

CHAPTER - IV

REVENUE RECEIPTS

GENERAL

4.1 Trend of revenue receipts

4.1.1 The tax and non-tax revenue raised by the Government of Mizoram during the year 2009-10, the State's share of divisible Union taxes and grants-in-aid received from the Government of India during the year and the corresponding figures for the preceding four years are given below:

Table - 4.1

(₹ in crore)

Particulars of revenue receipts	2005-06	2006-07	2007-08	2008-09	2009-10
I. Revenue raised by the State Government					
• Tax revenue	55.05	67.59	71.96	94.62	107.58
• Non-tax revenue	120.09	133.38	130.30	158.67	126.51
Total	175.14	200.97	202.26	253.29	234.09
II. Receipt from the Government of India					
• State's share of divisible Union taxes	225.83	288.08	368.92	383.39	394.53
• Grants-in-aid	1,252.68	1,479.90	1,468.56	2,016.45	2,334.89
Total	1,478.51	1,767.98	1,837.48	2,399.84	2,729.42
III. Total receipts of the State	1,653.65	1,968.95	2,039.74	2,653.13	2,963.51
IV. Percentage of I to III	10.59	10.21	9.92	9.55	7.90

The above table indicates that during the year 2009-10, the revenue raised by the State Government was 7.90 *per cent* of the total revenue receipts (₹ 2,963.51 crore) against 9.55 *per cent* in the preceding year. The balance 92.10 *per cent* of the receipts during 2009-10 was from the Government of India.

4.1.2 The following table presents the details of tax revenue raised during the period 2005-06 to 2009-10:

Table - 4.2

(₹ in crore)

Sl. No.	Head of revenue	2005-06	2006-07	2007-08	2008-09	2009-10	Percentage of increase (+) or decrease (-) in 2009-10 over 2008-09
1.	Sales tax/VAT	41.59	53.72	62.04	77.51	85.94	(+) 11
2.	State excise	1.46	1.65	1.69	1.87	2.10	(+) 12
3.	Stamp duty and registration fee	0.17	0.21	0.23	0.46	0.39	(-) 15
4.	Taxes on vehicles	4.35	5.01	5.37	5.50	6.71	(+) 22
5.	Taxes on goods and passengers	0.99	0.98	1.07	1.43	1.39	(-) 3
6.	Other taxes on income and expenditure, tax on professions, trades, callings and employment	4.53	4.99	0.08	6.22	8.29	(+) 33
7.	Land revenue	1.59	0.73	1.48	1.63	2.76	(+) 69
Total		54.68	67.29	71.96	94.62	107.58	

The concerned Departments did not inform (January 2011) the reasons for variations despite being requested (December 2010).

4.1.3 The following table presents the details of the non-tax revenue raised during the period 2005-06 to 2009-10.

Table - 4.3

(₹ in crore)

Sl. No.	Head of revenue	2005-06	2006-07	2007-08	2008-09	2009-10	Percentage of increase (+) or decrease (-) in 2009-10 over 2008-09
1.	Interest receipts	6.94	8.76	15.60	32.91	17.85	(-) 46
2.	Other non-tax receipts	15.42	17.56	22.59	18.98	21.38	(+) 13
3.	Forestry and wild life	4.15	4.06	2.98	2.20	2.53	(+) 15
4.	Miscellaneous general services (including lottery receipts)	6.45	44.29	1.53	3.01	10.00	(+) 232
5.	Power	81.80	51.79	83.60	93.40	67.86	(-) 27
6.	Medical and public health	0.47	0.56	0.66	0.55	0.27	(-) 51
7.	Co-operation	0.67	0.02	0.02	0.02	0.01	(-) 50
8.	Public works	1.04	2.02	0.45	2.02	4.12	(+) 104
9.	Police	0.38	0.35	0.34	3.56	0.26	(-) 93
10.	Other administrative services	2.77	3.97	2.53	2.02	2.23	(+) 10
Total		120.09	133.38	130.30	158.67	126.51	

The concerned Departments did not inform (January 2011) the reasons for variations despite being requested (December 2010).

4.1.4 Variations between the budget estimates and the actuals

The variations between the budget estimates and the actuals of revenue receipts for the year 2009-10 in respect of the principal heads of tax and non-tax revenue are mentioned in the following table:

Table - 4.4

(₹ in crore)

Sl. No.	Head of revenue	Budget estimates	Actual revenue	Variations excess (+) shortfall (-)	Percentage of variation
Tax revenue					
1.	Sales tax/VAT	96.93	85.94	(-) 10.99	(-) 11
2.	State excise	1.84	2.10	(+) 0.26	(+) 14
3.	Taxes on vehicles	6.49	6.71	(+) 0.22	(+) 3
4.	Taxes on goods and passengers	1.18	1.39	(+) 0.21	(+) 18
5.	Land revenue	1.68	2.76	(+) 1.08	(+) 64
Non-tax revenue					
1.	Interest receipts	6.17	17.85	(+) 11.68	(+) 189
2.	Forestry and wild life	4.63	2.53	(-) 2.10	(-) 45
3.	Medical and public health	0.75	0.27	(-) 0.48	(-) 64
4.	Miscellaneous general services	15.83	10.00	(-) 5.83	(-) 37
5.	Power	127.90	67.86	(-) 60.04	(-) 47

The concerned Departments did not inform (January 2011) the reasons for variations despite being requested (December 2010).

4.1.5 Cost of collection

The gross collection in respect of the principal receipt heads, expenditure incurred on the collection and the percentage of such expenditure to the gross collection during the years 2007-08 to 2009-10 along with the all India average percentage of expenditure on collection for the year 2008-09 are given in the following table:

Table - 4.5

(₹ in crore)

Sl. No.	Head of revenue	Year	Collection ¹	Expenditure on collection of revenue	Percentage of expenditure on collection	All India average percentage for 2008-09
1.	Sales tax/VAT	2007-08	62.04	4.63	7.46	0.88
		2008-09	77.51	6.03	7.78	
		2009-10	85.94	6.84	7.96	
2.	Taxes on vehicles	2007-08	5.37	2.66	49.53	2.93
		2008-09	5.50	3.31	60.18	
		2009-10	6.71	3.67	54.69	

¹ Figures as per Finance Accounts

The percentage of expenditure on collection during the year 2009-10 reflected an upward trend in respect of sales tax/VAT while it came down substantially in respect of taxes on vehicles. However, in both the cases the percentage of expenditure on collection was substantially higher than the corresponding All India average for the year 2008-09. **The Government needs to take appropriate measures to bring down the cost of collection.**

4.1.6 Arrears in assessment

The details of the assessments pending at the beginning of the year 2009-10, cases due for assessment during the year, cases disposed during the year and the cases pending finalisation at the end of the year as furnished by the departments are mentioned in the table below:

Table - 4.6

Name of tax	Opening balance	Cases due for assessment during the year	Total	Cases finalised during the year	Balance at the close of the year	Arrears as percentage of total cases
Sales tax/ central sales tax/VAT	4,416	804	5,220	1,423	3,797	73
Motor spirit tax	128	41	169	19	150	89
Total	4,544	845	5,389	1,442	3,947	73

Thus, the percentage of pending cases at the end of the year 2009-10 was 73 *per cent*. The Government has not fixed any norm prescribing the number of assessments to be completed by each assessing officer during a specified period. **Immediate action needs to be taken to finalise the pending assessment cases.**

4.1.7 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2010 in respect of some principal heads of revenue amounted to ₹ 3.84 crore as mentioned in the table below. Of this, ₹ 0.44 crore of arrears was more than five years old.

Table - 4.7

(₹ in crore)

Sl. No.	Head of revenue	Amount outstanding as on 31 March 2010
1.	Sales tax/VAT	3.51
2.	Forest	0.20
3.	Land Revenue	0.13
	Total	3.84

4.1.8 Failure to enforce accountability and protect interest of the Government

The Accountant General (Audit), Mizoram, Aizawl conducts periodical inspection of various offices of the Government/departments to test check the correctness of the assessments, levy and collection of the tax receipts and the non-tax receipts and verify the accuracy in maintenance of the accounts and the records as per the Acts, Rules and the procedures prescribed by the Government/departments from time to time. These inspections are followed by the inspection reports (IRs) issued to the heads of the offices inspected with copies to the next higher authorities. Serious irregularities noticed in audit are also brought to the notice of the Government/heads of the departments by the office of the Accountant General (Audit), Mizoram, Aizawl.

