ad-hoc body would ensure that all the monies recovered on behalf of the CAMPA and which were lying with the various officials of the State Government should be transferred to the bank account(s) to be operated by this body.

CEC in its recommendations to the Supreme Court in 2002 had noted that as per the MoEF statement, as of March 2002, against ₹ 859.29 crore which was to be recovered from user agencies, ₹ 793.86 crore had been recovered and ₹ 496.22 crore had been actually spent on compensatory afforestation. Hence, it was calculated that in 2002, ₹ 297.64 crore of compensatory afforestation funds were lying with State Governments and ₹ 65.43 crore were yet to be collected from the user agencies. By 2006, when Ad-hoc CAMPA became operational, the accumulation had gone above ₹ 1,200 crore as was evidenced from the transfer of funds to Ad-hoc CAMPA in the initial year.

### 3.2. Transfer of funds to Ad-hoc CAMPA by State Governments

As per the Supreme Court's orders of 5 May 2006, Ad-hoc CAMPA was to ensure that all monies recovered on behalf of the CAMPA and lying with the State Governments were transferred to the bank accounts to be operated by this body. All the State Governments/ Union Territories were to account for and pay the amount collected with effect from 30 October 2002, in conformity with the order dated 29 October 2002, to the said Ad-hoc body.

Accordingly, Ad-hoc CAMPA arranged for opening State specific bank accounts in nationalised banks. Monies collected by States from user agencies for diversion of forest land to non-forest use, in terms of the Forest (Conservation) Act, 1980 were deposited into these accounts.

Since 2006, Ad-hoc CAMPA operated 37 current accounts in Corporation Bank, CGO Complex Lodhi Road (35 current accounts pertaining to the States/UTs, two current accounts pertaining to the management expenses of Ad-hoc CAMPA) and 33 Current accounts in Union Bank of India, Sunder Nagar, New Delhi (32 current accounts pertaining to the States/UTs and one main account). In addition, 37 saving bank accounts were opened in Corporation Bank in March 2011 (35 saving bank accounts pertaining to the States/UTs, one main account and one saving bank account pertaining to the Management Expenses of Ad-hoc CAMPA) and 33 saving bank accounts in Union Bank of India, Sunder Nagar, New Delhi (32 saving bank accounts pertaining to the States/U.T.s and one main account).

The accounting period adopted by Ad-hoc CAMPA was from 1 July to 30 June. This was changed from 30 June 2012 onwards to match with the financial year, with the year 2012-13 being the transition period.

#### 3.2.1. Directions issued by Ad-hoc CAMPA regarding collection and transfer of funds

Ad-hoc CAMPA, in its capacity as the Governing Body, from time to time in its successive meetings, discussed the issues relating to collection and transfer of funds and gave directions to ensure that all the monies due to be rendered to Ad-hoc CAMPA by States/UTs were recovered, transferred and accounted for. These directions are summarised at Table 18.

**Table 18: Directions issued and observations made by Ad-hoc CAMPA**

Date of the meeting	Directions issued and observations made by Ad-hoc CAMPA
7 July 2006	<p>Periodic reconciliation of the receipts with the concerned State/UT Governments was considered essential. It was decided that:</p> <ul style="list-style-type: none"> <li>• A Receipt-Ledger would be opened in consultation with the Financial Consultant of Ad-hoc Body and properly maintained under his guidance and supervision. A suitable mechanism for cross-referencing of receipts with the State/UT, Corporation Bank and Ad-hoc CAMPA would also be developed in consultation with the Financial Consultant.</li> <li>• Monthly statement of the funds received from the State/UT Governments was to be referred back to them for reconciliation.</li> </ul>

Date of the meeting	Directions issued and observations made by Ad-hoc CAMPA
27 November 2006	<ul style="list-style-type: none"> <li>• Details of the money receivable, money actually received, amount of interest receivable, amount of interest received, money to be transferred to Ad-hoc CAMPA and money actually transferred would be compiled in respect of each of the case approved under Section 2 of the Forest (Conservation) Act, 1980.</li> <li>• An institutionalized system should be put in place to ensure that the above information was compiled and audited for each of the case approved, in respect of the money receivable in terms of the Supreme Court's order dated 30 October 2002.</li> <li>• It was also observed that though an amount of ₹2,414.09 crore had been received by Ad-hoc CAMPA as on 24 November 2006, the details of money receivable were not available, and hence, it was not possible to take a view regarding the balance amount yet to be transferred by the States/UTs to Ad-hoc CAMPA.</li> </ul>
20 June 2007	It was observed by Ad-hoc CAMPA that reconciliation of the figures related to the funds received by Ad-hoc CAMPA from different States/UTs with the figures available at the State/UT level had not been done. As the figures were not compiled in meaningful format at the Ad-hoc CAMPA level, such reconciliation was not possible.

It is evident from the extracts of the minutes of the meetings of Ad-hoc CAMPA above that the Governing Body not only issued specific direction regarding the manner in which records of monies receivable and received from States/UTs should be maintained but also for maintaining case wise record to ensure all amounts due from each user agency were collected and accounted for. It was also concerned about the lack of reconciliation between the records of the States/UTs in this regard and those kept by Ad-hoc CAMPA. However, we found that no concrete measures were taken by the members charged with executive responsibilities to introduce a system of control and monitoring to ensure compliance with the Supreme Court orders that all the funds pertaining to Compensatory Afforestation Fund collected and lying unutilised with State/ UT Governments or to be collected were transferred to Ad-hoc CAMPA accounts. This was evident from our findings of discrepancies in records of Ad-hoc CAMPA and State/ UT records of transfer of funds, inordinately long delays in transfers and instances of continued retention of funds in State Government accounts. The details of such audit observations are given in the succeeding paragraphs.

MoEF stated (April 2013) that the existence of Ad-hoc CAMPA was purely transient, in nature and the accounts format/ systems that should have been adopted by Ad-hoc CAMPA have not till date been specified by the CAG/ Controller General of Accounts (CGA).

The reply of MoEF is not acceptable. Though Ad-hoc CAMPA was purely transient it was created in compliance of orders of the Supreme Court of May 2006, which also made it obligatory on Ad-hoc CAMPA to ensure the transfer of all the monies being recovered/ lying with the State and get it audited. The reply that the format of accounts was not prescribed by the CAG/ CGA is not tenable because as per the orders of the Supreme Court of September 2005, corporate accounting based on the principles of double entry was to be

followed by CAMPA. This was also confirmed by the CAMPA (Amendment) Notification of March 2007.

### 3.2.2. Non-reconciliation of position of funds transferred by States/UTs to Ad-hoc CAMPA

The May 2006 order of the Supreme Court charged Ad-hoc CAMPA with the responsibility of ensuring that all the monies recovered on behalf of the CAMPA and lying with the various officials of the State Government were transferred to the bank account(s) to be operated by this body.

Our audit revealed that despite the directions of Ad-hoc CAMPA issued in 2006 and 2007 regarding maintaining proper records of receipts and periodic reconciliation, no such reconciliation was done till May 2013, resulting in large differences in the positions of funds reported as received by Ad-hoc CAMPA and claimed to be transferred by State/UTs as per the details collected from the State CAMPA/ Nodal officers. The details of discrepancies are at Table 19.

**Table 19 : Discrepancies in amounts reported as transferred by States/UTs and amounts reported as received by Ad-hoc CAMPA.**

(₹ in crore)

Sl. No.	State/UT	Amount deposited <sup>20</sup> with Ad-hoc CAMPA	Amount transferred to Ad-hoc CAMPA as per state CAMPA	Percentage Difference	Remarks
1	Andaman & Nicobar Islands	12.63	11.27	10.77	
2	Andhra Pradesh	2,514.35	2,105.54	16.26	For the period 2006-12.
3	Arunachal Pradesh	731.92	438.82	40.05	
4	Assam	327.13	157.82	51.75	
5	Bihar	195.90	172.34	12.03	
6	Chandigarh	2.09	2.35	-12.44	
7	Chhattisgarh	2,491.30	1,114.81	55.25	
8	Delhi	35.77	34.76	2.82	
9	Goa	146.29	146.97	-0.46	
10	Gujarat	663.51	583.49	12.06	
11	Haryana	343.17	280.00	18.41	For the period 2006-12.

<sup>20</sup> This amount includes the principal amount of ₹ 20,063 crore with Ad-hoc CAMPA as on 31 March 2012 and also the amount released to the State/ UTs during 2009-12 i.e. ₹ 2,829 crore to make it comparable with the amounts stated by State/ UT CAMPA as transferred to Ad-hoc CAMPA.

Sl. No.	State/UT	Amount deposited <sup>20</sup> with Ad-hoc CAMPA	Amount transferred to Ad-hoc CAMPA as per state CAMPA	Percentage Difference	Remarks
12	Himachal Pradesh	1,084.72	628.44	42.06	State not sure how much amount transferred to Ad-hoc CAMPA
13	Jammu & Kashmir	138.43	365.90	-	FDRs of ₹ 291.85 crore pledged to Ad-hoc CAMPA
14	Jharkhand	2,014.76	1,598.32	20.67	
15	Karnataka	930.31	836.39	10.10	
16	Kerala	24.50	30.99	-26.48	
17	Madhya Pradesh	1,285.21	902.53	29.78	
18	Maharashtra	1,753.15	738.45	57.88	
19	Manipur	34.55	34.59	-0.12	
20	Meghalaya	90.36	90.36	0.00	
21	Mizoram	10.62	10.62	0.00	
22	Odisha	4,394.16	3,697.26	15.86	
23	Punjab	439.58	286.33	34.86	
24	Rajasthan	794.28	354.75	55.34	Figures available for 28 test checked divisions only
25	Sikkim	195.49	178.86	8.50	For the period 2006-12.
26	Tamil Nadu	30.24	27.02	10.65	
27	Tripura	82.49	57.43	30.38	
28	Uttar Pradesh	643.10	584.52	9.11	
29	Uttarakhand	1,364.85	1,296.96	4.97	
30	West Bengal	110.90	95.99	13.44	
	<b>Total</b>	<b>22,885.76</b>	<b>16,863.88</b>	<b>26.31</b>	

Reconciliation of two independent set of records reflecting the same transaction, as in the instant case, was an important control mechanism to ensure that the records of receipts/transfers of funds were complete and correct. Significant unreconciled differences between the amounts claimed to be transferred by States/UTs and the amounts reported as received by Ad-hoc CAMPA are indicative of laxity in controls. In the absence of a single set of reconciled figures, it cannot be assured that all Compensatory Afforestation Funds collected and lying unutilised with States/UTs had been transferred to Ad- hoc CAMPA as envisaged by the Supreme Court in its order of 5 May 2006.

MoEF stated (April 2013) that the process of reconciliation of the details of the amounts received from the State/ UTs was in progress and the reconciled schedules/ ledgers would be provided to Audit.

### 3.2.3. Funds not remitted to Ad-hoc CAMPA

As per Supreme Court's order dated 5 May 2006, all monies that had been recovered on behalf of the CAMPA and which were lying with the various officials of the State Government were to be transferred to the bank account(s) to be operated by Ad-hoc CAMPA.

We observed that a centralised project wise data base of the amounts recoverable, amounts recovered and the amounts remitted by each State/UT to ensure that all amounts of Compensatory Afforestation Fund collected by States/UTs were remitted to the Ad-hoc CAMPA accounts was not prepared. This was despite directions in this regard being issued by Ad-hoc CAMPA in its meeting held on 26 November 2006.

From the details collected from Nodal officers of State CAMPA and the divisions test checked in audit (where the Nodal officers did not provide the information), we observed that State CAMPAs of 23 States/UTs out of 30 covered in audit had not remitted a total of ₹401.70 crore to Ad-hoc CAMPA till date (January 2013). The details of the State/UT and the amounts not remitted are given in Table 20.

