

Executive Summary

Minerals are valuable natural resources being finite and non-renewable. Their exploitation is therefore, guided by long term goals and perspective. Rajasthan is blessed with 81 varieties of minerals out of which 57 are being commercially exploited. Rajasthan has the highest number of mining leases in the country. There were frequent reports in the media regarding rampant illegal mining of minerals. The Department itself identified 48,486 cases of illegal mining activities during the years 2015-16 to 2019-20. Illegal mining cases during the year 2019-20 increased 169 *per cent* in comparison to 2015-16. This performance Audit was conducted to assess whether the State Government is taking adequate measures to curb illegal mining and to identify /check the cases of illegal mining in the State by using Remote Sensing Data and available Geographic Information System (GIS).

(Paragraph 1.1 and 1.2)

The scope of this performance audit (PA) is to examine the mechanism in place to detect illegal mining activities and remedial action initiated by the Department of Mines and Geology. We have attempted to address the question of availability of resources with the Department to check the cases of illegal mining. Audit has used remote sensing data and GIS technology through *Google Earth Pro*. The PA which covers the period from 2015-16 to 2019-20 involved test check of records in 12 mining offices across the State, along with joint physical verification of mines/illegal mining sites. Audit conducted an independent study through records and satellite images to detect the area of illegal mining which were out of the area of mining lease in these selected offices.

(Paragraph 2.3)

The PA revealed that the Department did not leverage free of cost technologies available in the public domain, to identify and curb illegal mining activities. Audit noticed irregularities *viz.* overlapping of leases and non-allotment/auction of gap areas lying between the leases, *etc.* Inadequate inspections of mines by the concerned officials resulted in non-identifications of these irregularities.

With the use of remote sensing data and GIS technology, Audit identified illegal mining activities in 122 cases (34 *per cent* of test-checked leases) nearby sanctioned mining leases in five selected *tehsils* under five selected Divisions out of total 49 Divisions. The identified area of illegal mining was 83.25 hectare. Audit also noticed 13 mining leases where mineral was not excavated, however, 5.20 lakh MT of mineral was shown dispatched by misusing 22,854 *e-rawannas*¹.

(Paragraph 3.1 and 3.2)

Department introduced (10 October 2017) a web-based application '*DMGOMS*' for effective monitoring of the mining activities. However, the Department failed to utilise the system effectively. Demands related to illegal mining activities (₹ 71.20 crore) were not shown on the demand register maintained at *DMGOMS* in 53 cases. Dispatch of minerals from mining leases in excess of limits prescribed in Environment Clearance Certificate/Consent to Operate were found

¹ Electronic challan used for dispatch of mineral from mining lease area, issued by Mining Department.

but there was no check in the system to prevent the dispatch of mineral in excess of permissible quantity. Penalty of ₹ 13.99 crore on excess/unauthorised quantities of minerals excavated in 38 mining leases was not imposed by the Department.

(Paragraph 3.4.1 and 3.4.2)

Royalty rates in Rajasthan are based on the weight of mineral except for some specific minerals. Working of weigh bridges revealed serious irregularities in 81.68 *per cent* of selected weigh bridges. In 33.28 *per cent e-rawannas*, the photograph of one vehicle was used many times for confirmation. It shows that vehicles for which *e-rawannas* were generated either did not reach at the weigh bridges or passed without weighing. These cases indicate that *e-rawannas* were confirmed without actual weightment of the vehicle. Department failed to monitor the working of the weigh bridges, which had a direct impact on royalty collection to the State exchequer.

(Paragraph 4.1)

The department did not have a mechanism to use printed serial numbered *Panchnamas*. *Panchnamas* were prepared by the Departmental officials by putting numbers manually. Further, 511 *Panchnamas* were not uploaded on *DMGOMS* and higher authorities also remain uninformed of illegal mining activities due to this deficient process of numbering. Further, sources/sites of illegal mining were not investigated in respect of 1,121 cases of illegal transportation of minerals.

(Paragraph 4.2.1 and 4.2.3)

We also found that the assessments of royalty were not finalized with due diligence which resulted in incorrect assessment of royalty, cost of mineral and compounding fee of ₹ 14.20 crore in 28 cases.

(Paragraph 4.3)

The prescribed monthly and annual returns by the lessees to submit the quantity of excavated and dispatched minerals were not monitored by the Department. No return was prescribed to check the dispatch of royalty paid minerals from the stock of dealers. Further, no mechanism was found in place to check the dispatch of minerals by Quarry Licence holders.

(Paragraph 5.1)

The Department had a vigilance wing to curb the illegal mining activities and to check leakage of Government revenue. During the period 2015-16 to 2019-20, vigilance offices identified 956 cases whereas division offices having jurisdiction on the same area, identified 2,434 cases of illegal mining activities besides their regular work. This indicated that performance of vigilance wing was not upto the mark and purpose of establishment of specialized wing for identification of illegal mining activities was also defeated to that extent.

(Paragraph 7.2)

In brief, Audit noticed that there was ample scope of improvement in strengthening the system to curb illegal mining activities. The use of available data and leveraging GIS technology can prove to be a powerful tool in the hands of Government in this regard.