

CHAPTER-VI: NON-TAX RECEIPTS

6.1 Results of audit

Test check of the records of the Forest, Home (Police) and Mines and Geology departments conducted in audit during the year 2006-07, revealed non/short recovery of revenue amounting to Rs. 560.98 crore in 1,848 cases, which broadly fall under the following categories:

(Rupees in crore)

Sl. No.	Category	Number of cases	Amount
A. Forest Department			
1.	Forest receipts	1	80.16
B. Home (Police) Department			
2.	Police receipts	1	17.99
C. Mines and Geology Department			
3.	Non/short recovery of dead rent and royalty	643	104.86
4.	Unauthorised excavation	406	85.19
5.	Non-levy of penalty/interest	155	7.05
6.	Non-forfeiture of security	490	0.49
7.	Other irregularities	152	265.24
Total		1,848	560.98

During the year 2006-07, the departments accepted short realisation and other deficiencies of Rs. 47.92 crore in 1,124 cases, of which 557 cases involving Rs. 13.31 crore were pointed out in audit during the year 2006-07 and the rest in earlier years. The departments recovered Rs. 6.14 crore in 575 cases of which 122 cases involving Rs. 1.50 crore were pointed out during the year 2006-07 and the rest in the earlier years.

After the issue of a draft paragraph, the department recovered Rs. 7.16 lakh pertaining to a single observation pointed out during 2006-07.

A few illustrative cases involving Rs. 34.30 crore highlighting important audit findings are mentioned in the following paragraphs.

A. FOREST DEPARTMENT

Forest receipts are one of the important sources of non-tax revenue of the State Government. The auction or departmental sale of *tendu* leaves, exploitation of bamboos and sale of fuel wood and timber are some important forest receipts.

6.2 Loss of revenue due to non-handing over of trees

The working plan for felling of trees of first phase of Indira Gandhi Nahar Pariyojana (IGNP) trees planted during 1962 to 1988 was approved on 7 June 2000. The plan contained year wise extraction of the marked trees. The trees were to be handed over by the concerned territorial division to departmental operation division (DOD) in Suratgarh and Bikaner.

Test check of the records of two DODs for the period from 2001-02 to 2005-06 revealed that in 179 felling series (sites) 3,90,999 trees were handed over short during 2001-02 to 2005-06 as mentioned below:

Sl. No.	Name of the division	Year	No. of sites	No. of trees approved for felling as per working plan	No. of trees handed over for felling	No. of trees handed over short
1.	DOD, Bikaner	2001-02	11	88,017	47,601	40,416
		2002-03	9	50,964	25,419	25,545
		2003-04	16	61,293	41,991	19,302
		2004-05	24	1,02,317	55,711	46,606
		2005-06	43	2,32,323	1,01,885	1,30,438
	Total		103	5,34,914	2,72,607	2,62,307
2.	DOD, Suratgarh	2001-02	3	8,990	6,957	2,033
		2002-03	22	62,094	43,035	19,059
		2003-04	6	50,675	35,802	14,873
		2004-05	31	1,18,370	54,931	63,439
		2005-06	14	61,847	32,559	29,288
	Total		76	3,01,976	1,73,284	1,28,692
	Grand total		179	8,36,890	4,45,891	3,90,999

The department did not furnish any reason for short handing over of trees. The minimum loss¹ on account of non-handing of trees aggregated to Rs. 14.91² crore.

¹ At the rates applicable to wood of lowest quality viz. fuel wood.

² As per the working plan: weight of one tree = 5 quintal
 Rate per quintal for Bikaner and Suratgarh was Rs. 73 and 83 respectively;
 2,62,307 X 5 X 73 = 9.57 crore
 1,28,692 X 5 X 83 = 5.34 crore
 Total 14.91 crore

The matter was reported to the department and the Government in June and July 2007; their replies have not been received (September 2007).

6.3 Non-disposal of *tendu* leaves

The disposal of *tendu* leaves available in the forests is done through public auction. The reserve price for auction for each unit is fixed by the reserve price fixation committee of the department. The committee estimates the production of each unit on the basis of the last three years average production.

The Public Accounts Committee while discussing the Audit Report 2000-01 on State Revenue Receipts recommended in August 2003 that the sale of *tendu* leaves was a commercial activity and, therefore, the department should issue suitable instructions to take care of profit/loss in future transactions.

The information regarding revenue realised from sale of *tendu* leaves furnished to audit by the Chief Conservator of Forest (*Tendu patta*) revealed a steep fall in revenue during the last five years as mentioned below:

(Rupees in crore)

Sl. No.	Year	No. of units	Amount	Short collection compared to the previous year	Percentage in shortfall over previous year's revenue collection
1.	2001-02	221	12.03	-	-
2.	2002-03	218	8.53	3.50	29.09
3.	2003-04	195	7.18	1.35	15.83
4.	2004-05	194	4.56	2.62	36.49
5.	2005-06	194	2.26	2.30	50.43

The reasons for the steady fall in revenue with reference to the level of 2001-02 from the subsequent years were not furnished to audit despite request. The records of 2005-06 produced to audit revealed that during 2005-06, 64 units were auctioned at Rs. 2.26 crore by a committee appointed for the auction. The committee had decided not to sell the remaining units below the previous year's price. It had also recommended that collection of *tendu* leaves be made departmentally by obtaining prior permission of the Government. The remaining units though put to auction, failed to fetch the minimum reserve price. Thereafter, no permission was obtained from the Government for collection of *tendu* leaves departmentally.

This resulted in minimum loss of Rs. 4.49 crore based on the average reserve price of Rs. 6.75 crore during the last three years.

After the cases were pointed out, the Chief Conservator Forest (*tendu patta*) accepted the facts and stated that departmental collection of *tendu* leaves was not cost effective. However, neither was this fact brought to the notice of the Government by the department nor was any proposal for auction of the *tendu*

leaves units at offered price below the reserve price sent to the Government to reverse the trend of loss of revenue.

6.4 Unclaimed security deposits

As per rule 601 of the Public Works Financial and Accounts Rules, all balances under the head 'deposits' which remain unclaimed for more than three years are to be credited to the 'revenue' head as lapsed deposits.

During test check of 10 forest divisions³, it was noticed that security deposits totalling Rs. 9.24 lakh had remained unclaimed by 202 depositors for the period between 1995-96 and 2002-03. The department did not take any action to credit the deposit to the revenue heads in accordance with the rule.

In addition to the above, security deposit of Rs. 1.99 lakh remained unclaimed for more than three years, but details of the depositors were not available with the department. No action was taken to forfeit the amount after ascertaining the necessary details.

B. HOME (POLICE) DEPARTMENT

6.5 Non-raising of demand

Home (Police) Department under section 13 of the Police Act, 1861 issued instructions (May 1998) that bills on account of recovery of cost of deployment of police forces to various organisations should be raised and payments should be watched at the district level.

Test check of the records of two Superintendent of Police (SP) offices revealed that 178 police personnel were deployed with banks and post offices for the period 2002-03 to 2005-06. However, no action was taken to raise the demand of police cost of Rs. 51.73 lakh against these organisations as mentioned below:

(Rupees in lakh)						
Sl. No.	Name of the office/institution	2002-03	2003-04	2004-05	2005-06	Total
1	State Bank of Bikaner and Jaipur, Sriganganagar	0.04	0.42	0.25	0.16	0.87
2	Head Post Offices					
	• Jawahar Nagar, Jaipur	2.75	3.01	3.31	3.64	12.71
	• Shastri Nagar, Jaipur	2.75	3.01	3.31	3.64	12.71
	• M.I. Road, Jaipur	5.49	6.03	6.63	7.29	25.44
	Total	11.03	12.47	13.50	14.73	51.73

³ DFO Ajmer, Banswara, Bharatpur, Bhilwara, Chittorgrah, Dungarpur, Jaipur (C), Jaipur (S), Jhalawar and Kota.

After the cases were pointed out, the Government accepted the facts in August 2007 and stated that efforts were being made for recovery (September 2007).

6.6 Non-recovery of charges on excess deployment of police force

As per the provisions of the Indian Railways Financial Code Vol.-I, the cost of Government Railway Police (GRP) is shared uniformly between the State Government and Railways on 50:50 basis. This is subject to the condition that the strength of GRP will be determined with the approval of Railways. The cost of GRP includes pay and allowances and pension contribution of staff.

Test check of the records of the Director General of Police, Jaipur revealed that since 1996 the Police Department had deployed 71 police personnel in excess of the sanctioned strength with Railways. The department or the Government did not take up the matter with Railways for getting their approval in respect of the excess deployment till March 2003. Thereafter, though claims of Rs. 52.43 lakh were presented by the Police Department with Railways but reimbursement was not made by the latter in respect of these personnel. Thus, deployment of police personnel without the approval of Railways resulted in short reimbursement of GRP amounting to Rs. 52.43 lakh.

After the case was pointed out, the Government accepted the facts in August 2007 and stated that efforts would be made to get the approval of excess deployment and reimbursement of the pending claims from Railway Board (September 2007).

6.7 Short recovery of police cost

The Home Department revised the cost of deployment of police personnel in May 1998 effective from 1 January 1998. The rates were revised from Rs. 175 to Rs. 250 per day for constable and from Rs. 200 to Rs. 300 per day for head constable. It was further stipulated in these orders that the rates would be increased annually at the rate of 10 *per cent*.

Test check of three⁴ SP offices revealed that bills were not raised against banks by adding annual increase of 10 *per cent* from January 2002 onwards. This resulted in short recovery of police cost of Rs. 7.28 lakh during the period April 2002 to March 2006.

After the cases were pointed out, the Government accepted the facts in August 2007 and stated that recovery of Rs. 3.61 lakh had been made and efforts were being made to recover the balance amount (September 2007).

⁴ Jaisalmer, Sawaimadhopur, Sikar.

C. MINES AND GEOLOGY DEPARTMENT

6.8 Unauthorised excavation by contractors

Rule 63(6) of the Rajasthan Minor Mineral Concession (RMMC) Rules, provides that work contractors shall have to obtain short term permit (STP) in advance from the concerned Mining Engineer (ME)/Assistant Mining Engineer (AME) in support of minerals to be used in works. If a permit holder has excavated and carried a quantity more than 25 per cent of the quantity sanctioned in the STP, the entire quantity excavated and removed over and above the quantity sanctioned in the permit shall be treated as unauthorised excavation and the permit holder shall be liable to pay the cost of such excess mineral excavated and removed which will be 10 times of the royalty at the prevalent rates prescribed as per Rule 48 of the RMMC Rules.

Scrutiny of the records of ME Bundi-II, Udaipur and AME Jalore revealed between August and November 2006 that the contractors excavated/consumed mineral either without STP or in excess of the quantity permitted in the STPs. The cost of mineral amounting to Rs. 5.08 crore though recoverable was not recovered as mentioned below:

(Rupees in lakh)

Sl. No.	Name of the office	No. of works	Mineral	Quantity permitted (MT)	Quantity used (MT)	Quantity used in excess (MT)	Cost of mineral (Rs. /MT)	Total cost recoverable
1.	ME, Bundi-II	1	Sand	-	1,42,290	1,42,290	80	113.83
			Earth	-	20,47,039	20,47,039	15	307.06
420.89								
<p>Remark: Sand and earth were unauthorisedly removed without obtaining any STP from the department. After the case was pointed out, the ME raised the demand of Rs. 4.21 crore in April 2007 and stated that recovery was being effected under the LR Act.</p>								
2.	ME, Udaipur	2	Earth	2,89,800	8,00,062	5,10,262	15	76.54
			Stone	708	4,609	3,901	50	1.95
			Bajri	635	2,073	1,438	60	0.86
			gitti	-	1,052	1,052	50	0.53
79.88								
<p>Remark: Minerals were unauthorisedly removed either without obtaining STP or in excess of what was permitted. After adjusting royalty of Rs. 7.99 lakh an amount of Rs. 71.89 lakh was required to be recovered by the ME.</p> <p>After the case was pointed out, the ME issued a notice in April 2007 to concerned contractor for recovery of the cost.</p>								
3.	AME, Jalore	2	Earth	*	39,105	39,105	15	5.86
			Stone	1,610	2,410	800	80	0.64
			Sand	490	786	296	80	0.24
6.74								
<p>Remark: After the case was pointed out, the ME issued notice to the concerned contractor for recovery of the cost.</p>								
	Total							507.51

* Mineral earth was unauthorisedly removed without obtaining STP from the department.

The matter was reported to the Government between December 2006 and February 2007; their reply has not been received (September 2007).

6.9 Loss of revenue due to non/under revision of the contract amount

6.9.1 Under the RMMC Rules, royalty to be paid annually by a contractor, was to be determined by the authority empowered to grant the contract. If rate of royalty was enhanced by the Government, the contractor was liable to pay the increased amount of the contract money for the remaining period of contract from the date of such enhancement. The rates of royalty on various minerals were enhanced w.e.f. 25 May 2004 and 12 June 2004.

In five offices, it was noticed that assessing authorities as on 24 May 2004 collected royalty on the despatch of minerals marble, lime stone, granite block, *khanda*⁵ and masonry stone of Rs. 27.53 crore annually, out of which Rs. 6.52 crore was to be adjusted on account of dead rent paid by the lessees. The balance Rs. 21.01 crore was the annual contract amount collected through excess royalty collection contract (ERCC⁶). Due to the revision of the rate of royalty, total annual royalty worked out to Rs. 38.01 crore w.e.f. 25 May 2004 and Rs. 34.24 crore w.e.f. 12 June 2004. After adjusting the dead rent paid by the lessees, the annual contract amount was to be revised to Rs. 31.49 crore and Rs. 27.72 crore respectively. Instead, the department revised the contract amount to Rs. 28.41 crore and Rs. 25.54 crore respectively. This resulted in loss of Rs. 3.26 crore for the period from 25 May 2005 to 31 March 2006.

The case was pointed out to the department in March 2007; their reply has not been received (September 2007).

6.9.2 As per the RMMC Rules, security deposit of 12.5 *per cent* of annual contract amount is required to be deposited by the contractor with the department.

In Sojat City, the ERCC in respect of a contractor was not revised w.e.f. 25 May 2004. The contractor was liable to deposit Rs. 23.91 lakh as per the revised rate. He had deposited Rs. 15.23 lakh at the pre-revised rates. The additional security deposit of Rs. 8.68 lakh payable by the contractor was not recovered from him. The contract was terminated for non-payment of instalments by the department with forfeiture of security. Thus, non-revision of the ERCC resulted in loss of Rs. 8.68 lakh by way of security. Besides, Rs. 1.33 lakh on account of revision of contract amount was not recovered from the contractor.

⁵ Marble having dimension of not more than 35 cm.

⁶ A contract for specified mineral(s) and area given to collect royalty in excess of the dead rent.

After the case was pointed out, the department accepted the audit observation and stated in December 2006 that demand of Rs. 10.01 lakh had been raised against the contractor.

The cases were reported to the Government between November 2006 and March 2007; their reply has not been received (September 2007).

6.10 Underassessment of royalty

Rule 18(9) (c) of the RMMC Rules provides that the lessee shall not remove or despatch or utilise the minerals from the mines except through *rawannas*⁷ bearing the departmental seal. As per the marble policy introduced from March 2002, the lessees were required to submit a mining plan within one year from the date of commencement of this policy.

In Rishabhdeo (Udaipur), it was noticed in November 2006 that a mining lease for marble was granted in favour of a lessee in October 1981. Mining plan as submitted by the lessee and approved by the Additional Director (Geology) in November 2003 revealed that the lessee had excavated 1,59,408 MT marble blocks and 1,59,408 MT luffers⁸ from 1981-82 to 2002-03. The AME assessed the lessee for 25,966 MT marble blocks for the assessment years from 1981-82 to 2002-03. The AME did not cross verify the mining plan submitted by the lessee with the assessment made upto the approved mining plan i.e. November 2003. This resulted in underassessment of 1,33,442 MT marble blocks and 1,59,408 MT luffers valued as Rs. 3.02 crore.

After the case was pointed out, the department intimated in July 2007 that the audit observation was based on the total production exhibited in the mining plan in which probability of wastage was not considered. The reply was not tenable as 40 *per cent* wastage of the production, based on the work carried out previously had already been considered in the mining plan.

The matter was reported to the Government in January 2007; their replies have not been received (September 2007).

6.11 Short recovery of premium charges

The State Government vide their order dated 27 April 2005 appointed a State Government company and a Central Government corporation⁹ as agents for extraction/despatch of gypsum for 14 different areas. The agents were required to produce and despatch minimum quantity of 2,000 tonne gypsum per month

⁷ Delivery challan for removal or despatch of mineral from the mines.

⁸ Irregular blocks of marble serpentine and other less decorative stones having one dimension less than 35 cm and other dimension less than 60 cm.

⁹ Rajasthan State Mines and Mineral Limited and Fertiliser Corporation of India Limited.

from each area, failing which minimum premium charges of Rs. 40,000 would be payable by these agents to the ME/AME.

During the audit of the records of the ME (Bikaner) it was revealed in February 2007 that the agents failed to produce and despatch the minimum quantity of 2,000 tonne of gypsum per month in the 14 areas allotted to them for different period between May 2005 to December 2006. Thus, the demand of Rs. 97.60¹⁰ lakh being minimum premium charges was neither raised nor recovered.

After the cases were pointed out, the department admitted (February 2007) that there was no extraction during the period pointed out by audit. However, the reply is silent about the levy of premium charges.

The matter was reported to the Government (March 2007); their reply has not been received (September 2007).

6.12 Non-raising of demand of interest

6.12.1 As per the terms and conditions of ERCC under rule 37(2) of the RMMC Rules, the contractor has to pay the instalment of contract money in accordance with the stipulations laid down in the contract and if any amount is not paid on the due date it is to be collected as an arrear of land revenue alongwith interest at the rate of 20 *per cent* per annum upto 17 December 2004 and at the rate of 15 *per cent* per annum w.e.f. 18 December 2004. This is in addition to any other action to be taken for cancellation of the contract or imposition of penalty under the relevant rules.

In Division-I, Rajsamand and Jaipur, it was revealed (between October and November 2006) that in three ERCC, the contractors were required to pay annual contract amount in 12 monthly instalments in advance by 10th of each month which were not paid by the due dates. Interest amounting to Rs. 52.35 lakh was either not recovered or was recovered short as mentioned below:

Sl. No.	Name of the division	Name of the mineral amount and of contract	Period of contract	Interest amount (Rs. in lakh)		
				Leviable	Levied	Short levied
1	2	3	4	5	6	7
1.	ME, