

PUBLIC ACCOUNTS COMMITTEE

(1988-90)

FORTY SECOND REPORT

(EIGHTH ASSEMBLY)



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REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON
THE ACTION TAKEN OR PROPOSED TO BE TAKEN BY
THE GOVERNMENT ON THE VARIOUS RECOM-
MENDATION, OR REMARKS MADE BY THE
PUBLIC ACCOUNTS COMMITTEE CON-
TAINED IN THEIR 33rd REPORT
RELATING TO THE FOREST
DEPARTMENT.

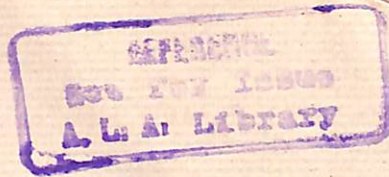
Presented to the House on 9th November 1988

ASSAM LEGISLATIVE ASSEMBLY SECRETARIAT
DISPUR, GUWAHATI—6

REFERENCE

(Not for Issue)

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COMPOSITION OF THE COMMITTEE

(1988—90)

CHAIRMAN :

1. Shri A. F. Golam Osmani.

MEMBERS :

2. Shri Gunin Hazarika.
3. Dr. Kamala Kalita.
4. Shri Pradip Hazarika.
5. Shri Dilip Kumar Saikia Sonowal.
6. Shri Zoi Nath Sarma.
7. Shri Joy Prakash Tewari.
- *8. Shri Altaf Hussain Mazumdar.
9. Shri Silvius Condpan.
10. Shri Sheikh Abdul Hamid.
11. Shri Ramendra De.

SECRETARIAT :

1. Shri U. C. Gogoi, Secretary-in-charge.
2. Shri S. K. Changmai, Liaison Officer.
3. Shri A. R. Chetia, Under-Secretary.
4. Shri P. Deuri Bharali, Superintendent.

* expired on 19th September, 1988.

INTRODUCTION

1. I, Shri A. F. Golam Osmani, Chairman of the Committee on Public Accounts, having been authorised to submit the Report, on their behalf, present this Forty Second Report of the Committee on Public Accounts on the action taken or proposed to be taken by Government on their 33rd Report relating to Forest Department.

2. The written Memorandum on actions taken or proposed to be taken by Government were considered by the out going *Committee on Public Accounts of the Eighth Assembly in its sitting held on 8th June, 1988.

3. The Committee has considered the draft report and adopted the same in its sitting held on 14th October 1988.

4. The Committee places on records their appreciation to the staineous works done by the outgoing Committee on Public Accocnts in obtaining various records, information and clarifications pertaining to the Report. The Committee also wishes to express their thanks to the representatives of the Government in the Forest Department for their kind cooperation in furnishing the relevant information/clarifications to the Committee.

DISPUR :
The 14th October 1988

A. F. GOLAM OSMANI,
Chairman,
Public Accounts Committee.

*ANNEXURE—I

STATEMENT SHOWING THE ACTION TAKEN OR PROPOSED TO BE TAKEN BY THE GOVERNMENT ON THE VARIOUS RECOMMENDATIONS, SUGGESTIONS OR REMARKS MADE BY THE PUBLIC ACCOUNTS COMMITTEE IN THEIR THIRTY-THIRD REPORT, ON THE FOREST DEPARTMENT.

Sl. No.	Para & page of P. A. C. Report.	Recommendation	Action taken or proposed to be taken by the Government.	Remarks
1	2	3	4	5
1.	Para 1.10 Page—3	In the light of the above, the Committee recommends that (i) the Government should take steps for the improvement in the accuracy of forecast of forest receipts, and for increasing the forest receipts, with due regard to conservation, ecological balance and regeneration of forest resources, (ii) the Government should strive to im-	The Divisional Forest Officers and circle conservator have been directed to take necessary measures towards all round improvement of collection of forest dues and reduce outstanding arrears and as well as to economics cost of collection.	The Committee has noted that Thirty-third Report relating to Revenue Receipts pertaining to the Forest Department was presented to the House on 12th September, 1984 containing a number of recommendations. But the actions taken by the Forest Department as intimated to the Committee do not indicate any

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prove the extent of collection of forest dues and reduce outstanding arrears as well as economical the cost of collection.

4

tion of timbers and with elimination of constructors both collection of revenue and accurate estimation of revenue earning control over cost of collection of revenue and elimination of arrear revenue will henceforth be practicable.

