

**CHAPTER 4  
FOREST DEPARTMENT**

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## CHAPTER-4 FOREST DEPARTMENT

### SECTION 'A' REVIEW

#### 4.1 Financial Management in Forest Department

##### 4.1.1 Highlights

*Forests in the case of Madhya Pradesh (MP) are vital from the revenue angle as also from the operational activities angle since 29.6 per cent of forest cover is accounted for by MP. Government's decision of May 1998 to distribute the net sale proceeds from minor forest produce to cooperative societies resulted in the Department losing its self-sustaining nature. The Chief Conservator of Forests (Finance and Budget) and Additional Principal Chief Conservator of Forests (Development) failed to exercise strict financial control over non-plan and plan expenditure, respectively. As a result, large savings and excess occurred over the budget allotment.*

- **Plan or development expenditure was less than 23 per cent of total expenditure between 1995-96 and 1999-2000.**

*(Paragraph 4.1.5.2)*

- **Plan and non-plan expenditure under various minor heads exceeded budget allotment by Rs.18.78 crore and Rs.103.31 crore during the years 1993-94 to 1997-98 and 1996-97 to 1999-2000 respectively.**

*(Paragraph 4.1.5.3 (a)(i), (ii))*

- **Unnecessary retention of funds by Government resulted in avoidable payment of interest of Rs.93.57 lakh.**

*(Paragraph 4.1.6.3)*

- **There were shortfalls in revenue collection of Rs.109.40 crore in 1998-99 and Rs.184.72 crore in 1999-2000.**

*(Paragraph 4.1.6.4)*

- **Only Rs.67.70 crore out of Rs.103.78 crore realised as forest development cess during 1985-86 to 1997-98, was released by the Government for development of forestry leaving Rs.36.08 crore unutilised.**

*(Paragraph 4.1.6.4(b))*

- **No effective action was taken to recover forest revenue of Rs.54.03 crore; of which Rs.24.10 crore was in arrears for over five years.**

*(Paragraph 4.1.6.4(d))*

- **Forest advances of Rs.35.61 lakh were transferred between 1996-97 and 1999-2000 violating Government instructions.**

*(Paragraph 4.1.6.5(ii))*

- **Rs.1.38 crore remitted into the treasury by 27 Divisions during 1960-61 to 1998-99 were not accounted for in the monthly Consolidated Treasury Receipts (CTRs). Rs.5.50 crore shown in CTRs as deposited by 26 Divisions between 1960-61 and 1998-99 were not actually deposited by them. The differences remained unreconciled.**

*(Paragraph 4.1.6.6(i)(b))*

- **Sale proceeds of Nistar Depots of Bemetara and Surajpur ranges amounting to Rs.9.89 lakh were embezzled.**

*(Paragraph 4.1.6.6(iii))*

- **Rs.6.99 crore was unauthorisedly kept in Personal Deposit Account by 22 Divisions, out of which Rs.5.04 crore remained unutilised in six Divisions.**

*(Paragraph 4.1.7.4)*

#### **4.1.2 Introduction**

Forests in Madhya Pradesh are vital since it has the largest forest resources in the country. The resources have a significant role in the economic development of the State. Proper financial management in the Forest Department is thus important to the State. The Forest Department is headed by a Principal Secretary to Government at the Secretariat level who is responsible for policy planning and implementation thereof. The Principal Chief Conservator of Forests is the head of the Forest Department under whose overall control the field set up functions. He is assisted by a Chief Conservator of Forests (CCF) (Finance and Budget) and an Additional Principal Chief Conservator of Forests (Addl. PCCF) (Development) in the exercise of financial control over non-plan and plan expenditure respectively, incurred by 218 drawing and disbursing officers (DDOs).

Financial Rules envisage that each department of the Government on whose behalf a grant or appropriation is authorised by the Legislature shall be responsible for the control over expenditure against the sanctioned grants or appropriations placed at its disposal. The rules further provide that such control shall be exercised through the heads of the departments, other controlling officers and disbursing officers subordinate to them. Control mechanism through preparation of periodical reports on expenditure and

maintenance of various registers at each level to control the expenditure is also envisaged in the rules.

Lack of control over expenditure by the Department/Treasuries/Banks has been discussed in paragraph 4.1.5.3.

#### ***4.1.3 Scope of audit***

Records of 21 out of 218 units covering the period from 1995-96 to 1999-2000 were test-checked between February 1999 and April 2000 to ascertain whether rules and procedures for financial management and control were being observed. Relevant points noticed during local audit of 30 units between 1996-97 and 1999-2000 are also incorporated in the review as discussed below.

#### ***4.1.4 Budgetary system and procedure***

In the Forest Department annual budget proposals and revised estimates are prepared by the Divisional Forest Officers (DFOs). These are submitted to the Conservators of Forests (CFs), who consolidates the estimates for the circle and submit these to the CCF (Finance and Budget) and Addl. PCCF (Development) in respect of non-plan and plan respectively. The CCF (Finance and Budget) and Addl. PCCF (Development) scrutinise, modify if necessary and consolidate the budget and revised estimates, showing in detail the estimates of each circle separately. These estimates are submitted to the Finance Department. Finance Department, after discussion with the Forest Department, approve these with/without modifications. The budget proposals as approved by Finance Department are submitted to Legislature for approval.

After the Vidhan Sabha has voted the grants, the Finance Department communicates these to the CCF (Finance and Budget) and Addl. PCCF (Development), who distribute the amount allotted under each major head, among the CFs and other officers under their direct control for distribution to the DFOs subordinate to them under intimation to banks/treasuries concerned. The DFOs, thereafter, draw cheques on banks or bills on treasuries on the basis of allotment made to them. Monthly progress reports are submitted by the DFOs to the CFs who consolidate them for rendering to CCF (Finance and Budget) and Addl. PCCF (Development).

The Finance Department issued standing instructions (October 1988) that the Departments making drawals through cheques would furnish details of allotments/letters of credit to the concerned banks/treasuries who would refuse payments beyond the budget allotments/letters of credit. Unlike Works Departments, the Forest Department has not introduced the control mechanism of letters of credit.

#### ***4.1.5 Budgetary control and review***

##### ***4.1.5.1 Allotment and expenditure***

Details of final allotment and actual expenditure during 1995-96 to 1999-2000 from the Appropriation Accounts were as under:

(Rupees in crore)

Year	Department's budget proposal	Final allotment	Actual expenditure	Saving	Percentage of saving
1995-96	472.83	431.60	405.31	26.29	6.09
1996-97	511.46	535.57	512.83	22.74	4.25
1997-98	693.75	580.71	527.08	53.63	9.24
1998-99	824.27	714.66	639.04	75.62	10.58
1999-2000	942.23	728.05	655.85	72.20	9.92
<b>Total</b>	<b>3444.54</b>	<b>2990.59</b>	<b>2740.11</b>	<b>250.48</b>	<b>8.38</b>

Department pitched its demand far beyond its capacity to spend.