**Table 20: Details of States/UTs that did not remit Compensatory Afforestation Funds in compliance with Supreme Court directions.**

(₹in crore)

Sl. No.	State/UT	Amount not remitted to Ad-hoc CAMPA
1	Andaman & Nicobar Islands	0.45
2	Arunachal Pradesh	5.06
3	Assam	50.81
4	Bihar	1.44
5	Chandigarh	0.04
6	Chhattisgarh	0.17
7	Goa	1.33
8	Haryana	18.94
9	Himachal Pradesh	21.51
10	Jammu & Kashmir*	59.83
11	Jharkhand**	28.06
12	Karnataka	9.66
13	Kerala**	1.80
14	Maharashtra**	0.04
15	Manipur	0.50
16	Meghalaya	61.58

Sl. No.	State/UT	Amount not remitted to Ad-hoc CAMPA
17	Mizoram	16.62
18	Odisha	18.37
19	Rajasthan**	30.57
20	Tamil Nadu	19.45
21	Uttar Pradesh	23.50
22	Uttarakhand**	24.12
23	West Bengal	7.85
	<b>Total</b>	<b>401.70</b>

\*For J&K, CA was to be retained by State CAMPA. The amount indicated in the Table is only for NPV. Records before 2007 were not available.

\*\*In these States the information was not provided by Nodal officers. Hence it was collected from divisions on a test check basis i.e. Jharkhand – five divisions, Kerala – two divisions, Maharashtra – one division, Rajasthan – 28 divisions and Uttarakhand – 13 divisions.

As is evident from the results of the test check of records reported in Table 20, 23 out of the 30 States/UTs covered in audit did not remit some portion of the CAF to Ad-hoc CAMPA which was in contravention of the Supreme Courts orders that all such funds should be transferred to the central body. In the absence of a centralised data base of case wise amount due, recovered and remitted to Ad-hoc CAMPA either with MoEF, Ad-hoc CAMPA or State CAMPA, we are unable to provide assurance that ₹ 401.70 crore reported in Table 20 is the total amount of CAF not remitted to Ad-hoc CAMPA. Ad-hoc CAMPA also failed to establish a system to determine the amounts that were lying with the States/UTs and to ensure the transfer of entire funds to Ad-hoc CAMPA accounts.

MoEF stated (April 2013) that Ad-hoc CAMPA would pursue the matter with the respective State/ UTs. It is evident that MoEF did not take concrete steps to recover the outstanding dues from the State/ UT Governments despite the issue being discussed in various meetings of Ad-hoc CAMPA from as early as July 2006 and orders of the Supreme Court.

#### 3.2.4. Funds retained by State Governments

As per the Supreme Court's orders of 30 October 2002, Compensatory Afforestation Fund was not to be a part of the general revenue of the Union, of the States or part of the Consolidated Fund of India. Compensatory Afforestation Funds that had not yet been realised as well as the unspent funds already realised by the States were to be transferred to CAMPA. The State CAMPA Guidelines issued in 2009 also clarified that State CAMPA would serve as a common repository of funds accruing on account of compensatory afforestation and NPV. Hence, Compensatory Afforestation Funds were at all stages to be kept separate from the State/UT Government's funds.

Our test check of records in 30 State/UTs revealed that in 16 State/UTs CAMPA funds of ₹ 186.32 crore were deposited in State accounts from October 2002 onwards which was in violation of the Supreme Court orders. The State/UT wise details are given in Table 21.

**Table 21: Details of transfer of Compensatory Afforestation Funds to State accounts****( ₹ in crore)**

Sl. No.	State/UT	Deposits in State account
1	Andaman & Nicobar	0.11
2	Arunachal Pradesh	5.06
3	Assam	26.64
4	Bihar	1.44
5	Chhattisgarh	0.17
6	Haryana	18.94
7	Himachal Pradesh	21.51
8	Jharkhand	28.06
9	Karnataka	9.66
10	Meghalaya	0.06
11	Odisha	13.61
12	Rajasthan	1.91
13	Tamil Nadu	19.45
14	Uttar Pradesh	22.93
15	Uttarakhand	8.92
16	West Bengal	7.85
	<b>Total</b>	<b>186.32</b>

MoEF stated (April 2013) that year wise details of above amounts may be provided to Ad-hoc CAMPA to pursue the matter with the respective State/ UTs. The reply reflects the poor follow up by Ad-hoc CAMPA which should have taken up the matter of retention with the concerned State/ UTs at the earliest opportunity.

### 3.2.5. Delays in transfer of Funds to Ad-hoc CAMPA

As per the Supreme Court's orders of 30 October 2002, Compensatory Afforestation Funds that had not yet been realised as well as the unspent funds already realised by the States were to be transferred to CAMPA within six months of its constitution by the respective States and the user agencies. On 5 May 2006, while directing the creation of Ad-hoc CAMPA, Supreme Court once again directed that it was to be ensured that all the monies recovered on behalf of the CAMPA and lying with various officials of the State Government were transferred to the bank account(s) to be operated by this body.

From the details collected from Nodal officers of State CAMPA and the divisions test checked in audit, we observed that in 14 of the 30 States/UTs covered in audit, ₹ 4,178.92 crore funds were remitted to Ad-hoc CAMPA after a delay ranging from one to 2,555 days since the formation of Ad-CAMPA in May 2006. The details of the delays in remittance are given in Table 22.

Table 22: Details of delays in remittance of Compensatory Afforestation funds

Sl. No.	State/UT	Amount late remitted to Ad-hoc CAMPA (₹in crore)	Delay in remittance to Ad-hoc CAMPA* (in days)	Remarks
1	Andhra Pradesh	1,467.82	252	Delay in remittance in 512 cases during the period September 2006 to December 2011.
2	Chhattisgarh	0.54	420 to 1095	Delay in remittance in four cases pertaining to three divisions. The amount collected between April 2005 and April 2009 was remitted to Ad-hoc CAMPA between June 2007 and June 2010.
3	Himachal Pradesh	534.83	141	Delay in remittance during period February 2007 to August 2012. The money was kept in a current account with a bank.
4	Jharkhand	27.02	22 to 1604	Delay in remittance in three forest divisions.
5	Karnataka	528.14	30 to 270	Funds accumulated with State CAMPA upto 31 July 2007 were transferred to Ad-hoc CAMPA belatedly in four instalments during January 2007 to December 2007.
6	Madhya Pradesh	985.92	30 to 2,555	Delay in remittance in 63 divisions.
7	Manipur	17.47	44 to 589	Delay in remittance in five cases.
8	Meghalaya	0.49	300	Delay in remittance in 18 cases.
9	Punjab	51.74	16 to 2,040	Delay in remittance in 306 cases in six divisions during the period 2006-07 to 2008-09.
10	Rajasthan	151.51	30 to 1,650	Delay in remittance in 218 cases in 28 divisions.
11	Sikkim	1.15	203 to 541	Delay in remittance in 19 cases.
12	Uttar Pradesh	195.18	1 to 1,943	Delay in remittance in 471 cases.
13	Uttrakhand	191.77	30 to 90 and above	Delay in remittance in 192 cases.
14	West Bengal	25.34	30 to 150	
	<b>Total</b>	<b>4,178.92</b>		

\* The cases covered in the table are of transfers after formation of Ad-hoc CAMPA in May 2006. The delays reported here have been calculated after allowing a period of 14 days to arrange for transfer.

In the absence of a centralised data base containing details of the money receivable, money actually received, money to be transferred to Ad-hoc CAMPA and money actually transferred, in respect of the money receivable in terms of the Supreme Court's order dated 30 October 2002, Ad-hoc CAMPA could also not ensure that all amounts collected by States/UTs were remitted to the respective Ad-hoc CAMPA accounts within a reasonable period of time.

MoEF stated (April 2013) that the State wise figures of delays could be answered effectively by the State Governments. It was further stated that the compensatory afforestation levies when deposited by the user agencies pass through many levels, from the Range Officer/ Divisional Forest Officer level in the Forest Divisions, to the level of the Additional Principal Chief Conservator of Forests, viz., the Nodal Officer for Forest Clearance matters in the State Government. The reply of MoEF confirms the absence of any oversight in MoEF over timely transfers of compensatory levies to Ad-hoc CAMPA. This was also evident from the deliberations of Ad-hoc CAMPA meeting held in November 2006.

### 3.2.6. Maintaining component-wise records of funds received

In its October 2002 judgement, the Supreme Court had, *inter alia*, directed that funds received for compensatory afforestation for diversion of forest land falling under protected areas should be used exclusively for undertaking protection and conservation activities in protected areas of the respective States/UTs. Similarly, funds collected for treatment of the catchment area in which the diverted forest land fell, could be used for implementing a Catchment Area Treatment Plan only in that specific area. CAMPA notification of 23 April 2004 specified the purpose for which each component of receipt i.e. Compensatory Afforestation/ Additional Compensatory Afforestation/ Net Present Value/ Catchment Area Treatment Plan etc. for diversion of forest land, could be released. To comply with the Supreme Court's orders, it was essential to put in place a system of recording receipts under CAF component-wise to ensure that releases of each component of receipt was made towards proposals eligible under each component.

The Ad-hoc CAMPA in its meetings recognised the need to establish such a system and issued directions in this regard from time to time. These directions are summarised below:

Date of the meeting	Directions issued
7 July 2006 (Second meeting)	Ad-hoc CAMPA noted that most of the receipts were not accompanied by details which would be essentially required for proper record keeping, data management as well as quick generation and retrieval of information relating to various components of CAMPA funds like CA, PCA, CAT, NPV etc. It was decided that a format for furnishing the details of the funds transferred would be sent to State/UT Governments.
9 March 2009 (Ninth meeting)	Ad-hoc CAMPA once again noted that the breakup of funds deposited under different heads for execution of work and its release to the States need to be compiled and reconciled immediately.

The Ad-hoc CAMPA also wrote to the State Governments on 25 October 2010 seeking detailed information of project wise, component-wise collection of dues, their remittance to Ad-hoc CAMPA and the balance, if any, with State Governments. This information was also meant to facilitate reconciliation of receivables.

We noted that component-wise details of receipt of funds and its releases were not available with Ad-hoc CAMPA. On a specific query in this regard, Ad-hoc CAMPA stated (August 2012) that the information had been called from the States but it was not forthcoming. Ad-hoc CAMPA maintained its records of receipts State-wise further divided in to amount of principal and interest thereon.

MoEF stated (April 2013) that even though APOs were drawn up and approved by the State level Steering Committee, the release of funds beyond overall limit of ₹ 1,000 crore was not possible. The reply sidesteps the audit point and has in effect led to non-conformance of the orders of the Supreme Court which envisaged that specific funds were to be used for specific purposes. By not maintaining component wise records of funds the specific usages of this funds was not ensured by MoEF.

In order to assess the component-wise collection, in the course of our audit, the State Accountants General attempted to collect this information from the Nodal officers in each State/UT. In the event the information was not available with the Nodal officers, the same was gathered from the Divisions selected for audit. Based on this test check, the component wise collection from 2002 to 2012 is given in Table 23.

**Table 23: Component wise collection in States between 2002-12**

(₹ in crore)

Sl. No.	State/UT	NPV	CA	ACA	PCA	CAT	Others	Total
1	Andaman & Nicobar Islands	1.85	2.93	0	0	0	0	4.78
2	Andhra Pradesh	1,310.82	132.53	6.70	43.12	33.19	26.83	1,553.19
3	Arunachal Pradesh	NA	NA	NA	NA	NA	NA	827.05
4	Assam	407.90	14.72	0	0	0	0	422.62
5	Bihar	148.08	23.52	0	0	0	0.09	171.69
6	Chandigarh	1.61	0.74	0	0	0	0	2.35
7	Chhattisgarh	1,178.49	161.75	14.56	6.95	9.07	0	1,370.82
8	Delhi	3.74	28.57	0	2.45	0	0	34.76
9	Goa	119.69	9.33	0.44	4.72	0	0.51	134.69
10	Gujarat	422.01	162.35	0	0	0	0.15	584.51
11	Haryana	158.44	142.28	0	0	1.86	0	302.58
12	Himachal Pradesh	378.3	97.26	240	0.35	5.54	2.05	723.5
13	Jammu & Kashmir(after 2007)*	214.62	0.06	0	0	0	42.87	257.55
14	Jharkhand	1284.46	128.67	0	62.93	0	48.50	1524.56
15	Karnataka	379.23	61.04	0	0	11.54	78.07	529.88
16	Kerala	24.69	3.05	0.02	0	0.37	1.12	29.25
17	Madhya Pradesh	495.29	242.10	3.19	2.42	15.64	48.26	806.90

Sl. No.	State/UT	NPV	CA	ACA	PCA	CAT	Others	Total
18	Maharashtra <sup>#</sup>	200.68	23.09	4.79	7	18.91	14.15	268.62
19	Manipur	26.80	8.00	0.29	0	0	0.11	35.20
20	Meghalaya	81.02	2.63	0	1.13	0.98	4.44	90.20
21	Mizoram	45.46	4.74	0	0	0	0.14	50.34
22	Odisha	3,319.41	51.01	0	7.63	45.53	261.15	3,684.73
23	Punjab	10.98	6.59	0	0.08	0	0	17.65
24	Rajasthan	280.35	32.60	10.94	9.48	0	83.10	416.47
25	Sikkim	78.93	46.81	0	0.06	39.16	13.92	178.88
26	Tamil Nadu	30.23	8.87	0	0.32	0.40	0.99	40.81
27	Tripura	49.23	9.00	0	0	0	0	58.23
28	Uttar Pradesh	237.64	122.92	0.70	0.40	0.35	65.29	427.30
29	Uttarakhand <sup>§</sup>	954.47	82.84	0	NA	NA	259.65	1,296.96
30	West Bengal	74.46	23.19	0	0	11.58	3.09	112.32
	<b>Total</b>	<b>11,918.88</b>	<b>1633.19</b>	<b>281.63</b>	<b>149.04</b>	<b>194.12</b>	<b>954.48</b>	<b>15,958.39</b>

NA- Information was not available in the State.

\* For J&K information prior to 2007 was not available.

<sup>#</sup> For Maharashtra the figures are for sampled divisions, Nodal Officer did not give the information.

<sup>§</sup> For Uttarakhand, 'Others' includes ACA, PCA, CAT and others.

It may be noted that the total collection of ₹ 15,958.39 crore as per Table 23 does not match with ₹ 22,885.76 crore reported as received by Ad-hoc CAMPA and ₹ 16,863.88 crore reported as remitted by State/UT CAMPA (in Table 19), due to the fact that the component wise details have been collected from test check of records and are to that extent not complete.

In the absence of reliable and authenticated data of component wise collection of CAF in each State/UT, we are unable to understand the mechanism by which Ad-hoc CAMPA sought to ensure that the funds collected under each component were released only for programme/ scheme/ activities eligible under each component in compliance with the Supreme Court's order in this regard.

MoEF (April 2013) while keeping silent about the component wise collection of various funds as depicted in Table 23 stated that efforts were on for maintaining project wise and component wise details of funds and added that the Ad-hoc CAMPA did not have any authority over the State/ UT to ensure timely transfer of funds to the state accounts as maintained by Ad-hoc CAMPA.

The reply is not tenable as MoEF should have ensured that projects wise and component wise receipts are properly accounted for and transferred to Ad-hoc CAMPA before granting final clearances. The Director General (FC) and Inspector General (FC) were also functioning as Chairman and CEO respectively of Ad-hoc CAMPA hence they had every authority to direct the State/ UT and enforce timely transfer of funds to state accounts maintained by Ad-hoc CAMPA.

### 3.3. Assessment and collection of components of Compensatory Afforestation Funds

#### 3.3.1. Components of Compensatory Afforestation Funds

The components of CAF and the procedure for calculation of each component is as under:

Component	Authority	Rates of NPV	How it is to be calculated	Who is to calculate
Net Present Value	Supreme Court Orders dated 29 October 2002 and 28 March 2008.	₹5.80 lakh to ₹9.20 lakh per hectare upto March 2008 and from ₹4.38 lakh per hectare to ₹10.43 lakh per hectare after March 2008*.	To be calculated on the basis of class/ category and density of forest land diverted.	Divisional Forest Officer concerned.
Compensatory Afforestation/ Additional Compensatory Afforestation /Penal Compensatory Afforestation/Catchment Area Treatment Plan	Principal Chief Conservator of Forests of State/ Nodal officer of State CAMPA.		To be calculated on the basis of the rates of various categories and sites of lands identified for afforestation.	Divisional Forest Officer concerned.

\*Supreme Court fixed the rate of NPV in March 2008 which would hold good for a period of three years and subject to variation after three years.

#### 3.3.2. Non-compliance with Supreme court order regarding recovery of NPV from user agencies that received 'in principle' approval prior to 2002

As per Supreme Court's order of September 2006, Net Present Value (NPV) at the rate of ₹ 5.80 lakh to ₹ 9.20 lakh per hectare, in addition to other levies was to be recovered in all those cases which had been granted in principle clearance prior to 29 October 2002, but were allowed final clearance later.

The Ad-hoc CAMPA in its third and seventh meetings held in November 2006 and June 2007 respectively, noted that no State/ UT had reported any recovery of NPV for pre-30 October 2002 in principle approval cases. The issue was discussed in the fourth meeting of the National CAMPA Advisory Council held in January 2012 and it was directed that recovery of NPV amounts in such cases should be completed within next six months. Consequently, MoEF in March 2012 requested all the Regional Offices to check cases wise recovery on NPV in such cases and to send a status report to MoEF by 31 May 2012.

It was observed that the status report of MoEF included 292 cases pertaining to 21 States/ UTs, in which the land measuring 29,201.30 hectare was diverted. The status report did not

calculate the amount of NPV to be recovered in these cases. We estimated the total amount of NPV due in these cases at ₹ 1,693.67 crore on a conservative basis by applying the minimum rate of ₹ 5.80 lakh per hectare. The details of such cases are given in Table 24.

**Table 24: Details of cases in which NPV has not been collected for which the in principle approval was given prior to October 2002**

(₹ in crore)

Sl. No.	States	No. of cases	Total land diverted ( in ha)	NPV outstanding <sup>21</sup>
1.	Andhra Pradesh	22	1,053.10	61.08
2.	Arunachal Pradesh	5	264.43	15.34
3.	Chhattisgarh	17	1,160.42	67.30
4.	Gujarat	18	275.94	16.00
5.	Haryana	1	8.48	0.49
6.	Himachal Pradesh	7	140.86	8.17
7.	Jharkhand	12	607.57	35.24
8.	Karnataka	20	1,336.36	77.51
9.	Kerala	2	14.77	0.86
10.	Madhya Pradesh	22	6,804.25	394.65
11.	Maharashtra	63	1,870.63	108.50
12.	Meghalaya	1	99.00	5.74
13.	Mizoram	2	143.97	8.35
14.	Odisha	36	3,679.69	213.42
15.	Punjab	2	401.05	23.26
16.	Rajasthan	13	893.99	51.85
17.	Tamil Nadu	7	107.40	6.23
18.	Tripura	16	5,741.55	333.01
19.	Uttar Pradesh	2	1,149.87	66.69
20.	Uttarakhand	23	3,433.27	199.13
21.	West Bengal	1	14.70	0.85
	<b>Total</b>	<b>292</b>	<b>29,201.30</b>	<b>1,693.67</b>

From the table it was observed that 29,201.30 hectare of forest land was diverted by MoEF/RO without recovery of NPV amounting to ₹ 1,693.67 crore in contravention of Supreme Court's order of September 2006.