5

improvement on any specific issues. For example the reply of the Forest Department that Divisional Forest Officers and circle conservator have been directed to take necessary measures to bring about improvement in the collection of forest dues without showing the results achieved appeared to the Committee to be vague. The Committee would therefore like to know :—

1. When the D. F. Os. and circle Conservators were directed to take the action to bring about the improvement of revenue collection.

2. What is the result achieved so far.

3. When the Departmental operation was started and what improvement was brought about since starting of the Departmental operation.

2. Para 2.1.13
Page—10

The Committee therefore recommends that high level enquiry should be made to find out the reasons for not constructing the road by the department concerned as well as by the contractor and for allotment of these trees by permits being in violation of the tender system Rules of 1967, and the

As recommended by the public Accounts Committee a High level Enquiry Committee has since been constituted vide Government Notification No. FRM. 16/85/10, dated 27th April 1988 (copy at Annexure-ii). Report of the Enquiry Committee will be furnished soon. In this connection it may

As indicated above, the Committee presented its Report in 1985 recommending appointment of a high Level Enquiry Committee. The Government appears to have constituted a High Level Enquiry Committee on 27th April, 1988 in pursuance of the recommendation. The Departmental Enquiry

settlement of these trees on payment of royalty which resulted in a loss of Revenue of Rs.3,42,860 and submit the enquiry report to the Committee together with action taken by Government on the report within three months from the date of presentation of this report to the House.

stated that royalty with monopoly fees of trees granted to M/S Goyal Saw Mills has been fully recovered within specified time.

Committee, after pursuance by the Committee, held its sittings on 11th July, 1988 and 20th July, 1988. Their Report (Annexure—III) is far from being satisfactory. The Committee is of opinion that responsibility should be fixed upon the person/persons found at fault for violation of Rules, causing loss to Government and for missing of the measurement books relating to construction of the road in question.

3. Para 2.1.17
Page—12

The Committee recommendations that such assistance should be given directly instead of

It may be mentioned in this connection that permit to same persons had been granted on

No comment.

issuing permits for operating trees at concessional rates so that there is no scope for loss of revenue or destruction of Forest resources on this account. The Committee also recommends that the practice of issuing permits for operating trees should be stopped forthwith and Assam Settlement of Forest Coupes and Mahals by tender system Rules, 1967 followed scrupulously in future.

4. Para 2.2.5.
Page—15

individual petition on merit during the year 1977-78 to 1980-81.

As recommended by the Committee the practice for issue of permits for operating trees had since been discontinued, presenting execution of timber is executed departmentally. During Settlement of forest coupes and Mahals, tender system Rules are scrupulously followed.

The directive issued by the Committee to avoid loss of time in various activities in

The Committee would like to know what instruction, the Government has issued to the

for various activities connected with settlement of Mahals, and period of operation so that the unavoidable loss in working periods is kept down to the absolute minimum for the sake of reducing losses of Government revenue from settlement of forest mahals.

connection with settlement of Mahals, is noted for guidance.

The attention of the Divisional Forest Officers and Conservator of Forests have also been drawn to this matter for utilising minimum time in processing selling of tenders etc. They are also advised to notify mahals for sale well in advance of operation time to avoid any loss of working time.

The Forest Settlement Rules under revision and Government will take due consid-

field officers and whether the proposed amendment of the settlement Rules in question has been finalised by now.

5. Para 2.3.8
Page—19

The Committee recommends that in future the Government should strictly adhere to the provisions of the Assam Settlement of Forest coupes and Mahal by tender System Rules 1967 and desist from granting extensions which result in loss of public revenue and gain to forest contractors who have no valid claim for compensation for losses sustained in their contracts. The Committee also recommends that an enquiry

ration to include incorporate and implement the recommendation in the Revised Settlement Rules.

The directive issued by the Committee in the matter of granting extension in all future cases is noted and brought to the notice of all concerned for strict compliance.

As recommended by Committee necessary enquiry is being conducted into the contractors. Further report in this regard will be sent in a separate communication.

The Committee would like to have the copy of the directive issued together with result of the enquiry.

may be conducted to ascertain reasons for granting undue extension and submit a report to the Committee within a course of three months from the date of presenting of the Report to the House.

The Committee recommends that this should be done immediately so that defaulties are not allowed to escape liability to compensate the Government for the loss incurred.

In this cases referred to extension of time were granted on consideration of individual prayers of Mahaldar by the Government.

The provision as exist in the settlement rule for giving on undertaking of non-withdrawal of Assam Settlement of Forest coupes and Mahals by tender system Rules, do not appear in practice to be enforceable under the Indian contract Act, as in a number of past cases the recovery of the losses sustained by Government on resale could not be effected from the tenders backed out and defaulted.

The Committee feels that the reply of the Department is self-Contradictory. The Committee would like to know why the provision for recovery of losses to Government on resale is not enforceable citing specific instances if there be any.

7. Para 2.4.7.
Page—24

The Committee recommends that the Bakijai Proceedings should be pursued more vigorously and effective steps should be taken to recover the losses sustained by the Government from the persons concerned.

As regards legal measures to avoid loss to the Government while undertaking Bakijai proceedings Government will take necessary action after taking expert legal advice from Judicial Department.

The Committee is not satisfied with the reply. The loss sustained by the Government from persons as stated in Para 2.4.7 were ascertained by the highest authority of the Government i. e. Comptroller and Auditor General of India which itself is a prima facie evidence of loss sustained by the Government. As such institution of Bakijai proceeding should not normally obstruct such proceedings.

8. Para 2.5.5
Page—26

Since it has been found that even such

The recommendation of the Committee has

The Committee is unhappy to note that

old contractors do not pass properties to starts Bakijai proceedings the Committee recommends that in future the financial stability of tenders should be invariably verified before settlement orders are issued. The Committee further recommends that responsibility should be fixed on the officer/officers concerned who failed to follow the prescribed procedure for verifying financial stability of the contractors. Action taken by the Government should be intimated to the Committee within three months from the date of presentation of this report.

been brought to the notice of all the concerning officials to follow the instruction for verifying financial soundness of tenders before acceptance of tender strictly in all future cases
 As regards the other points as recommended by the Committee action is under process and a detailed report will be furnished separately.

no action has been taken by the department on this recommendation which recommends that responsibility should be fixed on the officer/officers concerned who failed to follow prescribe procedure for verifying financial stability of the contractors. Since the reply appears to be vague the department should categorically state whether any responsibility has been fixed as recommended by the Committee.

The Committee would like to have the detailed Report and Summary of the action taken report thereof.

9. Para 2.6.5.
Page—28

The Committee strongly recommends that issue of such permits forthwith to operate trees to compensate purported losses should be stopped.

These were some cases of allotment of trees during the period from 1977-78 to 1980-81 to individual petitioners who prayed to the Government for permit for trees as a special case to enable them to clear up Government dues which they defaulted due to the situations as stated by them to be beyond their control while operating coupes in the past occasions Government considered their prayers on merit of individual cases, granted trees during the above period.

The Committee would like to know since when allotment of trees to recover arrears from defaulters have been stopped.

10. Para 2. 8.
Page—30

The Committee regrets to note that the Government has sustained a total loss of Rs. 4.91 lakhs due to settlement of the thatch mahals only for Rs. 0.70 lakhs as against Rs. 5.61 lakhs representing the royalty on thatch bundles actually collected by the Mahaldars. The Committee is unable to accept the explanation that it is not possible to estimate the quantity of thatch which can be collected from the mahals the royalty on

However this practice has since been discontinued and issue of such permit has been stopped.

Necessary instructions as per recommendation of the Public Accounts Committee have been issued to the Conservator of Forest and Divisional Forest officers concerned to undertake sample survey of thatch mahals before putting them to sale.

The Committee would like to know :—

- (i) Whether the sample survey has been started and
- (ii) What special action has been taken.

The copy of the instruction issued by Government to the Conservator of Forest and Divisional Forest officers may be furnished for information of the Committee.

which can be guide to assess the reasonability of tenders received. The Committee therefore recommends that the system of estimated availability of thatch on a sample survey should be introduced so that the Government is not put to a loss due to tenders quoting far below the royalty recoverable by Government on the estimated put of thatch.

11. Para 2.9.3
Page—31

The Committee recommends that such instances of undue favour to the Mahaldar, at the cost of public revenue should not be allowed to recur in future. The Committee further recommends

The extension of the Mahal was granted for six months on payment of proportionate value plus 1.1 extension charge. Hence the question of loss of Government revenue does not appear to be correct.

The Committee is unable to accept the contention as sent to the Assam Legislative Assembly Secretariat vide No.FRS.159/72/109 dated 26th June 1985 which given in Annexure—IV. The

that responsibility should be fixed upon the officer/officers who gave under benefit to the contractors resulting huge loss of Government money. Action taken should be reported to the Committee within three months from the date of presentation of this report to the House.

objection which appeared in the Report of the Comptroller and Auditor General of India for 1974-75 (Revenue Receipts) is the prima facie proof of loss sustained by Government in the subsequent examination of the Department witness, it is proved beyond doubt that the loss caused to Government is due to favour shown to the Mahaldar.

The Committee therefore, recommends that action should immediately be taken upon the officers at fault.

The reply is not acceptable to the Committee as the same is very vague. The Government

The cases are in the process of recovery and all recoveries are financial year of 1985-86.

The Committee therefore recommends that Government should intimate the progressive

report to the Committee from time to time.

13. Para 3.2.3
Page—34

The Committee recommends that the Bakijai case against the Mill should be pursued vigorously and the amounts due realised as quickly as possible.

A Bakijai case had been instituted against the defaulting firm M/S Behali Young Enterprises Vanear Mill Ltd. in the Court of the Deputy Commissioner Dibrugarh. The firm has since filed an appeal in the Guwahati High Court against the recovery and the Appeal Case No. CR. 331/81 is now under subjudice. The recovery as contemplated therefore could not yet be effected.

The Committee recommends that such request for exemptions

14. Para 3.3.3
Page—36

should intimate the progress of recovery with up-to-date position,

The Committee recommends that the Government will pursue the Advocate General in respect of the High Court case and will intimate the Committee of the position of recovery from the defaulting plywood Mill.

No Comment.

Recommendation of the Committee noted for guidance.

with adverse implications on collection of Government Revenue should not be entertained at all by the Government.

Presently timber operations are done departmentally and coupe holders are now out of picture.

The Committee recommends that the revised rates should be widely published and enforce the same from the notified date well ahead in time and as regards past cases every effort should be made to collect the areas payable on revision of rates from the notified dates. Action taken should be reported to the Committee within three months from the date of presentation of this report.

15. Para 4.1.4
Page—37

The Committee would like to know the present position of the recovery of the differences of royalty from the permit holders.

The Committee's recommendation to publish the revised rate of royalty widely and to enforce the new rates strictly from notified date are noted for guidance.

As regards the past cases Divisional Forest Officers and Chief Conservator of Forest have been processed by Consulting legal advisers for recovery of the difference of royalty from the permit holders.

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16. Para 4. 2.5
Page—38

3

The Committee recommends that the Government should take prompt and effective steps to expedite the settlement of these cases and punish severely the persons found guilty, and responsibility should be fixed on the person/persons found guilty. Action taken should be intimated to the Committee within three months from the date of presentation of this report.

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The Divisional Forest Officers have been directed to take up immediate necessary offence cases and to furnish the position in which the cases are lying. The No. of cases are pending from different period and the name of officer in whose tenure it was not disposed of which reasons thereof have been called for and a report on this will be furnished as soon as the information received.

5

From the reply it is not clear, what action Government have taken and whether responsibility upon the person at fault has been fixed. The Committee would, therefore, like to know the present position.

ANNEXURE - I

COMPOSITION OF THE COMMITTEE ON PUBLIC ACCOUNTS

(1st Committee 29th January 1986 to 28th July 1988)

CHAIRMAN :

1. Shri Abdul Muqtadir Choudhury.

MEMBERS :

2. Shri Joy Prakash Tewari.
3. Shri Sirajul Haque Choudhury
4. Shri Amritlal Basumatari.
5. Shri Rashidul Haque.
6. Shri Binay Khungur Basumatari.
- * 7. Shri Durga Das Boro.
- * 8. Shri Gunin Hazarika.
- * 9. Shri Ganesh Kutum.
- ** 10. Shri Padma Nath Koiri.
- ** 11. Shri Abul Hussain Sarkar.

* Elected to the Committee with effect from 13th August 1986.

** Elected to the Committee with effect from 10th April, 1987.

ANNEXURE—I (a)

COMPOSITION OF THE COMMITTEE ON
PUBLIC ACCOUNTS

(1983-85)

CHAIRMAN :

1. Shri Hemen Das.

MEMBERS :

2. Shri Joy Chandra Bora.
3. Shri Binoy Kumar Basumatary.
4. Dr. Tarini Mohan Barooah.
5. Shri Narad Komar.
6. Shri Dileswar Tanti.
7. Shri Sisir Ranjan Das.
8. Shri Danes Ali.
9. Shri Siraj Uddin.

ANNEXURE - II

**ORDERS BY THE GOVERNOR OF ASSAM FOREST
DEPARTMENT :: MISC. BRANCH
NOTIFICATION**

Dated Dispur, the 27th April 1985

No. FRM. 16/85/10.—The Governor of Assam is pleased to constitute a High Level Committee with the following members as desired by the P. A. C.