A review of IRs issued upto December 2009 pertaining to the offices under sales tax, state excise, land revenue, motor vehicle tax and forest departments disclosed that 304 observations relating to 102 IRs involving revenue of ₹ 36.73 crore remained outstanding at the end of June 2010. Of these, 87 IRs containing 240 observations involving revenue of ₹ 26.36 crore had not been settled for more than three years. The year wise position of old outstanding IRs and paragraphs is detailed in the following table:

Table - 4.8

Year	Sales Tax			Motor Vehicles Tax			Forest			Others		
	No. of IRs	No. of Paras	Money value	No. of IRs	No. of Paras	Money value	No. of IRs	No. of Paras	Money value	No. of IRs	No. of Paras	Money value
1995-1996	-	-	-	-	-	-	1	1	0.49	-	-	-
1999-2000	-	-	-	3	5	3.61	4	4	4.80	3	5	4.99
2000-2001	-	-	-	-	-	-	1	6	10.45	-	-	-
2001-2002	-	-	-	1	2	9.87	1	1	3.37	-	-	-
2002-2003	2	4	47.49	1	2	2.94	7	8	51.26	2	2	2.24
2003-2004	3	9	36.49	2	3	34.46	5	13	470.72	4	4	34.38
2004-2005	3	28	110.54	3	9	4.29	2	7	33.38	12	23	131.97
2005-2006	4	39	436.40	-	-	-	6	23	343.11	6	12	63.08
2006-2007	3	13	564.55	1	3	4.44	2	9	212.76	4	5	19.85
2007-2008	-	-	-	1	3	4.55	2	22	299.51	2	7	17.30
2008-2009	2	5	119.90	-	-	-	-	-	-	1	1	56.76
2009-2010	4	16	293.10	1	3	50.38	1	6	131.69	1	1	9.31
Total	21	114	1608.47	13	30	114.54	32	100	1561.54	35	60	339.88

In respect of 55 paragraphs relating to 21 IRs involving revenue of ₹ 9.84 crore issued upto June 2010, even the first reply from the Department/Government has not been received (January 2011).

The Government may prescribe a time schedule for expeditious submission of replies to the IRs/paragraphs for their settlement.

4.1.9 Follow up on Audit Reports - summarised position

With a view to ensuring the accountability of the executive in respect of all the issues dealt with in various Audit Reports, the Public Accounts Committee (PAC), issued (May 2000) instructions for submission of *suo moto* replies on all the paragraphs and the reviews featured in the Audit Reports within three months of its presentation to the Legislature. For submission of the Action Taken Notes (ATNs) on the recommendations of the PAC, the committee has specified the time frame as six months.

A review of the follow up on the submission of *suo moto* replies and of the ATNs as of September 2010 on the paragraphs included in the Reports of the Comptroller and Auditor General of India disclosed that the departments of the State Government had not submitted *suo moto* replies on the paragraphs featured in the Audit Report for the year 2008-09 in respect of the revenue receipts.

4.1.10 Audit committee meetings

In order to expedite the settlement of the outstanding audit observations contained in the IRs, departmental audit committee meetings are constituted by the Government. These committees are chaired by the Secretaries of the concerned administrative departments and attended by the concerned officers of the State Government and the officers of the Accountant General (Audit).

In order to expedite clearance of the outstanding audit observations, it is necessary that the audit committees meet regularly. During the year 2009-10, no departmental audit committee meeting was held. Thus, the concerned departments failed to take the advantage of the audit committee set up.

The Government needs to look into this aspect and ensure that the audit committee meetings are regularly held to expedite settlement of the audit paragraphs.

4.1.11 Result of audit

Test check of the records of sales tax, state excise, motor vehicles tax, land revenue, forest and other tax receipts conducted during 2009-10 revealed under assessments/short/non-levy/loss of revenue amounting to ₹ 2.04 crore in 23 cases.

This report contains four draft paragraphs involving money value of ₹ 8.85 crore. The concerned Department accepted audit observations raised in three cases involving revenue of ₹ 8.46 crore but no reply from the Government has been received in respect of these cases (January 2011). The concerned Department/Government has not accepted one case involving ₹ 0.39 crore. After issue of draft paragraphs, the Department recovered ₹ 4.86 lakh in one case. All the cases have been included in the chapter with the departmental reply and audit's view. These are discussed in the succeeding Paragraphs 4.2 to 4.5.

TRANSACTION AUDIT

INDUSTRIES DEPARTMENT

4.2 Loss of revenue

Non-realisation of royalty at prescribed rate by the Department on minor minerals led to loss of revenue of ₹ 1.15 crore.

As per Rule 3(1) of the Mizoram Minor Minerals Concessions (MMMC) Rules, 2000, no person shall undertake any mining or quarrying operations in any area except in accordance with terms and conditions of a mining lease or mining permit granted. The holder of the mining lease/permit granted shall be liable to pay royalty in respect of any minor minerals removed or consumed from the lease-hold area at the rates specified in the Second Schedule of the Rules. Any person who removes minor minerals without valid lease/permit shall be liable to pay royalty or penalty to the extent upto four times the rate of royalty specified as per Rules 46(2) of the MMMC Rules. The rate of royalty per cum of shingle (stone, sand, pebbles) as per the Second Schedule is ₹ 60 per cum.

Test check (May 2010) of the records of the Geology and Mining Wing of the Directorate of Industries, Mizoram revealed (during April 2007 to March 2010) that 2,43,135.36 cum of stones were illegally extracted by individuals other than the holders of lease or permit and transported through the existing 10 departmental check gates in Mizoram. The check gate authorities had collected royalty of ₹ 31.31 lakh instead of ₹ 1.46 crore as royalty required to be collected at the minimum specified rate of ₹ 60 per cum of the Second Schedule of the Rule stated *ibid*. The details of stone extracted and royalty collected are given in the following table:

Table - 4.9

No. of check gates	Period		Stones extracted and royalty collected thereon			Actual royalty to be collected as per specified rates in Second Schedule			(-) Short collection (₹ in lakh)
			Quantity (cum)	Rate (per cum)	Amount (Rupees in lakh)	Quantity (cum)	Specified Rate (per cum)	Amount (₹ in lakh)	
10 ²	(i)	April 2007 to June 2009	2,25,323.28	₹ 12	27.04	2,25,323.28	₹ 60	135.19	108.15
	(ii)	July 2009 to March 2010	17,812.08	₹ 24	4.27	17,812.08	₹ 60	10.69	6.42
Total			2,43,135.36	----	31.31	2,43,135.36	----	145.88	114.57

Source: Departmental records.

It may be seen from the above that despite the specified royalty rate of ₹ 60 per cum, the check gate authorities had collected royalty from the miners and transporters at the rate of ₹ 12 per cum during April 2007 to June 2009 and ₹ 24 per cum during July 2009 to March 2010 which resulted in short realisation of royalty to the extent of ₹ 1.15 crore.

The Director of Industries, Mizoram while accepting the above stated fact (May 2010) stated that as per the prevalent practice, royalty was levied by the check gates at the rate of ₹ 12 to ₹ 24 per cum on the plea that the penal royalty rates prescribed in the MMMC Rules, 2000 were very high.

While rejecting the Department's proposals sent in July 2010 for *ex-post-facto* approval of lowering the royalty rates, the State Government (Industries Department) communicated to the Department (July 2010) to adopt the rates in force as per MMMC Rules, 2000.

The fact however remains that without the prior approval of the State Government, the Department collected the royalty based on rates fixed at their own discretion, which resulted in a loss of revenue of ₹ 1.15 crore.

The matter was reported to the Government in July 2010; their reply is awaited (November 2010).

It was also noticed that the MMMC Rules gave an option for levy of either royalty or penalty of four times the royalty leviable in case of unauthorized extraction of minerals. As penalty is intended to have a deterrent effect, it is recommended that the Government may consider amending the rules and levying penalty in addition to the royalty, as is done in other States.

2 (1) Zemabawk check gate, (2) Tuivamit check gate, (3) Vaivakawn check gate, (4) Lawipu check gate, (5) Mel-3 check gate (6) Vairengte check gate, (7) Kolasib check gate, (8) Champhai check gate, (9) Lunglei check gate and (10) Serchhip check gate

4.3 Loss of revenue due to application of lower rate of royalty

Non-realisation of royalty by the Department at the prescribed rate on minor minerals from user agencies and permit holders led to loss of revenue of ₹ 6.79 crore.

The responsibility for the levy and collection of revenue in respect of all minor minerals including ‘Sand and Stone Quarrying’ as regulated under the Mizoram Minor Minerals Concession (MMMC) Rules, 2000 was initially that of the Environment & Forest Department. The State Government, however, reallocated the responsibilities to the Industries Department in September 2005. As per the Second Schedule of the MMMC Rules, 2000 the royalty rates for sand and stone is ₹ 50 per cum and ₹ 60 per cum respectively.

Test check (June 2010) of records of the Joint Director of Geology and Mining Wing under the Directorate of Industries revealed that some user agencies including other permit holders utilised a quantity of (i) 13,34,303.12 cum of stone and (ii) 42,484.26 cum of sand during 2006-10, for which they were required to pay a royalty of (i) ₹ 8.01 crore and (ii) ₹ 21.24 lakh respectively. Against this, the Department however collected a royalty of ₹ 1.40 crore and (ii) ₹ 3.46 lakh for stone and sand respectively, which resulted in short collection of royalty ₹ 6.79 crore (₹ 6.61 crore and ₹ 0.18 crore).

The user agency wise position is given in the following table:

Table - 4.10

(₹ in lakh)

Sl. No.	Name of user Agency	Period	Particulars	Quantity utilised (in cum)	Royalty to be paid		Royalty actually paid		Short payment
					Rate (₹ per cum)	Amount	Rate (₹ per cum)	Amount	
1.	Boarder Roads Task Force (BRTF)	2006-08	Stone	41646.55	60	24.99	12	5.00	19.99
		2007-09		36872.11		22.12	----	NIL	22.12
		2006-08	Sand	6602.02	50	3.30	50	3.30	NIL
		2007-09		5036.52		2.52	----	NIL	2.52
2.	National Building Construction Corporation (NBCC)	(unspecified) upto 2008	Stone	109707.47	60	65.82	----	NIL	65.82
			Sand	25677.72	50	12.84	----	NIL	12.84
3.	World Bank Project:								
(i)	M/s Valecha Engineering Ltd.	April 2006 to Jan 2007	Stone	16588.00	60	9.95	5.50	0.91	9.04
			Sand	2245.00	50	1.12	3.00	0.07	1.05
(ii)	M/s Tantia Construction Co. Ltd.	April 2006 to Jan 2007	Stone	17083.00	60	10.25	5.50	0.94	9.31
			Sand	2223.00	50	1.11	3.00	0.07	1.04
(iii)	Raitani Construction Company Ltd.	April 2006 to Jan 2007	Stone	7666.00	60	4.60	5.50	0.42	4.18
			Sand	700.00	50	0.35	3.00	0.02	0.33
Sub-total of Sl. No. 3			Stone	41337.00	60	24.80	5.50	2.27	22.53
			Sand	5168.00	50	2.58	3.00	0.16	2.42
4.	Other Permit Holders	2006-07 to 2009-10	Stone	1104739.03	60	662.84	12.00	132.57	530.27
Grand Total			Stone	1334302.16	60	800.58	----	139.84	660.74
			Sand	42484.26	50	21.24	----	3.46	17.78

Source: Departmental records.

The Department, after accepting the objection, explained (May 2010) that the levy of royalty at the rate of ₹ 5.50 in the case of World Bank Project was made as per the collection rate hitherto fixed by the Environment and Forest Department.

The contention of the Department was not acceptable as all the royalty rates of Minor Minerals in the State are to be regulated as per the Second Schedule of MMMC Rules, 2000. Moreover, the State Government (Industries Department) had rejected (July 2010) the Department's proposal for revision of the royalty rates already prescribed in the Rules *ibid*.

The fact therefore remains that without the prior approval of the State Government, the Department collected the royalty at the rates based on their own discretion, which resulted in a loss of revenue of ₹ 6.79 crore.

The matter was reported to the Government in July 2010; their reply is awaited (November 2010).

4.4 Loss of revenue due to non-levy of royalty

Non-levy of royalty on the drivers illegally transporting mined minerals led to revenue loss of ₹ 52.36 lakh.

Rule 46 (2) of the Mizoram Minor Minerals Concession Rules – 2000, stipulates that whoever removes minor minerals without valid lease/permit or on whose behalf such removal is made otherwise in accordance with these rules, he shall be presumed to be a party to illegal removal of the minor minerals and shall be liable to pay royalty or penalty which may extend up to four times the rate of royalty specified for the minor mineral in the Second Schedule without prejudice to other action taken against him under these rules or any other law for the time being in force.

Rule 46(1) further stipulates that if any driver of any carrier while carrying minor minerals fails to furnish the challan in Form – O or refuses inspection of such challan by the Competent Authority or any other officer authorised by him or the Deputy Commissioner or any officer authorised by him, he shall be punished with simple imprisonment which may extend to six months or with fine which may extend to two thousand rupees or both.

Test check (May 2010) of records of the Melthum and Vaivakawn check gates under Joint Director of Geology & Mining Wing (Directorate of Industries) revealed that the two check gate authorities detected illegal transportation of minor minerals without valid permits/Challans in Form ‘O’ as per details given in the following table:

Table - 4.11

Name of check gates	Period	Details of minerals transported			Royalty to be collected	
		No. of trucks	Quantity transported (in cum)		Stone (@ ₹ 60 per cum)	Sand (@ ₹ 50 per cum)
			Stone	Sand	(₹ in lakh)	
Melthum	2007-10	17,726	71,297.92	----	42.78	----
Vaivakawn	2008-10	6,426	3,796.00	14,598	2.28	7.30
Total		24,152	75,093.92	14,598	45.06	7.30

Source: Departmental records.

It may be seen from the above table that 24,152 truck drivers were required to pay a royalty of ₹ 52.36 lakh at the prescribed rates for illegal transportation of the Minor Minerals during 2007-10, which was neither levied or realised for flouting Rule 46 (1) of the MMMC Rules,

2000. This resulted not only in loss of Government revenue to that extent but also meant unwarranted exploitation of mineral reserves by illegal miners. The fact that such large number of trucks carrying illegally mined minerals were allowed to pass through the check gates without payment of royalty indicates a serious failure of the internal control mechanism.

In the exit conference (May 2010) held with the Accountant General, the Director of Industries accepted the facts stated above. But action taken, if any, for realisation of the revenue has not been reported (November 2010).

The matter was reported to the Government in July 2010; reply has been awaited (November 2010).

ENVIRONMENT AND FOREST DEPARTMENT

4.5 Loss of revenue due to application of lower rate of royalty

There was loss of revenue of ₹ 39 lakh due to settlement of broomstick mahals by direct negotiation and below royalty rate.

The Principal Chief Conservator of Forests (PCCF), Mizoram fixed the royalty rate of broomstick for all forest divisions of Mizoram at ₹ seven per Kg with effect from 15 February 2005.

Test check of records of the PCCF, Mizoram, Aizawl in January-February 2008 revealed that in response to the application of the Mizoram Forest Produces Marketing Agency (MIFMA) to collect broomstick on permit system, the Department conveyed (September 2006) the State Government's approval for collection of broomstick by MIFMA in all divisions of Mizoram during 2006-07 on advance payment of royalty at the rate of ₹ seven per Kg. The MIFMA however, requested (September 2006) the Hon'ble Minister for Environment & Forest to allow the collection of broomstick excluding the Autonomous District Council area of the State at ₹ 10 lakh without considering the quantity to be extracted. Consequently, an agreement was signed and work order for operation of seven³ broomstick *mahals*⁴ out of the 10 existing *mahals* for the year 2006-07 was issued to MIFMA in December 2006 for extraction of seven lakh Kg of broomstick at ₹ 10 lakh without insisting on applying the prescribed royalty rate on the actual amount extracted and call of tender for the mahal.

³ (1) Thenzawl Division, (2) N. Vanlaphai Divion, (3) Aizawl Division, (4) Darlawn Division, (5) Kawrthah Division, (6) Kolasib Division and (7) Mamit Division.

⁴ Mahal means a defined geographical area where from certain forest produce are sold on condition of their removal within a specified period.

The total quantity of broomstick extracted on mahal for seven lakh Kg resulted in collection of royalty of ₹ 10 lakh only. Had the same quantity been disposed on the approved royalty rate fixed by the Department, i.e. at the rate of ₹ seven per kg, the State Government would have earned ₹ 49 lakh as revenue. Thus, due to settlement of the broomstick *mahals* without inviting tender and non levy of royalty prescribed by the Department there was a loss of ₹ 39 lakh.

On this being pointed out, the Government stated (September 2010) that royalty rate of ₹ seven per Kg was effective on sale of broomstick on permit system while the same was not applicable on *mahal* system. The reply is not acceptable as the order fixing the royalty rate does not specify its applicability which would justify the action of the Department to resort to settlement by direct negotiation of the accessible *mahals*.