

CHAPTER –VII: FOREST RECEIPTS

7.1 Results of audit

Test check of the records in the offices of the divisional forest officers conducted during the year revealed loss of revenue due to sale of forest produce through permit system/illicit felling and removal of timber/non-settlement of *mahals*/delay in disposal of seized timber and blockage of revenue due to non-disposal of forest offence cases etc., amounting to Rs. 25.94 crore in 123 cases, which fall under the following categories:

(Rupees in crore)

Sl. No.	Category	Number of cases	Amount
1.	Blocking of revenue due to non-disposal of offence cases	28	7.75
2.	Loss of revenue due to illegal felling and removal of timber	13	3.86
3.	Loss of revenue due to non-settlement/delay in settlement of <i>mahals</i>	8	1.30
4.	Loss of revenue due to delay in disposal of timber	5	0.63
5.	Other irregularities	69	12.40
Total		123	25.94

A few illustrative cases involving Rs. 1.37 crore are mentioned in the following paragraphs.

7.2 Loss of revenue due to sale of forest produce through permit system

According to the provisions of the Assam Sale of Forest Produce, Coupes and *Mahal* Rules, forest produce is to be disposed by tender or auction at competitive rates. The quantity of forest produce in the *mahal*¹ should be carefully estimated and stipulated in the sale notice so that maximum revenue is obtained.

Test check of the records of three forest divisions between October 2007 and March 2008 revealed that seven stone/boulder quarries/*mahals* were settled through tender at the rates ranging between Rs. 9.50 lakh and Rs. 1.93 crore with the stipulated quantity of 1,03,500 cum of stone during the working period between December 2004 and March 2007. It was further noticed that an additional quantity of 1,47,586 cum of forest produce was sold from these quarries/*mahals* between December 2004 and March 2007 through permits instead of tender system.

The tender rates were higher by 157 to 359 *per cent* as compared to the permit rates. Thus, sale of 1,47,586 cum of forest produce through permit instead of tender system deprived the Government of additional revenue of Rs. 2.92 crore as mentioned below:

(Rupees in lakh)

Name of the division	Name of the <i>mahal</i>	Quantity of forest produce sold on permit (cum)	Amount realisable as per the rate at which the <i>mahal</i> was settled	Revenue realised through permit	Loss of revenue
Aie Valley	Bamuni pahar hill stone quarry (11,000 cum)	45,961	197.23	42.94	154.29
	Singari hill stone quarry No.1 (13,520 cum)				
	Singari hill stone quarry No.2 (3,910 cum)				
	Singari hill stone quarry No.3 (15,781 cum)				
	Saprakata hill stone quarry (1,750 cum)				
Cachar	Madhura stone <i>mahal</i>	86,102	207.72	86.19	121.53
Sonitpur (East)	Buroi sand gravel <i>mahal</i> No. 2	15,523	26.94	10.48	16.46
Grand Total		1,47,586	431.89	139.61	292.28

The matter was reported to the department and the Government in April 2008; their reply has not been received (October 2008).

¹ A defined geographical area where from certain forest produce are sold on condition of their removal within a specified period

7.3 Non-realisation of forest royalty

The Government of Assam, Forest Department, in its notification of December 1993, specified that the departmental contractors registered with the Government who are engaged in the execution of works of the departments such as Public Works, Flood Control, Irrigation and Public Health Engineering may be allowed to collect forest produce on payment of 25 *per cent* of royalty in advance and the balance 75 *per cent* to be deducted in full at source from the payment of their running account bills or final bills by the concerned departments.

Test check of the records of four divisions² between October and December 2007 revealed that permits for extraction of sand/gravel/boulder/earth/silt etc. were issued to the authorised contractors of various departments of the State Government during the period from 2002-03 to 2005-06 on payment of 25 *per cent* royalty of Rs. 28.59 lakh. The balance amount of Rs. 85.82 lakh being 75 *per cent* was, however, not deducted by the DDOs while releasing the final bills of the contractors. This resulted in non-realisation of revenue of Rs.85.82 lakh.

After the case was pointed out, the department stated (June 2008) that the matter was being pursued with the concerned departments for speedy recovery of the outstanding dues. A report on further development has not been received (October 2008).

The matter was reported to the Government in April 2008; their reply has not been received (October 2008).

7.4 Locking up of revenue due to non-disposal of offence cases

Under the provisions of the Assam Forest Regulation (AFR), 1891, when a forest offence is detected, the forest produce involved in the offence may be seized by the forest officer and confiscated. On seizure, the forest officer shall report to the concerned magistrate for trial or get the case compounded.

Scrutiny of the offence cases register of 11³ divisions between October and December 2007 revealed that 4,975 cases were detected during the years from 2002-03 to 2006-07. Of this, 4,146 cases were compounded and 330 cases sent to the court thereby leaving 499 cases involving Rs. 57.63 lakh which were neither compounded nor sent to the court. Thus, failure of the divisions either to compound or to send the cases to the court for disposal led to locking up of revenue of Rs. 57.63 lakh. The present condition of the forest produce involved in these cases has not been intimated (October 2008) though called for.

The matter was reported to the department and the Government in April 2008; their reply has not been received (October 2008).

² Dhubri, Kachugaon, Kamrup (West) and Sonitpur (East).

³ Aie-Valley, Cachar, Dhubri, Dibrugarh, Digboi, Goalpara, Hailakandi, Kamrup (West), Nagaon, North Kamrup and Sonitpur (East).

7.5 Loss of revenue due to non-settlement of *mahals*

Sand/stone in a river bed is in constant process of accumulation and depletion due to river current. If a *mahal* is not worked during its specified working period, the sand/stone is carried away by the river current and will not be available for extraction. The working period so lost, thus, results in loss of revenue. It is, therefore, necessary to ensure timely action to extract sand/stone during the working periods so as to safeguard the Government revenue.

Test check of the records of five⁴ forest divisions between October and December 2007 revealed that 11 riverine *mahals* were not settled during different working periods between 2002-03 and 2006-07 due to delay in the settlement process at various levels. The delay ranged between 6 and 62 months. This resulted in loss of revenue of Rs. 46.16 lakh.

The matter was reported to the department and the Government in April 2008; their reply has not been received (October 2008).

7.6 Short realisation of revenue due to sale of forest produce at the pre-revised rate

The Government of Assam, Mines and Minerals Department in its notification dated 7 March 2005 fixed the revised royalty rate for various forest produces with immediate effect.

Test check of the records of three forest divisions between October and December 2007 revealed that 16,200 cum of boulder/sand/stone was sold by these divisions between 7 March 2005 and 21 March 2005 on realisation of royalty at pre-revised rates. This resulted in short realisation of revenue of Rs. 4.89 lakh as detailed below:

(Rupees in lakh)							
Sl. No.	Name of division	Forest produce	Quantity sold (in cum)	Date/period of sale	Royalty leviable at the revised rate	Royalty levied at the pre-revised rate	Short levy of royalty
1	Aie Valley division, Bongaigaon	Stone/Boulder	8,000	21-3-05	8.00	5.60	2.40
2	Cachar division, Silchar	Gravel	3,000	10-3-05 to 14-3-05	3.00	2.10	0.90
		Sand	200	14-3-05	0.14	0.10	0.04
		Boulder	4,000	10-3-05	4.00	2.80	1.20
3	Digboi division, Digboi	Stone	1,000	7-3-05	1.00	0.65	0.35
Total			16,200		16.14	11.25	4.89

After the cases were pointed out, the DFOs of Aie Valley and Digboi division stated in December 2007 that they had initiated (December 2006 and November 2005) action to recover the balance amount. Reports on recovery in these cases and reply of DFO, Cachar division have not been received (October 2008).

⁴ Dhemaji, Dibrugarh, Kamrup (East), Nagaon and Nagaon (South).

The matter was reported to the department and the Government in April 2008; their reply has not been received (October 2008).



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