The terms of reference of the Committee are :—

1. To find out the reasons for the irregularities committee as regards construction of Forest roads by the Contractors entrusted for the purpose.
2. Had there been any lapse on the part of the Departmental officials.
3. Any other matters the committee may consider relevant for the purpose.

Members of the Committee :

- | | | |
|---|-----|-----------|
| 1. Secretary, Forest | ... | Chairman. |
| 2. Joint Secretary or Deputy Secretary,
Finance. | ... | Member. |
| 3. Chief Conservator of Forest (G),
Assam. | ... | Member. |
| 4. Financial Adviser, Forest Department. | ... | Member. |

Sd/—K. K. Barua,
Secretary to the Government of Assam,
Forest Department.

Memo. No. FRM. 16/85/10-A, Dated Dispur, the
27th April 1985.

Copy to :

1. All Members.
2. Secretary to P. A. C. Assam Legislative Assembly,
Dispur.
3. The Chief Conservator of Forest (G), Assam,
Guwahati—8.

By Order Etc.,
Sd/—
Under Secretary to the Government of Assam,
Forest Department.

ANNEXURE—III

REPORT OF THE HIGH LEVEL INQUIRY COMMITTEE
CONSTITUTED VIDE NOTIFICATION NO. FRM.
16/85/10, DATED 27TH APRIL, 1985

The Public Accounts committee in the 33rd Report presented before the House on 12th September 1984 recommended, inter alia, as follows:

“The Committee, therefore, recommends that a high level enquiry should be made to find out the reasons for not constructing the road by the Department concerned as well as by the contractor and for allotment of these trees by permits being in violation of the Sender System Rules of 1967, and the settlement of these trees on payment of royalty which resulted in a loss of revenue Rs. 3,42,860 and submit the enquiry report to the Committee together with action taken by Government of the within three months from the date of presentation of this Report to the House.”

2. Government vide Notification No. FRM. 16/85/10, dated 27th April 1985 constituted a Committee consisting of Secretary, Forests, as Chairman, Chief Conservator of Forests (G), Joint Secretary/Deputy Secretary, Finance and Financial Adviser as Members accordingly.

3. It appears from records that the first sitting was scheduled to be held on 12th September 1985 at 12 noon i. e. about 5 months after the date of constitution of the Committee and after one year from the date of presentation of the 33rd Report before the House.

4. It was stipulated that a report on actions taken thereon are to be submitted before the Public Accounts Committee within three months from the date of presentation of the 33rd Report before the House, i. e. by 12th December, 1984.

5. Not only the original time limit fixed had expired but even the extended time for submission of the said report also expired on the date on which Government furnished a reply to the P. A. C. vide No. FRM. 30/83/85, dated 4th September 1985.

6. During the period of 1986-87 and a part of 1988 the Public Accounts Committee was engaged in re-examining the audit paras on the basis of which the 33rd Report was presented before the House on 12th September 1984.

7. The P. A. C. took up the 33rd Report of the P.A.C. vide letter No. LAPAC.39/84/9036, dated 26th May 1988 and letter No. LAPAC. 39/86/10182, dated 28th June 1988.

8. The meeting of the High Level Committee scheduled to be held on 12th September 1985 did not take place and the matter was not taken up at all for a pretty long time.

9. The first sitting of the High level Committee was however, held on 11th July 1988 at 12 noon and after detailed discussions decided that two of the members, namely, Chief Conservator of Forests (G) and the Financial Adviser shall at once visit the site and make an on-the-spot inquiry. The Committee also obtained reports from two other officers of the Forest Department who were serving earlier in the area and the said reports, dated 11th July 1988 are marked as exhibits 'A' and 'B'.

10. The spot inspection reports submitted by two members deputed for the purpose, dated 19th July 1988, has been received and marked as exhibit 'C' and was duly examined in the next sitting held on 20th July 1988 at 12 noon.

11. The High Level Committee finds, from the materials on record, (namely exhibits 'A', 'B' and 'C' and the concerned file No. FRM. 16/85) that the road in question was in fact constructed by the private party even though the relevant measurement book is not traceable.

12. The Committee also finds that the rule as existed at the relevant time were violated while making allotment of trees at cheap rates.

13. The Committee also of the opinion that no further materials will be forthcoming at this very late stage and decided that this report may be submitted to the Public Accounts Committee.

Sd/-

Chairman,
High Level Committee.

Dated 22nd July 1988.