

CHAPTER-V

ENVIRONMENT AND FORESTS DEPARTMENT

5.1 Administration

The State of Assam comprising 31 districts¹⁴⁰ including three hill districts is endowed with rich forest resources. Out of the total geographical area of 78,438 sq. km., the forest cover of Assam is 28,105 sq. km¹⁴¹. Revenues in the Forest Divisions are mainly derived from sale proceeds of major and minor forest produce grown in the forest areas of the respective divisions through auction, negotiation and permit of allotment. Collection of royalty from minor minerals and licence fee from sawmills and timber depots also form part of forest revenue apart from fees, fines, *etc.*, imposed under the various Acts/Rules.

The Principal Chief Conservator of Forests and Head of Forest Force (PCCF and HoFF), Assam is in overall charge of overseeing the activities relating to the state's forest administration, conservation efforts, and enforcement of environmental laws. The PCCF and HoFF is assisted by Addl. PCCF/ Chief Conservators of Forests (CCF)/ Conservators of Forests (CF). At district level, the Divisional Forest Officer (DFO) are entrusted with management of forest and wildlife through various divisions such as territorial, wildlife, social forestry, *etc.*, including levy and collection of forest dues.

The mandate of the Forest Department is to manage the Forest, Forest produces and Wildlife of the State of Assam. The principal act, regulation and rules which govern the functioning of Department of Environment and Forests, are the Assam Forest Regulation, 1891; Assam Sale of Forest Produce, Coupes and *Mahals* Rules, 1977; Forest (Conservation) Act, 1980; Assam Minor Minerals Concession Rules, 2013; and notifications/ orders issued thereunder, from time to time.

5.2 Results of Audit

During test check of records of 34 Offices (out of 110 Offices) in 2023-24 relating to the Environment and Forests Department, Audit issued 244 observations involving ₹ 15.41 crore relating to non-realisation/short-realisation of revenue and other irregularities which are categorised in **Table 5.1:**

Table 5.1: Results of Audit

Sl. No.	Category	No. of observations issued	Amount (₹ in crore)
1.	Non/short realisation of Royalty	7	3.93
2.	Non/short realisation of MMDR&R Fund and DMFT fund	9	1.40
3.	Non/short realisation of kist money, license renewal fee, welfare cess, <i>etc.</i>	5	0.29
4.	Non-realisation of security deposit	1	0.22

¹⁴⁰ As of March 2023; since then, total number of districts has increased to 35.

¹⁴¹ 2,797 sq. km is very dense forest, 10,192 sq. km is moderately dense forest and 15,116 sq. km is open forest.

Sl. No.	Category	No. of observations issued	Amount (₹ in crore)
5.	Non/short deduction of applicable taxes e.g. GST, IT etc.	4	1.39
6.	Loss of revenue due to idle MCA short determination of price, etc.	1	0.25
7.	Other irregularities	217	7.93
Total		244	15.41

Compliance Audit Paragraphs

5.3 Non-realisation of contribution towards District Mineral Foundation Trust

Divisional Forest Officer (DFO), Goalpara Division, did not collect the contribution towards District Mineral Foundation Trust (DMFT) fund of ₹ 23.47 lakh from the permit holder/contractor of the Mineral Concession Area (minor minerals)

As per sub-section (1) of Section 9B of the Mines and Minerals (Development and Regulation) (MMDR) Act, 1957 (as amended¹⁴²), the State Government shall, by notification, establish a trust (a non-profit body) called District Mineral Foundation (DMF) in every district affected by mining related operations. The fund is to be utilised for rehabilitation of villages and gram panchayats within which the mines are situated and are operational. Further, Section 15 A of the Act *ibid* provides that the State Government may prescribe the rate with respect of each minor mineral to be paid by lease permitted to mine *i.e.* the holder of a Mining Concession Works. As per notification¹⁴³ (17 September 2015) of Ministry of Mines, GoI, every holder of a mining concession shall, in addition to royalty, pay 10 *per cent* of the royalty paid towards contribution to DMF. Further, Government of Assam (GoA) constituted¹⁴⁴ (August 2016) District Minerals Foundation Trust (DMFT) in all districts of Assam and prescribed¹⁴⁵ (December 2017) the rate. Further, GoA implemented¹⁴⁶ the Assam District Mineral Foundation (Trust) Rules, 2020 for regulating the composition and functions of DMF Trust to utilise the funds accumulated in the DMFT fund.

On scrutiny of records maintained by the Divisional Forest Officer (DFO), Goalpara, Audit noticed that the DFO did not collect contribution towards DMFT fund¹⁴⁷ of ₹ 23.47 lakh (@10 *per cent*) from seven Mineral Concession (MC) holders, who paid kist money amounting to ₹234.71 lakh, as detailed in **Appendix-XL**. Further scrutiny showed that the DFO, Goalpara Forest Division, did not revise the earlier issued Final

¹⁴² Vide Gazette of India Extraordinary Part II- section I No. 10 of 2015 dated 27 March 2015

¹⁴³ G. S. R. 715(E) dated 17 September 2015

¹⁴⁴ Letter No. PEM.40/2015/100 & 101 dated 26 August 2016

¹⁴⁵ vide Notification No. PEM.40/2015/ Pt./8 dated 05 December 2017

¹⁴⁶ Vide Notification No. PEM.99/2017/Pt./78 dated 16 October 2020

¹⁴⁷ The DFO collected ₹ 1 per instalment from each MC holder across all Mahals

Settlement Orders¹⁴⁸ stipulating DMFT payments on introduction of Assam District Mineral Foundation (Trust) Rules, 2020.

Thus, DFO Goalpara did not realise contribution of ₹ 23.47 lakh towards DMFT fund from the Mineral Concession (MC) holders despite the formation of DMFT in all districts of Assam and implementation of DMFT Rules (October 2020).

During the exit meeting (June 2025), while accepting the facts, the Joint Secretary of the Department stated that the Department would look into the issue to assess justification, if any, and to identify similar occurrences to prevent recurrence.

¹⁴⁸ Issued prior to Assam DMFT Rules 2020, these final Settlement Orders mentioned a quarterly schedule of payment, necessitating a revised order on introduction of DMFT.