

CHAPTER-VI
FOREST RECIEPTS

CHAPTER-VI FOREST RECEIPTS

6.1 Tax administration

The Principal Chief Conservator of Forest (PCCF) heads the Forest Department under the administrative control of the Additional Chief Secretary (Forest). Eight Conservators of Forest (CFs) in 37 territorial divisions assist the PCCF. Each CF controls activities relating to exploitation and regeneration of forest which are carried out by Divisional Forest Officers (DFOs) under their control. Each DFO is in-charge of assigned forest related activities in his territorial division.

6.2 Results of audit

Test check of records of 11 units, out of 38 auditable units, having receipt of ₹3.09 crore, during the year 2017-18, relating to Forest Receipts brought out non/short recovery of royalty, non-levy of interest/Extension Fee, blockade/loss of revenue due to seized timber and other irregularities involving ₹78.05 crore in 42 cases which are depicted below:

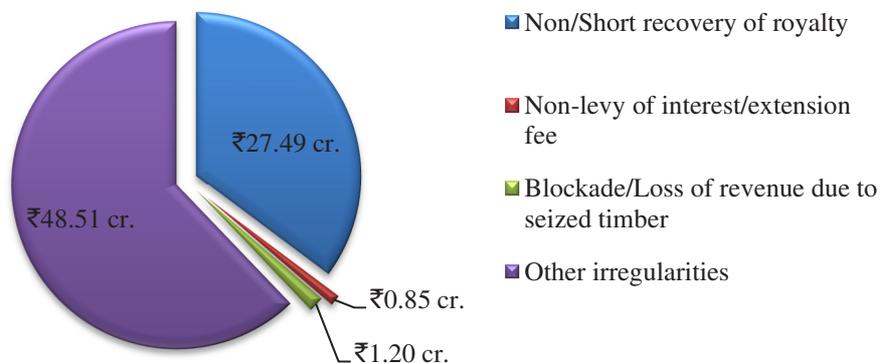
Table: 6.1 Results of audit

			₹ in crore
Sr. No.	Categories	Number of cases	Amount
1.	Non/Short recovery of royalty	14	27.49
2.	Non-levy of interest/extension fee	10	0.85
3.	Blockade/Loss of revenue due to seized timber	8	1.20
4.	Other irregularities	10	48.51
Total		42	78.05

The category wise audit findings are depicted in the graph as below:

Graph 6.1

Results of audit



During the year 2017-18, the Department accepted under-assessment and other deficiencies of ₹1.82 crore in 14 cases, which was recovered and pertained to audit findings of earlier years.

Significant cases involving ₹2.43 crore are discussed in following paragraphs.

6.3 Non-disposal of seized timber

Timber measuring 225.916 cu.m seized during 2015-16 and 2016-17, were not disposed off, resulting in blocking of revenue of ₹1.18 crore and incurring of expenditure on watch and ward, and deterioration of timber.

The Indian Forest Act provides for seizure of property liable to confiscation. As per Departmental instructions of April 1951, either the seized timber or forest produce should be kept in the *spurdagi* (safe custody) of a *sapurdar*¹ or with the concerned field staff after it is accounted for in Form-17. The timber/forest produce so accounted for is to be disposed off after the offence has either been compounded or decided by Court. The Principal Chief Conservator of Forest (PCCF) instructed (April 1999) all Conservators of Forest (CFs) that where *spurdagi* of forest produce is taken for unduly long period, the concerned Investigating Officer should be asked to obtain orders of the Competent Court for auctioning the seized property within 15 days to minimise expenditure on watch and ward and further deterioration/pilferage of such produce.

During 2017-18, Audit test checked the records of timber forms of 11 DFOs involving 48 cases. Out of these, there were 35 cases of seized timber in seven forest divisions. Audit test checked 30 cases and observed that in 22 cases, the Department seized timber during the year 2015-16 and 2016-17 measuring 225.916 cu.m valued at ₹1.18 crore². The seized timber was lying in various depots of the Department without any record to indicate whether the concerned DFOs/investigating officers had taken any steps or obtained the orders of Competent Court to dispose off the seized timber. Thus, non-disposal of seized timber resulted not only in blocking of revenue to that extent but also in incurring of expenditure on watch and ward, and the possibility of deterioration of timber.

The Department intimated (April 2018) that in Hamirpur, action was being taken by DFO to dispose off the timber; other DFOs stated that efforts were being made to auction the seized timber. The reply of the Government was still awaited (August 2019).

¹ A lambardar or any reliable person of a place

² Banjar: vol: 24.190 cu.m: ₹13.06 lakh, Chamba: vol:0.944 cu.m: ₹0.53 lakh, Chopal: vol:84.044 cu.m: ₹39.37 lakh, Churah at Salooni: vol: 72.453 cu.m: ₹39.76 lakh, Dehra: vol: 12.891 cu.m: ₹8.61 lakh, Kullu (WL): vol:7.523 cu.m: ₹4.21 lakh and Parvati at Shamshi: vol: 23.871 cu.m: ₹12.67 lakh

6.4 Short handing over of trees for resin tapping

The Department did not hand over 1,22,618 trees to HPSFDC Ltd. for resin tapping during 2014 and 2015 tapping seasons which resulted in loss of revenue of ₹82.90 lakh.

The working plan of Forest Divisions (including forest divisions of Rajgarh and Rohru) provides that only class-III³ and above trees are allowed for resin tapping and are required to be handed over to HPSFDC Ltd. for resin tapping. Pr. Chief Conservator of Forests through instructions of September 2001 fixed minimum diameter for resin tapping as 35 cm in respect of trees to be tapped for the first time; and for trees which had been tapped earlier, the tappable dia would continue to be 30 cm at breast height and above. As per Pricing Committee decision of February 2016, the HPSFDC Ltd. would pay ₹75.30 and ₹65.00 per blaze for the tapping seasons 2014 and 2015 respectively.

During 2017-18, audit test checked the lists of handed over trees for resin blazes of 11 DFOs involving 59 cases and observed that in two forest divisions there were 48 cases of handed over of trees for resin tapping to HPSFDC Ltd. Audit test checked 31 out of 48 cases revealed that Rajgarh division had 77,839 *Chil* trees available for tapping seasons 2014, and Rohru division had 62,096 *Chil* trees available for the tapping seasons 2014 and 2015, for handing over to HPSFDC Ltd. for enumeration. However, Rajgarh division had handed over only 17,317 trees and Rohru division did not hand over any tree for resin blazing during 2014 and 2015 tapping seasons. **Non-handing over of 1,22,618 trees for resin blazing⁴ (which were allowed for resin tapping as per working plans of the divisions) led to non-tapping of these trees resulting in loss of revenue of ₹82.90 lakh⁵ over two years.**

The matter was reported to the Department and the Government in April 2017; reply was still awaited (August 2019).

6.5 Non-levy of extension fee

The Department did not levy extension fee in 62 timber lots, where the exploitation of timber/trees was not completed during the leased period and extension of time was also granted, resulted in short realisation of revenue of ₹29.86 lakh.

As per standard lease deed agreement with HPSFDC Ltd. for exploitation of timber/trees, HPSFDC Ltd. shall have no right on such trees as are left standing in the leased forest, felled trees and any scattered/stacked timber un-removed

³ Trees having Dia 30 cu.m at breast height and above

⁴ Rajgarh: 60,522 blazes: ₹39.34 lakh and Rohru: 62,096 blazes: ₹43.56 lakh

⁵ 91,570 x ₹65 per blaze + 31,048 x ₹75.30 per blaze

from leased forest after the expiry of the lease period. Further, as per decision of the Pricing Committee of September 2007, extension fee at the rate of 0.20 *per cent* per month of the total royalty whether paid or unpaid shall be levied for extension of the working period beyond the lease period.

During 2017-18, Audit test checked the handed over lists of trees/timber lots of 11 DFOs involving total number of 545 timber lots and observed that in Chopal forest division, 175 timber lots were handed over to HPSFDC Ltd. Out of these, audit test checked 130 cases and observed that Divisional Forest Officer, Chopal had not levied extension fee in 62 cases where the exploitation work could not be completed within the lease period between 31 March 2016 and 31 March 2018. HPSFDC Ltd. did not complete the exploitation work of these lots within lease period and sought extension for working period with delay ranging between three and 24 months. However, the Department did not raise any demand to realise extension fee of ₹29.86 lakh, which was also not paid by HPSFDC Ltd. Thus, due to inaction on the part of Department to claim the extension fee, resulting in short realisation of revenue of ₹29.86 lakh.

The DFO stated that the matter would be taken up with HPSFDC Ltd.

The matter was reported to the Department and the Government in January 2018. The replies were still awaited (August 2019).

6.6 Non-tapping of resin blazes

The Department carved only one blaze instead of two blazes on Chil trees irrespective of class of trees, which resulted in non-tapping of 18,385 blazes and short realisation of revenue of ₹12.04 lakh.

The Manual of HP Forest Department Volume-IV and notification of Government of Himachal Pradesh of April 2007 prescribes that two blazes are to be carved per *Chil* tree having girth 1.90 meter (dia 60 cm) and above. Further, Pricing Committee in its meetings of July 2014, February 2016 and March 2018 fixed the final/tentative rates⁶ of ₹58.78, ₹75.30, ₹65.00 and ₹51.00 per blaze for tapping seasons 2013 to 2017 respectively, which were to be paid by HPSFDC Ltd. to the Forest Department.

During 2017-18, Audit test checked the lists of handed over trees for resin tapping of 11 DFOs involving 59 cases and observed that in three forest divisions⁷ there were 45 cases of handed over of trees for resin tapping to HPSFDC Ltd. Out of these, in 28 cases, HPSFDC Ltd. had carved only one

⁶ Final rates for tapping seasons for the years 2013 to 2016 are ₹58.78, ₹75.30, ₹65.00, ₹51.00 respectively and tentative rate for the year 2017 is ₹51.00 per blaze.

⁷ Chopal: 13,443 blazes: ₹8.73 lakh, Nachan at Gohar: 1,685 blazes: ₹0.86 lakh and Nalagarh: 3,257 blazes: ₹2.45 lakh

blaze on 18,385 *Chill* trees against the required blazes of two on each tree as the dia of these trees was more than 60 cm. Thus, non-tapping of 18,385 blazes resulted in short realisation of revenue of ₹12.04 lakh⁸.

DFO Nalagarh stated that the matter would be investigated whereas two DFOs did not furnish any reply.

The matter was reported to the Department and the Government between March 2017 and April 2018; reply was still awaited (August 2019).

The cases pointed out are based on test check conducted by Audit. The Department may initiate action to comprehensively examine similar cases and take necessary corrective action.

Shimla
The 11 October 2019



(I.D.S. DHARIWAL)
Pr. Accountant General (Audit)
Himachal Pradesh

Countersigned

New Delhi
The 18 October 2019



(RAJIV MEHRISHI)
Comptroller and Auditor General of India

⁸ 3,987 x ₹58.78 per blaze + 7,244 x ₹75.30 per blaze + 4,229 x ₹65.00 per blaze + 2,925 x ₹51.00 per blaze

