TABLE OF CONTENTS

Contents	References to			
	Paragraphs	Page(s)		
Preface		V		
Executive summary		vii		
CHAPTER - I : INTRODUCTION				
Introduction	1.1	1		
Management of mineral resources	1.2	1		
Mineral policy of the State	1.3	3		
Why we chose the topic	1.4	4		
Audit objectives	1.5	4		
Audit criteria	1.6	4		
Scope of audit	1.7	5		
Acknowledgement	1.8	5		
CHAPTER – II : FINANCIAL MANAGEMENT AND INTERNAL CONTROL				
Organisational set-up	2.1	7		
Revenue contribution of Mining sector	2.2	8		
Arrears of revenue	2.3	9		
Impact of Audit	2.4	9		
Results of Audit	2.5	10		
Internal control mechanism	2.6	10		
Recommendations	2.7	12		

CHAPTER - III : MANAGEMENT OF LEASES				
Introduction	3.1	13		
Delay in disposal of lease applications	3.2	13		
Levy and Collection of Stamp Duty and Registration Fees	3.3	14		
Delay in cancellation of lease of inoperative mines	3.4	16		
Blocking of revenue due to non disposal of application	3.5	17		
Discrepancy in the lease area and actual mining area	3.6	18		
Recommendations	3.7	19		
CHAPTER - IV : ASSESSMENT AND COLLECTION OF ROYALTY AND OTHER DUES				
Introduction	4.1	21		
Incorrect categorisation of iron ore as lumps and fines	4.2	21		
Non-levy of Environment Cess and Infrastructure Development Cess	4.3	23		
Short levy of royalty on coal	4.4	25		
Short levy of royalty on bauxite	4.5	27		
Short levy of royalty on iron ore	4.6	28		
Short levy of royalty on coal	4.7	29		
Irregular allowance towards processing loss	4.8	30		
Short realisation of royalty and interest thereon	4.9	31		
Non levy of interest on delay in payment of royalty	4.10	32		
Short assessment of royalty and interest	4.11	33		
Recommendations	4.12	33		

CHAPTER-V: UNAUTHORISED EXCAVATION AND TRANSPORTATION OF MINERALS				
Introduction	5.1	35		
Unauthorised excavation	5.2	36		
Non-levy/recovery of cost of minerals on unauthorised excavation	5.3	36		
Short/excess transportation of bauxite	5.4	38		
Transit pass (TP)	5.5	39		
Recommendations	5.6	40		
CHAPTER- VI : IMPLEMENTATION OF MINING RULES AND REGULATIONS				
Challans not found in treasury records	6.1	41		
Non-obtaining permit for temporary storage of mineral	6.2	41		
Operation of mines without environmental consent	6.3	42		
Recommendations	6.4	43		
CHAPTER-VII : GLOSSARY OF ABBREVIATIONS				
Glossary of terms and abbreviations		45		
APPENDICES				
Appendix I	3.3.1	47		
Appendix II	3.3.3	48		
Appendix III	4.3.2	49		
Appendix IV	4.4.1	50		
Appendix V	4.7	53		