<sup>21</sup> calculated at the rate of ₹ 5.80 lakh per ha (minimum rate)

Apart from above 292 cases, test check of records of State Forest Department revealed that NPV amounting to ₹ 0.41 crore in two cases and ₹ 3.01 crore in one case in the States of Sikkim and Uttar Pradesh respectively was not recovered. These cases were not included in the Status report of the Ministry mentioned *ibid* thus raising doubts on the completeness of the MoEF Report. As such the MoEF and State Governments could not ensure that NPV was raised and collected as per Supreme Courts orders and in the least ₹ 1,693.67 crore remained short collected. This amount does not include any component of interest which would have accrued on the funds in the normal course.

MoEF stated (April 2013) that in many cases NPV had been collected and that the audit may take up the matter with the respective State/ UTs. The reply is not tenable as MoEF did not provide any details of NPV collected out of these cases and it was obligatory on the part of Ad-hoc CAMPA to maintain the details of such cases.

### 3.3.3. Non-application of rates for diversion of land from National Park and Wildlife Sanctuary

As per orders of Supreme Court of March 2008, NPV at the rate ranging from ₹ 4.38 lakh to ₹ 10.43 lakh per hectare depending upon the density and class of forest was to be charged and in case of National Parks this amount was to be charged at 10 times the normal rate and in case of Sanctuaries this amount was to be charged at five times the normal rates.

During test check of records of MoEF it was observed that NPV was not recovered at the rates prescribed for diversion of land from wildlife sanctuary from user agencies as per orders of the Supreme Court of March 2008 in respect of four cases detailed in Table 25.

**Table 25: Cases of diversion of area falling in Wildlife sanctuary in which NPV was not recovered**

Name of the user agency	State	Name of wildlife division	Area of Wildlife Sanctuary ( in ha)	NPV unrecovered (₹in crore)
Andhra Pradesh State Electricity Board	Andhra Pradesh	Nagarjunasagar Srisailam Wildlife sanctuary	20.00	4.38*
Tata Refractories	Odisha	Chandka Wildlife Division	58.50	12.81*
Travancore Devaswam Board (TDB)	Kerala	Periyar Tiger Reserve (PTR)	12.68	2.77*
Indira Sagar (Polavaram) Multipurpose Project	Andhra Pradesh	Papikonda National Park	101.81	41.42**
<b>Total</b>			<b>192.99</b>	<b>61.38</b>

\* Based on a conservative estimate of five times the minimum rate of NPV of ₹ 4.38 lakh per hectare.

\*\*NPV was to be collected at 10 times of the ₹ 8.03 lakh/ hectare in 88.81 hectare and 10 times of ₹ 8.87 lakh/ hectare in 13.00 hectare but collected at five times of the rates.

No action was taken by MoEF to recover NPV at the prescribed rates from user agencies as of December 2012.

MoEF admitted (April 2013) that for Odisha and Kerala, the NPV was not collected at the prescribed rate. No reply was given for Andhra Pradesh.

### 3.3.4. Short assessment of NPV due to non-application of revised rates of NPV

Supreme Court in its order dated 29 October 2002 directed that the net present value should be recovered at the rate of ₹ 5.80 lakh per hectare to ₹ 9.20 lakh per hectare of forest land depending upon the quantity and density of the land. In March 2008, the Supreme Court revised the rates of NPV which ranged from ₹ 4.38 lakh per hectare to ₹ 10.43 lakh per hectare depending on various factors. Ministry did not initiate any action to communicate the decision of the Supreme Court upto December 2008 and finally the orders of revised rates were communicated on 5 February 2009 to all the State Forest Departments, after an inordinate delay of 11 months after the Supreme Court had issued its orders indicating a lackadaisical approach of MoEF.

During the test check of records of State CAMPA/ sampled divisions/ Nodal Officer for the period 2006-12 it was observed that the State Forest Department did not charge the NPV at the revised rates resulting in short assessment of NPV by ₹ 166.61 crore. The State/ UT wise details are given in Table 26.

**Table 26: State/ UT wise details of cases in which NPV was not realised at revised rates.**

Sl. No.	State/UT	NPV short realised (₹ in crore)	Number of cases	Number of Divisions	Reason for non realisation at revised rates/ Name of the user agencies
1	Andaman & Nicobar Islands	0.04	5	2	
2	Assam	0.04	1	1	10per cent discount given to ONGC.
3	Chhattisgarh	34.06	23	-	
4	Delhi	0.25	4	1	
5	Goa	13.67	5	1	M/s Sociedade TimbloImpros Ltd. M/s G.N. Agarwal at Bimbol Iron Ore Mine aka Emco Goa Pvt. Ltd, M/s Dempo & Co. Pvt. Ltd , M/s Badruddin H. Mavani & M/s Sova.
6	Gujarat	89.47	3	3	Amount not recovered from NHAI.
7	Haryana	0.36	1	1	

Sl. No.	State/UT	NPV short realised (₹ in crore)	Number of cases	Number of Divisions	Reason for non realisation at revised rates/ Name of the user agencies
8	Jammu & Kashmir	21.04	-	8	
9	Karnataka	3.28	12	7	
10	Madhya Pradesh	3.80	14	7	
11	Meghalaya	0.42	4	-	World Victory Church, Shillong, Sports Authority of India, Shillong, North Eastern Power Transmission Company Private Limited, New Delhi, Church of God, 5 <sup>th</sup> Mile, Upper Shillong.
12	Tripura	0.18	12	4	
	<b>Total</b>	<b>166.61</b>			

### 3.3.5. Other cases of non-realisation of NPV/CA/CATP/PCA

After October 2002 orders of the Supreme Court NPV had to be collected along with CA/ACA/PCA/CAT Plan etc. for diversion of forest land for non-forestry purposes. The rates of NPV prescribed by the Supreme Court in October 2002 orders were re-fixed in March 2008.

During the test check of records of State CAMPA/ sampled divisions/ Nodal Officer it was noted that NPV of ₹ 3,145.16 crore, CA of ₹ 115.58 crore, CAT plan/PCA/others of ₹89.74 crore was not realised by the State Forest Department as given in Table 27. Details of individual cases mentioned in Table 27 are given in State specific chapters.

**Table 27: State/ UT wise details of number of cases, amounts and number of divisions in which NPV/CA/PCA/CATP were short collected or not realised**

(₹ in crore)

Sl. No.	State/UT	NPV not collected	CA not collected	PCA/CATP/others not collected	No. of cases	No. of Divisions	Name of the user agency
1	Andaman & Nicobar Islands	1.15	0.10	-	4	2	NA
2	Andhra Pradesh	7.60			4	4	NA
3	Arunachal Pradesh	32.59*		0.20			NA
4	Assam	214.64*	8.60		4	4	NA
5	Bihar	7.26*	4.10			1	NA
6	Chandigarh	-	-	-	-	-	NA

Sl. No.	State/UT	NPV not collected	CA not collected	PCA/CATP/others not collected	No. of cases	No. of Divisions	Name of the user agency
7	Chhattisgarh	3.43	6.50		48	3	NA
8	Delhi	0.68	0.98		3	2	Delhi Metro Rail Corporation
9	Goa	0.73	0.16	-	2	2	M/s Chandrakant F. Naik/Sh. Rajesh P. Timblo,
10	Gujarat	62.77	2.43	5.35	3	3	M/s MPSEZL (Earlier known as M/s Adani Chemicals Ltd), South Gujarat Vij Company Limited, (SGVCL), Valsad.
11	Haryana	3.57*			7	6	NA
12	Himachal Pradesh	26.99*	1.37	-	-	-	NA
13	Jammu & Kashmir	837.76*	3.00	-	-	-	NA
14	Jharkhand	69.45*	10.01	1.48	-	28	NA
15	Karnataka	216.77	19.55	2.01	33	7	NA
16	Kerala	0.29*			2	2	NA
17	Madhya Pradesh	114.39*			36	7	NA
18	Maharashtra	174.27	8.74		106	7	NA
19	Manipur	100.99	5.17	0.29	1	1	NA
20	Meghalaya	55.42	-	-	11	2	Adhunik Cement Limited, Amrit Cement Industries Limited, Cement Manufacturing Company Limited & Subsidiaries, Green Valley

Sl. No.	State/UT	NPV not collected	CA not collected	PCA/CATP/others not collected	No. of cases	No. of Divisions	Name of the user agency
							Industries Limited, Goldstone Cement Limited, Hill Cements Company Limited and Meghalaya Cement Limited.
21	Mizoram	219.33*		17.00	5	2	
22	Odisha	941.67	30.35	37.01	335	28	M/s Patnaik Minerals, M/s SAIL, M/s DC Jain, M/s OMC Ltd., M/s KC Pradhan, M/s RB Thakur, M/s Dr. Sarojini Pradhan, M/s Keonjhar Mineral (P) Ltd., M/s Sri BK Mohanty, M/s SC Mallik, M/s BL Newatia, M/s AXL Exploration (p) Ltd, M/s Rungta Sons, M/s IMFA ltd, M/s Ghanashyam Mishra and Sons (P) ltd, M/s G.S.Choubey, M/s K.K.Chourasia, M/s Manishree Refractories Ltd, M/s FACOR

Sl. No.	State/UT	NPV not collected	CA not collected	PCA/CATP/others not collected	No. of cases	No. of Divisions	Name of the user agency
							Ltd and M/s SAIL.
23	Punjab	-					NA
24	Rajasthan	6.97**	6.25	0.64	91	-	NA
25	Sikkim	30.34	8.22		48	-	NA
26	Tamil Nadu	0.37	0.00	0.17	-	4	Udhagai Municipality
27	Tripura	-			-	-	NA
28	Uttar Pradesh	0.10	0.05	0.08	-	4	Bajaj Hindustan Sugar Industry Limited.
29	Uttarakhand	0.01	-	8.37	8	2	M/S UVVN-Mining lease
30	West Bengal	15.62***		17.14	3	3	NA
	<b>Total</b>	<b>3,145.16</b>	<b>115.58</b>	<b>89.74</b>			NA

\*NPV also included CA for some of the cases in which bifurcation of NPV/CA was not made available.

\*\* NPV includes CA and cost of fallen trees.

\*\*\* NPV includes CA and Environmental loss.

NA-Not available.

MoEF stated (April 2013) that the observations are to be dealt with by the States concerned the response received from the State/ UTs are being separately forwarded.

MoEF's reply is not tenable. It was obligatory on MoEF to ensure that the Compensatory Afforestation Funds had been appropriately assessed and collected before granting the final clearance. The Supreme Court in its order dated 3 April 2000, had also fixed the responsibility of ensuring the proper carrying out of compensatory afforestation on Ministry of Environment and Forests and said that it was for the Ministry to monitor the conditions stipulated at the time of grant of forest clearance.

### 3.3.6. Non recovery of NPV from user agencies not exempted from paying NPV by the Supreme Court

MoEF directed all State Forest Departments/ROs on 19 December 2005 to grant forestry clearance to certain projects after obtaining an undertaking from the user agencies that in case it was finally decided by the Supreme Court that such projects were not exempted from payment of NPV, the user agency would pay the amount of NPV as determined and ordered by the Supreme Court. The Supreme Court decided this matter on 24 April 2008 and 9 May 2008.

During the test check of records of Northern Regional Office, Chandigarh it was observed that forest land measuring 443.17 hectare had been diverted during April 2006 to June 2008

in 181 cases in Himachal Pradesh, for which no NPV, CA etc was collected by State Forest Department pending Supreme Court's judgement on exempted cases. As calculated by Regional Office Chandigarh, an amount of ₹ 39.02 crore in the form of NPV was still due from these user agencies. These 181 projects fall under the exempted categories from receipt of non-forest land but not from payment of NPV/CA etc. We estimated the amount of CA in these cases at ₹ 6.65 crore on a conservative basis by applying the minimum rate of CA (₹ 1.50 lakh per hectare) in Himachal Pradesh.

The regional office had written on 4 July 2008 and subsequently on 28 July 2008 to Himachal Pradesh Government for recovery of NPV. The recovery of NPV/CA/ACA etc was still pending as on December 2012.

### **3.3.7. Non-revision of rates of NPV after every three years**

Supreme Court in its order of October 2002 directed that, while according transfer under Forest Conservation Act, 1980 for change in user agency from all non-forest purposes, the user agency shall also pay into the said fund the net value of the forest land diverted for non-forest purposes. The present value was to be recovered at the rate of ₹ 5.80 lakh per hectare to ₹ 9.20 lakh per hectare of forest and depending upon the quantity and density of the land in question converted for non-forest use. This will be subject to upward revision by the Ministry of Environment and Forests in consultation with Central Empowered Committee as and when necessary.

Based on the recommendations of the Expert Committee the Supreme Court of India re-fixed the rates of NPV on 28 March 2008 on the basis of scientific data taking into view the ecological role and value of the forests. It further stated that the NPV rate now fixed would hold good for a period of three years and subject to variation after three years. MoEF circulated the re-fixed rates of NPV vide its letter dated 5 February 2009, hence due for re-fixation in February 2012.

It was observed that MoEF did not re-fix these rates after three years i.e. in 2012.

MoEF stated (April 2013) that action is presently in progress for revision of the rates of NPV and as and when a final decision is taken in the matter, the same will apply retrospectively – an appropriate undertaking in this behalf is being taken from the user agencies concerned making them liable to pay the revised rates of NPV from the dates these are made effective.

The Ministry's reply needs to be viewed in light of the fact that the revision in rates was due in February 2012 and had not been done even by June 2013.

### **3.3.8. Non-monitoring of receipt of funds from State CAMPA/ user agencies**

As per Rule 4.2 (i) of the Forest (Conservation) Act 1980, for diversion of forest land, forestry clearance was to be given in two stages. The user agency is to submit the proposal to the State Forest Department. The State Forest Department after demarcating the area, type of forest land and location etc with its recommendations is to submit the proposal to the RO/ MoEF as the case may be. The RO/ MoEF is to accord the in principle approval with certain condition relating to transfer, mutation and declaration a Reserved Forest/ Protected Forest

(RF/PF) under the Indian Forest Act, 1927 of equivalent non-forest land for compensatory afforestation and funds (NPV, CA etc) for raising compensatory afforestation thereof are stipulated. The user agency is then required to comply with the conditions including depositing the funds of NPV, CA, ACA etc with the DFO/ State CAMPA. Thereafter, the State CAMPA/ Nodal Officer/ Principal Chief Conservator of Forest (PCCF) is to submit a compliance report to the Regional Office (RO)/ MoEF as the case may be. After receiving compliance report and its examination, the final approval is to be granted by RO/MoEF. The State Forest Department remits the money in the concerned bank account of the State opened with Ad-hoc CAMPA.

It was observed that the final approval was granted by MoEF/ RO without ensuring compliance to the conditions stipulated in the in principle approval as evident from the audit observations relating to non-recovery of NPV where in principle approval was prior to 2002, non-realisation of NPV at prescribed rates from the National Parks and Wildlife Sanctuary, short assessment of NPV due to non application of revised rate of NPV, other cases of non-realisation of NPV/CA/CATP/PCA, non-revision of rates of NPV every three years and non-monitoring of receipts of funds given in preceding paragraphs.

MoEF stated (April 2013) that efforts have been set afoot, by addressing the concerned State/ UT Governments for compilation of project wise and component wise information in respect of all cases of diversion of forest land allowed since the year 1980. Information is awaited from the concerned State/ UT Governments. However since the year 2011, a system has been introduced in terms of which final clearance under FC Act 1980 is given only after a specific written confirmation from the Ad-hoc CAMPA that the funds in question have been received in the State specific accounts maintained by them.

The reply is not tenable as MoEF should have ensured that projects wise and component wise receipts are properly accounted for, transferred and confirmed from Ad-hoc CAMPA before granting final clearances. From the reply also it is evident that the final approval was being granted by MoEF/ RO without ensuring compliance to the conditions stipulated in the in principle approval and even MoEF cannot provide an assurance that in how many cases the receipts of compensatory afforestation funds had been correctly assessed and deposited.

### 3.4. Conclusion

MoEF, it is evident from this chapter, was ineffective in ensuring complete and timely transfer of all monies collected by States/UTs towards Compensatory Afforestation Fund to the Ad-hoc CAMPA accounts. There is no assurance even today (July 2013) that all the monies collected for CAF by States/UTs have been deposited in the Ad-hoc CAMPA accounts. This could have been ensured only if a centralised data base indicating project wise amounts due, collected, remitted (or utilised by States/UTs prior to formation of Ad-hoc CAMPA) and balance lying with States/UTs was created. Creating such a data base was both feasible and necessary as an instrument of control to ensure that final clearances were given only when all conditions of in principle clearance were met and also to monitor transfer from States/UTs to Ad-hoc CAMPA. Divergence in data of transfer of funds available with Ad-hoc CAMPA and collected from States/UTs was ₹ 6,021.88 crore which was 26.31 per cent of the principal amount with Ad-hoc CAMPA. Non-reconciliation of the same over

years not only indicates laxity in controls but also raises doubts on the reliability and completeness of the data provided by all agencies concerned. Our test check also revealed that 23 State/ UTs have at the least not transferred ₹ 401.70 crore of CAF to Ad-hoc CAMPA. In the absence of component wise break up of collections, we are unable to provide an assurance that releases have been made as per direction of the Supreme Court.

MoEF/ Ad-hoc CAMPA/ State CAMPA did not have any system to case-wise monitor the correct assessment and collection of dues before giving final clearance. This was amply evident from the instances of non-assessment/ under-assessment and non collection of CAF dues. In the absence of this, assurance that final clearances were given only in cases that had complied with all the conditions of in principle clearances could not be provided.

The fact that NPV/CA/ACA/PCA/CAT Plan amount under/non-recovered, as reported in this chapter based on a test check, was ₹ 5,311.16 crore i.e. 23 *per cent* of the total principal amount with Ad-hoc CAMPA as on 31 March 2012 is indicative of serious deficiencies in determining the amount of NPV/CA etc fund due from user agencies and ensuring its collection prior to according final clearances.