As can be seen, there were substantial savings in every year ranging between 4.25 per cent and 10.58 per cent during the period from 1996-97 to 1999-2000. In the context of this, if the expenditure is compared with the budget proposals made by the Department, it comes out clearly that the Department had pitched its demand far beyond its capacity to spend the amount. The inevitable conclusion is that budget-making exercise in the Department is very poor.

#### 4.1.5.2 Plan and non-plan expenditure

Plan vis-à-vis non-plan expenditure of the Department on various activities during the last 5 years summarised from Appropriation Accounts were as under:

(Rupees in crore)

Head of Account		1995-96	1996-97	1997-98	1998-99	1999-2000
		Plan	Plan	Plan	Plan	Plan
		Non-Plan	Non-Plan	Non-Plan	Non-Plan	Non-Plan
1.		2.	3.	4.	5.	6.
(a)	Forestry					
i.	Direction and Administration	0.12	0.31	0.02		0.11
		7.69	7.90	8.54	11.21	11.31
ii.	Forest Conservation, Development and Regeneration	10.71	37.95	43.93	65.54	66.49
		225.78	260.17	285.19	327.92	333.92
iii.	Social and farm Forestry	25.74	22.37	30.40	17.96	33.18
		8.09	8.34	8.53	22.39	26.40
iv.	State trading in Timber	-	-	-	-	-
		51.59	56.44	55.06	71.84	58.44
v.	State trading in Bamboo	-	-	-	-	-
		15.75	19.76	17.70	20.29	23.16
vi.	Tribal Area sub plan	22.22	17.45	18.40	14.79	17.12
		-	-	-	-	-
vii.	Other Expenditure	0.87	4.54	0.05	5.74	6.22
		22.71	43.82	26.10	29.08	30.08
Total (a)		49.55	73.54	78.24	104.03	123.12
		331.61	396.43	401.12	482.73	483.31
(b)	Environmental forestry and wildlife	6.22	7.82	6.56	8.55	12.61
		3.81	5.48	7.11	14.33	16.54
(c)	Capital Expenditure	4.01	20.48	19.49	29.40	20.27
		-	-	-	-	-
Total (a+b+c)		69.89	110.92	118.85	141.98	156.00
		335.42	401.91	408.23	497.06	499.85
Total expenditure		405.31	512.83	527.08	639.04	655.85
Percentage of plan expenditure to total expenditure		17.24	21.63	22.55	22.22	22.60

**Plan expenditure was less than 23 per cent of total expenditure.**

Plan or development expenditure was less than 23 per cent of total expenditure indicating disproportionately higher non-plan expenditure (representing establishment and maintenance) at the cost of development of forests. It was also noticed that there had been reduction in forest cover in the State from 1.54 lakh sq. km in 1991-92 to 1.32 lakh sq. km in 1996<sup>7</sup>.

The table shows a jump in total plan expenditure from Rs.69.89 crore (1995-96) to Rs.110.92 crore (1996-97), a rise of 58.7 per cent and from Rs.118.85 crore (1997-98) to Rs.141.98 crore (1998-99) a rise of 19.5 per cent.

Likewise, non-plan expenditure also jumped from Rs.335.42 crore (1995-96) to Rs.401.91 crore (1996-97), an increase of 19.8 per cent and from Rs.408.23 crore (1997-98) to Rs.497.06 crore (1998-99), an increase of 21.8 per cent rise respectively.

On this being pointed out, the Department stated that rise in expenditure under plan and non-plan expenditure in the years 1996-97 and 1998-99 when compared with the years 1995-96 and 1997-98 was due to rise in wages and increase in pay and allowances of the State Government employees consequent upon implementation of the recommendations of the Central Pay Commission.

#### **4.1.5.3 Excess expenditure**

**Plan expenditure under various minor heads exceeded the releases by Rs.18.78 crore during 1993-98.**

(a)(i) Test check of records of the Addl. PCCF (Development) revealed (July 1999) that plan expenditure of Rs.92.53 crore was incurred in various minor heads (appendix-IV) of account against an amount of Rs.73.75 crore released by the Finance Department during the years 1993-94 to 1997-98, resulting in excess expenditure of Rs.18.78 crore as detailed below:

*(Rupees in crore)*

Year	Provisions as per Plan	Budget provision	Amount released by Finance Department	Actual expenditure	Excess expenditure
1	2	3	4	5	6
1993-94	14.72	13.14	13.91	16.13	2.22
1994-95	5.50	8.35	8.89	11.13	2.24
1995-96	38.32	27.57	28.62	32.48	3.86
1996-97	24.72	18.74	18.45	21.41	2.96
1997-98	7.17	3.63	3.88	11.38	7.50
<b>Total</b>	<b>90.43</b>	<b>71.43</b>	<b>73.75</b>	<b>92.53</b>	<b>18.78</b>

On this being pointed out (July 1999), the Addl. PCCF (Development) stated (July 1999) that information regarding excess expenditure was being collected from field offices. The reply indicated lack of control over expenditure by Addl. PCCF despite monthly progress reports of expenditure being received by the Addl. PCCF (Development) and CCF (Finance and Budget).

<sup>7</sup> Forest Survey of India, Dehradun's letter No.22-116/97-NFDMC-97 dated 12 January 2000 to the PCCF.

Non-plan expenditure under various minor heads exceeded the budget allotment by Rs.103.31 crore during 1996-2000.

(ii) Similarly test check of records of the CCF (Finance and Budget) revealed that non-plan expenditure of Rs.1047.66 crore was incurred under various minor heads (appendix-V) against the budget allotment of Rs.944.35 crore during 1996-97 to 1999-2000, resulting in excess expenditure of Rs.103.31 crore as detailed below:

*(Rupees in crore)*

Year	Budget allotment	Actual expenditure (Non plan)	Excess expenditure
1996-97	339.12	350.85	11.73
1997-98	282.80	286.55	3.75
1998-99	17.20	21.05	3.85
1999-2000	305.23	389.21	83.98
<b>Total</b>	<b>944.35</b>	<b>1047.66</b>	<b>103.31</b>

While expenditure under some minor heads exceeded by 50 to 678 per cent, there were savings in some others ranging from 36 to 100 per cent.

(b) Appropriation Accounts for the years 1996-97 to 1998-99 pointed out that expenditure exceeded budget provisions under various minor heads of account by 50 to 678 per cent while there were abnormal savings in other minor heads of account by 36 to 100 per cent as shown in the appendix-VI. Despite significant variations being pointed out in the Appropriation Accounts of earlier years, the Department did not improve its budgetary planning and control.

(c) Expenditure was incurred by some DDOs far in excess of their allotment as mentioned below.

Expenditure incurred by 6 DDOs exceeded the allotment by Rs.11.49 crore.

*(Rupees in crore)*

S. No.	(Name of the unit) Head of accounts	Period	Allotment	Actual expenditure	Excess expenditure	Percentage of excess
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	[Addl. PCCF (WL) Bhopal] 10-2406 General Scheme-State Share	1995-96 to 1997-98	1.99	3.62	1.63	82
	41-2406 Tribal area plan (State Share)	--do--	4.25	7.04	2.79	66
2.	[CF Surguja] 41-4475-social forestry (plantation)	--do--	0.77	1.45	0.68	88
3.	[DFO(P) West Mandla] 203-State trading in timber	1998-99	3.87	9.17	5.30	137
4.	[DFO(P) Raisen] 203-State trading in timber	--do--	0.68	1.31	0.63	93
5.	[(DFO(G) Raipur)] 110-Environmental forestry	1996-97 to 1998-99	0.26	0.49	0.23	88
6.	[DFO(G) Bilaspur] 813-Working plan (Orange area)	1997-98 to 1998-99	0.09	0.32	0.23	256
	<b>Total</b>		<b>11.91</b>	<b>23.40</b>	<b>11.49</b>	<b>96</b>

On this being pointed out, the DDOs generally stated that the excess expenditure was due to in-sufficient budget allotment and action was being taken for its regularisation. The replies are indicative of poor financial discipline by the DDO's and lack of monitoring and control by the CCF (Finance and Budget).

#### 4.1.5.4 Funds received for certain schemes incorrectly credited to forest remittances

**Rs.1.23 crore was incorrectly credited to 8782-Remittance instead of 8443-Civil Deposits.**

Test check of records of the DFO (General), Bilaspur, North Bilaspur and Director of Van Vihar, Bhopal revealed (April-May 1999) that amounts aggregating Rs.1.23 crore received during the years 1997-98 and 1998-99 from District Rural Development Agency (DRDA), Commissioner, Tribal Development and Zoo Authority of India, for the purpose of Sunishchit Rozgar Yojana, Baiga Development, relief work and development of Van Vihar respectively creditable to 8443-Civil Deposits were incorrectly credited to Major Head 8782-Remittances-103-Forest Remittances as detailed below:

Year	Name of Division	Amount (Rupees in lakh)
1997-98	Bilaspur	38.90
1998-99	Bilaspur	32.11
1997-98	North Bilaspur	9.09
1998-99	North Bilaspur	14.49
1997-98	Van Vihar, Bhopal	28.05
<b>Total</b>		122.64

Expenditure of Rs.1.13 crore incurred upto March 1999 by Bilaspur division (Rs.70.86 lakh including refund of Rs.6.15 lakh), North Bilaspur division (Rs.20.50 lakh) and Van Vihar, Bhopal (Rs.21.80 lakh) was irregularly withdrawn from major head 8782-Remittances and incorrectly charged against the sanctioned budget of Forest Department.

On this being pointed out, the Department stated that amounts received from DRDA and other Agencies were deposited under major head 8782-Remittances – 103- Forest Remittances as per directions issued by the Treasury Officer Bilaspur vide his letter No.3995 dated 5 December 1996 and Madhya Pradesh Government Finance Department, Bhopal Order No.1112/10-2/89 dated 24 February 1989 respectively. The reply is not tenable as the Finance Department ordered (23 August 1994) that such receipts be credited to Civil Deposits.

#### 4.1.6. Cash Management

##### 4.1.6.1 Maintenance of cash book

Forest Financial Rules provide that cash book should be written up daily and should contain a detailed record of daily transactions; amounts of cheques drawn should be entered in the cash book at once and the expenditure for which cheques are drawn should be charged to the appropriate heads of account.

**Rs.71.01 lakh received between November 1997 and September 1998 were accounted for in the cash book in March and May 1999.**

Rs.71.01 lakh received from DRDA, Commissioner (Tribal) and Collector (Relief) during 1997-98 (Rs.38.90 lakh) and 1998-99 (Rs.32.11 lakh) by the DFO (General), Bilaspur on account of Sunishchit Rozgar Yojana, Baiga Development and relief work was not accounted for in the cash book as and when received i.e. in the months of November and December 1997, January to June and September 1998. Rs.65.53 lakh only was accounted for in cash book on 30 March 1999 and the balance amount of Rs.5.48 lakh received in

November 1997 (Rs.3.83 lakh) and June 1998 (Rs.1.65 lakh) was accounted for in the cash book on 31 May 1999.

#### **4.1.6.2 Retention of excess cash balance**

As per the PCCF's circular (July 1996) and the Forest Financial Rules, the Range Officer, Head Clerk and Superintendent of the Additional Principal Chief Conservator of Forests can keep closing cash balance of Rs.20,000, Rs.2,000 and Rs.750 respectively.

**Cash balances upto Rs.12.10 lakh were retained by Range Officers in violation of Financial Rules.**

Test check of records of the DFO (General), Rajnandgaon and Vidisha, DFO (Working Plan), Bilaspur and Additional Principal Chief Conservator of Forests (Wild Life), Bhopal revealed (October 1997 to February 2000) that Range Officers and Head Clerks kept closing balance in excess of the prescribed limits ranging from Rs.2309 to Rs.12,09,995 for months together during the period from October 1995 to February 1999. Out of closing balance of Rs.12,09,995 of July 1997, the Range Officer, Rajnandgaon disbursed Rs.8,89,217 in August 1997 on encashing the cheque for Rs.12 lakh, leaving a closing balance of Rs.3,20,778, which was disbursed only in October 1997.

On this being pointed out, the DFO, Rajnandgaon stated (October 1997) that required amounts were made available to Range Officers for sanctioned works. DFO, Vidisha stated (February 2000) that excess balance was kept to meet contingent expenditure. DFO (Working Plan), Bilaspur stated (May 1999) that a warning has been given to the Head Clerk for keeping excess cash balance. Addl. PCCF (Wild Life), Bhopal stated (April 1999) that the Government has been requested to revise the limit. As keeping of funds beyond the limit was not permissible, the replies were not tenable.

#### **4.1.6.3 Unnecessary retention of funds by Government and avoidable payment of interest thereon**

Madhya Pradesh Laghu Vanopaj Sangh (a co-operative society) received interest bearing loans from National Co-operative Development Corporation (NCDC), New Delhi, through Government of Madhya Pradesh, Forest Department. Repayment of loan instalment along with interest due on such loan was required to be made to NCDC on the dates prescribed. Since interest is calculated from the date of payment of loan, it was to be quickly passed on to loanee for its timely utilisation for the purpose for which it was taken.

**Unnecessary retention of Rs.8.24 crore resulted in avoidable payment of interest of Rs.93.57 lakh.**

Test check of records of the office of the Addl. PCCF (Development), Bhopal, revealed (September 1997 and November 1998) that loans of Rs.24.44 lakh and Rs.8 crore were released by NCDC, New Delhi on 26 March 1996 and 30 March 1996. Rs.8 crore received on 3 April 1996 was deposited under "8443-Civil deposit" on 9 April 1996 and paid to the Sangh only on 14 March 1997; thus the funds were retained by the Government for nearly a year.

A bank draft issued by NCDC, New Delhi on 26 March 1996 against the loan of Rs.24.44 lakh was misplaced/lost. The amount was also deposited under the head "6003" Internal debt of State Government on 29 April 1998 after

obtaining a duplicate bank draft from NCDC, New Delhi on 31 March 1998 i.e. after a lapse of two years.

The interest on above loans amounting to Rs.90.09 lakh and 3.48 lakh was paid by Government to NCDC, New Delhi on due dates viz. 5 December 1996 and 4 December 1997 respectively. This included avoidable payment of interest amounting to Rs.5.91 lakh on the misplaced bank draft.

Thus, the delayed payment of loan to the Sangh resulted in avoidable expenditure of Rs.93.57 lakh.

On this being pointed out, the Addl. PCCF (Development) stated (September 1997/November 1998) that the action on payment of interest was taken as per the sanction accorded by Government. The reply is not tenable, as the payment of interest to NCDC was avoidable.

#### 4.1.6.4 Collection of revenue

##### System of revenue forecasting

There were shortfalls in revenue of Rs.109.40 crore in 1998-99 and Rs.184.72 crore in 1999-2000.

The targets for collection of revenue were fixed on the basis of actual receipts of past 12 months (8 months of previous financial year and 4 months of current financial year) as shown below:

(Rupees in crore)

Year	Revenue		Excess(+)/ Shortfall(-)	Percentage
	Budgeted	Actual		
1993-94	500.00	492.11	(-) 7.89	1.58
1994-95	481.00	523.14	(+) 42.14	8.76
1995-96	501.15	573.84	(+) 72.69	14.50
1996-97	525.50	559.61	(+) 34.11	6.49
1997-98	605.00	625.85	(+) 20.85	3.45
1998-99	617.00	507.60	(-) 109.40	17.73
1999-2000	500.00	315.28	(-) 184.72	36.94
<b>Total</b>	<b>3729.65</b>	<b>3597.43</b>		

The total revenue of Rs.3597.43 crore during those 7 years was received from state trading in timber (Rs.2415.23 crore), tendu patta and other minor forest produce including sal seeds (Rs.383.02 crore), bamboo (Rs.257.89 crore), and from other sources (Rs.541.29 crore). There were major shortfalls of Rs.109.40 crore and Rs.184.72 crore in revenue realised during the years 1998-99 and 1999-2000 respectively. The Department attributed the shortfall in revenue in 1998-99 to appropriation of gross profit on revenue realised from tendu patta to societies and decline in sale price due to fall in quality of forest produce and in 1999-2000 due to ban on felling of trees and movement of timber by the Supreme Court from December 1999. The revenue targets were scaled down from Rs.617 crore in 1998-99 to Rs.500 crore in 1999-2000, a reduction of 18.96 per cent. However, the actual revenue realised (Rs.315.28 crore) fell short of the scaled down budget by 36.94 per cent. Test check of records of forest receipts during 1998-99 revealed loss of revenue aggregating

Rs.179.56 crore<sup>8</sup>, broadly on account of shortage/discrepancies in accounts (Rs.10.50 crore); non-disposal of timber (Rs.0.67 crore); accumulation of stores (Rs.22.48 crore); non-recovery of penal interest and sales tax (Rs.5.69 crore); sale below upset price (Rs.1.34 crore); non-exploitation of forest produce (Rs.111.24 crore) as per working plan; non-transportation of forest produce (Rs.2.64 crore); and other (25 crore). Similarly, test check revealed a revenue loss of Rs.559.16 crore as detected during 1999-2000, out of which Rs.249 crore pertain to collection and disposal of tendu patta and Rs.90 crore on supply of forest produce to forest based industries (detailed in the Report of the Comptroller and Auditor General of India for the year ended 31 March 2000 (Revenue Receipts)).

**Government's decision to distribute the net sale proceeds to cooperative societies resulted in Department losing its self sustaining nature.**

(a) The MP State Minor Forest Produce (Trade and Development) Cooperative Federation (Federation) acts as an agent of the Government and 80 District Union under the Federation supervise the work of collection and sale of minor forest produce being done by 1947 cooperative societies. As a result of the State Government's decision of May 1998 to distribute the net sale proceeds to the cooperative societies with effect from 1998-99, revenue on account of minor forest produce no longer accrued to Government. The total expenditure of Rs.639.04 crore in the year 1998-99 exceeded the total revenue collection of Rs.507.60 crore indicate that the Department could not meet its working expenses from its resources. Thus the Department is no longer self sustaining since the year 1998-99.

**Out of Rs.103.78 crore realised as cess, Rs.67.70 crore only were released by Government retaining Rs.36.08 crore.**

(b) Under the Madhya Pradesh Karadhan Adhiniyam 1982 (effective from 15 July 1984), forest development cess is levied at the rate of two percent on sale or supply of forest produce by the Forest Department. The Adhiniyam provides that the cess collected in a particular year is to be utilised in the subsequent year on social forestry, afforestation, re-forestation, rehabilitation of forests or any other purpose connected with the development of forests. Test check (July 1999) of records of the CCF (Finance and Budget) revealed that out of Rs.103.78 crore realised as cess during 1985-86 to 1997-98, Rs.67.70 crore only was released by the State Government during those years. The remaining amount of Rs.36.08 crore was not made available for forest development, the purposes for which it was levied.

It was further observed that the Federation collected forest development cess of Rs.59.95 crore between 1992-93 and 1998-99 but Rs.27.11 crore was only deposited in the Government account, leaving a balance of Rs.32.84 crore with the Federation.

(c) MP Forest Development Corporation was formed in 1975-76 as a State Government Company. As per Government of Madhya Pradesh order dated 14 November 1979, the net revenue surplus from the working of forest areas was to be paid to Government as lease rent and the Corporation was entitled to a commission of 2 percent on total revenue. The correct position of Government dues was, however, not ascertained either by the PCCF or by the Government. Revenue of Rs.59.81 lakh creditable to the Government account

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<sup>8</sup> Paragraph 7.1 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1999, No. 1 (Revenue Receipts).

for the year 1991–92 was credited to the Corporation. This was pointed out (July 1997) in the comments of the Comptroller and Auditor General of India on the accounts of the Corporation under Section 619 (4) of the Companies Act 1956. Similarly, the Corporation charged a commission of Rs.44.25 lakh for the year 1992-93 although a commission of Rs.18.97 lakh only was due. The charging of excess commission amounting to Rs.25.28 lakh was pointed out (January 1998) in the comments of the Comptroller and Auditor General of India under Section 619 (4) of the Act *ibid*.

**Arrears of forest revenue of Rs.54.03 crore included Rs.24.10 crore outstanding for more than 5 years.**

(d) CCF (Finance and Budget) intimated (July 1999) that arrears of forest revenue pending for recovery at the end of March 1999 amounted to Rs.54.03 crore, of which Rs.24.10 crore was outstanding for more than 5 years. It was intimated that action for recovery of Rs.17.82 crore as arrears of land revenue was being taken, recoveries of Rs.9.96 crore were stayed by judicial authorities/Government and balance amount of Rs.1.09 crore was likely to be written off. The position regarding the remaining amount of Rs.25.16 crore was, however, not intimated.

Test check (February 1999) of records of Surguja circle revealed that out of total outstanding revenue of Rs.5.43 crore at the end of March 1998, Rs.4.54 crore was outstanding since 1982-83 against MP State Marketing Federation, a co-operative society appointed by the Government as its agent for collection and marketing of tendu patta. No effective action was taken to recover the amount.

#### **4.1.6.5 Forest advances**

##### **(i) Non adjustment of forest advances**

Prior to June 1990, Range Officers could incur expenditure without the bills being pre-passed by the Sub-Divisional Forest Officers. Vouchers found to be unauthorised/inadmissible later on could be disallowed either permanently, needing recovery, or temporarily, needing investigation. The amounts involved were booked as advances till cleared or recovered from the officials concerned. The Government revised (June 1990) the system with effect from July 1990 whereby cheques were to be drawn only for the amount for which work was executed and certified by the Sub-Divisional Forest Officers. The cases of temporarily disallowed vouchers for the period prior to July 1990 were required to be finalised within a period of three months i.e. by 30th September 1990.

**Disallowed vouchers for Rs.2.19 crore pending for settlement included Rs.1.15 crore prior to July 1990.**

Test check of records in the office of the PCCF revealed (December 1998) that disallowed vouchers amounting to Rs.2.19 crore (permanently disallowed: Rs.0.69 crore and temporarily disallowed: Rs.1.50 crore) were pending for settlement. Apart from vouchers of Rs.1.15 crore drawn prior to July 1990 this included vouchers for Rs.1.04 crore (permanently disallowed: Rs.37.11 lakh and temporarily disallowed: Rs.67.34 lakh) drawn after June 1990. Drawals after June 1990 contravened departmental instructions of June 1990 referred to above. 3241 of the disallowed vouchers amounting to Rs.31.28 lakh (1297 permanently disallowed vouchers for Rs.8.77 lakh and 1944

temporarily disallowed vouchers for Rs.22.51 lakh) were not available with the concerned units.

On this being pointed out (December 1998), the PCCF stated (December 1998) that the DFOs/CFs concerned were instructed to expedite settlement of disallowed vouchers and also to find out missing vouchers or prepare duplicate copies thereof. The reply indicated that the PCCF was unable to get his instructions of June 1990 implemented effectively by his own field offices for more than 8 years, which needed corrective action by Government.

**(ii) Irregular cash transfer of forest advances**

**Unauthorised cash transfers of Rs.35.61 lakh were made by Range Officer and Head clerk.**

According to the Department's instructions (June 1990) effective from 1 July 1990, cheques would be issued to Range Officers only for the amount for which work was executed and certified by the Sub-Divisional Forest Officers. No cash transfer for forest works were to be made from one Range Officer to another.

Test-check of records of General Division, Raipur revealed (April 2000) that during December 1996 to December 1999 unauthorised cash transfers amounting to Rs.35.61 lakh were made by the Range Officers/Head Clerk to each other, which was not permitted. A Head Clerk of the division used to perform the duties of a Range Officer in regard to receipt of forest advance and transferred cash to other Range Officers for forest works without authority and beyond his prescribed duties.

On this being pointed out (April 2000), the DFO stated that the cash transfers by the head clerk were allowed in special circumstances. The reply is not tenable as such cash transfers violated departmental instructions.

**4.1.6.6 Remittance**

**(i) Non-reconciliation of remittances into treasury**

Rules 501 to 505 and subsidiary rules 52 to 58 of Madhya Pradesh Treasury Code Vol-I and rules 11(i) to (iv) and 55 of Forest Financial Rules provide that all revenue received should be paid immediately into the treasury. A consolidated treasury receipt (CTR) in form MPTC-58 for the forest remittances received and credited during the month is required to be furnished by the Treasury Officer on the first day of the ensuing month to each of the forest officers dealing with the treasury. On receipt, the CTR is to be compared with the postings in the cash book and the DFO is to satisfy himself that the amounts remitted were actually credited into the treasury/bank. He must also see that the checks and control exercised are adequate to prevent loss by fraud, embezzlement or neglect. Test check revealed that:

**(a)** Reconciliation of CTR figures with those of cash book was heavily in arrears, giving room for serious financial irregularities remaining undetected. As a result of such non-reconciliation, embezzlements of Rs.1,17,600 and Rs.406102 that took place in North Surguja and General Raigarh divisions remained undetected till May 1993 and January 1995 respectively.

**Rs.1.38 crore deposited in the treasuries did not appear in the CTRs and Rs.5.50 crore shown in the CTRs did not appear in divisional cash books.**

(b) In 27 divisions, amounts aggregating Rs.1.38 crore for the different periods from 1960-61 to 1998-99 were shown in cash book as deposited in the concerned treasury but the division-wise monthly CTRs received from the treasury did not show those amounts as deposited in the particular month. This shows that those amounts were either mis-classified by the treasury or embezzled. Despite such serious implications no action to investigate and set right the differences was taken by any of the divisions. Similarly Rs.5.50 crore shown by the treasury in the monthly CTRs of 26 divisions between 1960-61 and 1998-99 but not shown in the cash book of the division as deposited in that month into the treasury remained unreconciled.

A test check of the records of four forest divisions (General: Bilaspur, North Bilaspur, Korba, Social Forestry, Bilaspur) dealing with Bilaspur treasury for the period from 1994-95 to 1998-99 revealed that out of remittances of Rs.73.57 lakh appearing in the divisional cash book, Rs.33.32 lakh were found to have been shown in the CTRs of the division or other divisions. Similarly, out of remittances of Rs.1.67 crore appearing in the CTRs of the division, Rs.81 lakh were found to have been pertaining to the division or pertaining to other divisions as per their cash book. On this being pointed out, these were adjusted in the relevant divisional records. Details may be seen in appendix-VII (i) and (ii).

**(ii) Delay in remittance**

As per rule 11 (v) (a) & (b) of Forest Financial Rules read with rule 47 ibid cheques or bank drafts accepted from private parties in payment of Government dues should be treated as cash and entered as such in the cash book. These should be remitted to the treasury on the day of receipt or at the latest on the next working day of the treasury.

**Delays ranging from 10 days to more than 2 months were noticed in remittances of Rs.7.35 crore.**

Test check of records of the DFOs (Production), South Seoni and Dhamtari and Director, Van Vihar, Bhopal revealed (April-May 1998 and April 1999) that in case of 126 bank drafts/cheques amounting to Rs.7.35 crore, there were delays ranging from 10 days to more than two months in their remittances in treasury.

On this being pointed out (April-May 1998 and April 1999), both the DFOs stated that due to heavy work load there were delays in the remittances. As the delays violated the rule, the reply is not tenable. The reply of Director of Van Vihar, Bhopal was not received.

**(iii) Embezzlement of Cash**

**Rs.9.89 lakh were embezzled by officials in 2 divisions.**

Test check of records of DFOs (General), Durg (January 1996) and South Surguja (April 1996) revealed that amounts of Rs.2,76,109 (received through money receipts from May 1991 to July 1993) and Rs.7,12,949 (October 1993 to August 1995) being sale proceeds of Nistar<sup>#</sup> material in Nistar depots of

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<sup>#</sup> Nistar means forest produce (bamboo, poles etc.) supplied at the concessional rate to the villagers and basods for their own needs residing within 5 km radius of the forest.

Bemetara and Surajpur ranges respectively, were neither entered in the cash book nor remitted into treasury and were embezzled by the officials. Out of the amount of Rs.7,12,949, Rs.3,00,089 has been calculated as loss due to embezzlement of sale proceeds in the case of Surajpur range by the South Surguja division. The position of the remaining amount of Rs.4,12,860 was stated to be under investigation. While the case was brought to the notice of the DFO in early 1996, neither loss cases had been prepared and sent to the Head of the Department/Accountant General nor any effective action was taken to complete the investigation and recover the amounts from the defaulting officials so far (November 2000). No responsibility was fixed for this case.

On this being pointed out (January, April 1996 and February 2000), the DFO (General), Durg stated (November 2000) that Rs.2,08,066 had already been recovered from the defaulting officials upto October 2000 and remaining amount of Rs.68,043 was being recovered. He further stated that one defaulting official was dismissed from service, two increments of one official and one increment of another were stopped as a disciplinary action. The DFO, South Surguja stated (November 2000) that the defaulting official had been suspended and departmental enquiry was in progress. The reply indicated that the serious financial impropriety of embezzlement of Rs.7,12,949, reported 4 years back had not received appropriate attention. Effective action to recover the amount and to complete the enquiry and penalize the guilty officials had not been taken.

#### ***4.1.7 Maintenance of initial accounts and reconciliation***

##### ***4.1.7.1 Delay in submission of monthly accounts***

As per Rule 219 read with 225 of Forest Financial Rules, monthly accounts are required to be submitted to the Accountant General (A&E) by the 12 of the following month. In case of possible delay due to special circumstances, reasons thereof should be intimated in advance.

During 1998-99, 2195 out of 2594 accounts were received with delays ranging between 1 and 19 days, despite such delays being pointed out by the office of the Accountant General (Accounts and Entitlements) (AG (A&E)) to PCCF monthly through demi-official letters. Due to such delays 45 accounts remained un-incorporated in the relevant months in that accounting year. No division intimated reasons for the delay.

##### ***4.1.7.2 Omission of classification in the monthly cash accounts***

(i) Vouchers received with the accounts either did not contain classification/complete classification (such as grant no., plan/non-plan,

voted/charged, head of accounts, minor head, sub-head and detailed head) due to which proper accounting according to budget heads could not be ensured in the office of the AG (A&E).

(ii) Annual review on working of Forest Department for the year 1998-99 prepared by the AG (A&E) revealed that instead of original vouchers relating to the pay and allowances of the establishment, certified copies thereof are sent with monthly accounts despite the irregularity being pointed out from time to time.

#### ***4.1.7.3 Non-reconciliation of Accounts***

To enable the controlling officers to exercise proper control over the expenditure, standing instructions of the Government provide for quarterly reconciliation of the expenditure booked by the AG (A & E). Reconciliation for the last quarter of the year is to be carried out well before the close of the accounts for the year. In 1998-99 and 1999-2000, no reconciliation was done by 13 and 5 Divisions and only partial reconciliation was done by 20 and 6 Divisions, respectively.

Non-reconciliation of expenditure figures by the Department dilutes budgetary control and may result in non-detection of frauds, defalcation, if any.

#### ***4.1.7.4 Irregular operation of Personal Deposit Account***

**Rs.6.99 crore were lying unutilised in Personal Deposit Accounts of 22 divisions.**

Rs.6.99 crore was lying in 22 divisions under major head 8443-Civil Deposit – 106- Personal Deposit Account (PDA) at the end of the year 1997-98. Test check (April-May 1999) of records of six divisions revealed that out of Rs.5.38 crore deposited by the six divisions, Rs.34.22 lakh only was withdrawn from PDAs by three divisions whereas the other three divisions did not withdraw any amount. Rs.5.04 crore were thus lying unutilised at the end of March 1999 from 1986-87 onwards as shown in Appendix-VIII.

(a) Subsidiary rule 543 of MP Treasury Code Vol-I stipulates that the PDA created by debit to the consolidated fund of the State shall be closed by minus debit at the end of the financial year. The PDA may be opened again in the next year, if necessary, in the usual manner. In case the PDA is not operated for three years continuously the Treasury Officer should enquire in writing, from the Administrator of the PDA as to why the balance thereof be not deposited in Revenue Deposit. In case a satisfactory reply is not received, the Treasury Officer should deposit the balance in Revenue Deposit after observing the prescribed formalities.

The above provisions were, however, not observed in case of PDAs of above six divisions which were neither closed/opened each year after their opening in 1984-85 nor were the balances lying therein deposited in Revenue Deposit. Non-observance of these provisions resulted in heavy balances lying in the PDAs for long periods.

(b) In case of Morena Division (General) amounts of Rs.10,000 and Rs.50,000 received from District Rural Development Agency in February

1988 and May 1988 respectively were shown in cash book as deposited in PDA but the same were not found deposited in Treasury records so far (March 1999).

On this being pointed out, DFO (General), Morena stated (June 1999) that non-credit of Rs.60,000 in PDA by the treasury was being investigated.

The above points were reported to Government and Principal Chief Conservator of Forests in January 2000 and again in June 2000; their reply had not been received (October 2000).

## SECTION 'B' DRAFT PARAGRAPH

### 4.2 Loss due to failure of plantation

#### Loss of Rs.96.90 lakh due to failure of 27.48 lakh plants in 56 plantations was noticed in 5 forest divisions

The Forest Department prescribed (15 October 1986) minimum survival percentages of 20, 30 and 40 respectively for North and North West, Central and South and South East zones. The zones and percentages were fixed by the Department on an ad-hoc basis without any detailed analysis. In case the percentage of survival of plantations was less than that prescribed, it was to be treated as a financial loss to be investigated and reported to the Accountant General and Head of the Department. Besides, action to recover the loss from the official responsible was also to be initiated.

Test-check (February 1998 to March 2000) of records of 5 Forest Divisions\* revealed that 56 plantations (29.91 lakh plants) were raised between 1991-92 to 1995-96 at a cost of Rs.1.60 crore. Of these, only 2.43 lakh plants (ranging from 0 to 25 per cent as against the prescribed 20 and 30 per cent) survived (July 1995 to August 1999) resulting in loss of Rs.96.90 lakh (details given in appendix-IX). Reasons for the losses were neither investigated nor reported to the Accountant General/Head of the Department. Further, no responsibility for failure of the plantations was fixed and loss recovered from the defaulters.

On this being pointed out, the DFOs,\*\* Sendhwa (March 2000), Gwalior (March 1999), North Panna (February 1998) stated that action would be taken against the officials responsible after verification of facts and reasons. However, no further communication indicating action taken by these DFOs was received (August 2000) even after reminders. The DFO, Chhindwara stated in January 2000 that failure of the plantations was due to non-availability of funds for their maintenance and destruction of plants by white ants and biotic pressure. Thus the Forest Department failed to meet its obligation to provide funds for maintenance on completion of the centrally sponsored schemes. DFO, Chhatarpur, stated (May 2000) that the survival percentages were worked out by Audit on the basis of charge reports prepared by the officials taking over charge of the plantations (March to July 1997) which were not certified by the handing over officer. The reply is not tenable since the DFO, Chhatarpur had not furnished any certified figures of survival percentages which should be carried out twice a year. He has also not recommended the position with the DFO, Tikamgargh to whom the charge of the plantations were transferred.

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\* *General : North Panna, Sendhwa, Gwalior; Social Forestry:  
Chhindwara and Chhatarpur*

\*\* *Divisional Forest Officer*

The matter was referred to Principal Chief Conservator of Forests/Government between May 1998 and August 2000; their replies had not been received (October 2000).

### **4.3 Excess expenditure on State trading in timber**

#### **Non-adherence to the ceilings of working expenses on State trading in timber resulted in excess expenditure of Rs.14.44 lakh**

The Additional Principal Chief Conservator of Forests (Production) prescribed ceilings on the working expenses on State trading in timber from time to time to ensure that the expenditure commensurates with the production of timber. In February 1997, a ceiling on labour was fixed at 12.5 man days per cu m for 1996-97 and onwards, stipulating that the concerned CF\* would ensure that the expenditure did not exceed the ceiling in any circumstances. The actual expenditure on transportation was to be allowed in addition to the above ceilings.

Test-check of records (August 1999) revealed that in Forest Division (General), Sukma, expenditure of Rs.19.20 lakh, excluding transportation cost, incurred during 1996-97 on production of 776 cu m timber exceeded the admissible expenditure of Rs.4.76 lakh by Rs.14.44 lakh.

The DFO\*\* attributed (August 1999) the excess expenditure to the area being unapproachable, hilly and affected by Naxalite activities. The reply is not tenable, as no independent investigation was conducted to ascertain the reasonableness and the wisdom of the expenditure incurred nor was the competent authority approached for permitting the excess expenditure, with full justification.

The matter was referred to Government (May and June 2000); the reply was awaited (October 2000).

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\* Conservator of Forests  
\*\* Divisional Forest Officer

#### **4.4 Defective plantation of tissue culture neem plants.**

##### **Expenditure of Rs.29.12 lakh on neem plantation in Kanker Forest Division did not yield desired results.**

On 16 August 1994 Collector, Bastar suggested raising of neem plantations on 100 ha in Kanker Forest Division using tissue culture plants under Employment Assurance Scheme. Accordingly, DFO, Kanker submitted estimates of Rs.17.19 lakh to the conservator of Forests, Kanker for technical sanction on 26 August 1994, which was accorded on 5 September 1994.

DFO, Kanker purchased 58116 tissue culture neem plants at a total cost of Rs.8.72 lakh between September 1994 and May 1996, without inviting tenders, from an organisation in Coimbatore. Use of tissue culture plants priced at Rs.15 each instead of ordinary plants priced at Rs.2 each was recommended on the grounds that trees raised from tissue culture plants would yield a higher than ordinary percentage of Azadirachta Indica chemical in their seeds 5 years after plantation and would help in raising the income of local people to whom these plants would be given on lease. Neem plantation was carried out between September 1994 and May 1996 in 100 ha area at a total cost of Rs.29.12 lakh. Despite protection by barbed wire and angle iron fencing only 15000 (41 percent) out of 36530 tissue culture plants planted in 1994 had survived (May 1995). In contrast, out of 8500 plants planted in 1995-96, 6800 (80 percent) survived (May 1999). Enumeration of plants required to be done in May 2000 had not been carried out.

On this being pointed out, the DFO attributed (May 1999) low survival to receipt of undersize plants and unsuitable time of the plantation.

No benefits were being realised as even after a lapse of more than six years, there was no yield of seeds. On enquiry, the DFO, Kanker expressed (August 2000) his inability to state the reason, for non-achievement of commercial production and was also not aware of the exact time in which these would be able to produce seeds.

Thus, defective execution of an unsustainable scheme led to negligible benefits from an expenditure of Rs.29.12 lakh made by the Department in 1994-95 and 1995-96. In view of the poor survival rate, the genuineness of the plants having been raised from tissue culture is doubtful.

The matter was reported to Principal Chief Conservator of Forest/Government in February 2000 and in June 2000; the reply had not been received (October 2000).

#### **4.5 Loss on raising of plants**

##### **Seedlings raised in nurseries remained un-utilized in plantations nor disposed of otherwise, resulting in loss of Rs.23.82 lakh.**

Seedlings raised in polythene containers remain in good condition for an optimum period of 5 to 7 months. Thereafter the roots begin to circle around the containers resulting in stunted growth on plantation. Similarly, seedlings raised in beds and transplanted after an optimum period have a low survival rate due to damage to the roots, which go deeper into the soil.

Test check in audit (between September 1999 and April 2000) of nursery records of 3 Forest Divisions (Social Forestry, Chhatarpur and Raisen, Soil Conservation, Shahdol) revealed that 7.59 lakh seedlings raised for use in plantations under various schemes prior to 1994 (Chhatarpur Division) and 7.54 lakh seedlings raised prior to 1997 (Shahdol and Raisen Divisions) remained unutilised till the planting season of 1999. Ignoring this huge stock, an additional 14.85 lakh seedlings (Chhatarpur-1995 & 1996 seasons; Raisen-1998 season) were raised at a cost of Rs.15.11 lakh, of which only 6.16 lakh plants were utilised till the plantation season of 1999. Thus, 23.82 lakh seedlings became unfit for plantation. This resulted in a financial loss to the Government of Rs.23.82 lakh, calculated at the minimum cost of Re.1 for raising one plant. Had these plants, in the absence of divisional plantation requirements, been distributed at cost price as per norms under Social Forestry Scheme, the loss could have been avoided. Reasons for the loss had not been investigated nor reported to the Accountant General and the Head of the Department.

On this being pointed out, the DFO\*, Chhatarpur stated (November 1997) that plants were raised in numbers commensurate with targets of earlier years but the targets set for subsequent years were lower. He further stated that the plants would be disposed of shortly by transferring/supplying the plants to other divisions of the circle. He later stated (April 2000) that when he took over the charge of the division in July 1997, the claimed number of plants were not in existence. The two replies are contradictory and not supported by any figures or analysis. The DFO, Raisen stated (October 1999) that the position would be intimated after verification. The report of the Range Officer concerned of the Shahdol Division stated that 2.30 lakh plants were unsuitable, having not been maintained/irrigated due to shortage of funds. The reply is indicative of the gross negligence and failure of the Department in carrying out its activities. There is also a doubt regarding the genuineness of the expenditure.

The matter was referred to Principal Chief Conservator of Forests/Government between October 1999 and May 2000 and in June 2000; the replies had not been received (October 2000).

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\* *Divisional Forest Officer*

#### 4.6 Wasteful expenditure on marking of trees

##### Non-felling of 5.85 lakh marked trees resulted in wasteful expenditure of Rs.19.56 lakh incurred on their marking

Coupes due for felling as per working plan are marked by the concerned forest divisions for felling in the following year. Test-check of the records (July to August 1999) of 3 Forest Divisions (General: North Shahdol, Kondagaon, Sukma) revealed that out of 9.50 lakh trees marked for felling, 3.64 lakh trees were actually felled as per details given below:

Year	Name of DFO	No. of trees marked for felling	No. of trees felled	Percentage of felling
1992-93	Sukma	91227	13648	15
1993-94	Sukma	84131	7466	9
1994-95	Sukma	61643	26003	42
1995-96	Sukma	71396	54237	76
1996-97	Shahdol	209918	88552	42
	Sukma	18127	6146	34
1997-98	Shahdol	268320	168709	63
	Kondagaon	113460	--	0
1998-99	Kondagaon	31551	--	0
		949773	364761	38

Non-felling of 5.86 lakh trees rendered the expenditure of Rs.19.56 lakh, incurred on marking them, wasteful.

On this being pointed out, the DFO\*, North Shahdol stated (July 1997 and January 1999) that the coupes due for felling in 1996-97 could not be worked due to non-availability of labour. In the case of coupes due for felling in 1997-98 he stated (February 1999) that the felling could not be done in view of departmental order (November 1997) suspending felling. The reply regarding non-availability of labour is not tenable, as unemployment was prevailing in the area during the period and sufficient labour was available. The marking of trees for felling in 1997-98 when trees marked in earlier years remained unfelled was totally unjustified. The DFO, Sukma stated (August 1999) that the area was affected by Naxalite activities and therefore, exploitation of all the marked trees was not possible. Felling during 1996-97 could not be done due to ban on felling by Supreme Court (February 1997). The reply is not tenable, as only 9 to 42 per cent of the marked trees were felled in earlier years i.e. between 1992-93 and 1996-97 except 1995-96 when 76 per cent were felled and therefore, trees in the subsequent year should not have been marked unless those marked in the previous year were felled or else remedial measures to overcome the problem taken. The DFO, Kondagaon stated (May 1999) that being the last year of the working plan, marking of regular coupes was done as per instructions of higher authorities since the ban was only on felling and not on marking. The reply is not logical and convincing since marking of trees is only for the purpose of felling. When no felling was to be done, the trees should not have been marked at all. Moreover, as per orders (February 1997)

\* Divisional Forest Officer

of Supreme Court <sup>9</sup> no felling was permitted in Bastar District after the judgment. Thus marking of 1.46 lakh trees during 1997-98 and 1998-99 was not called for and by doing this, the Department incurred an avoidable and unwarranted expenditure of Rs.19.56 lakh. The matter needs investigation to fix responsibility.

The matter was referred to Principal Chief Conservator of Forests/ Government between September 1997 and April 2000 and in June 2000; their replies had not been received (October 2000).

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<sup>9</sup> Hearing held on 10 February 1997 in Court No. 2, Supreme Court of India, I. A. Nos. 15-59 in Writ Petition (C) No.202/95 T. N. Godavarman Thirumulkapad versus U. O. I. and ore.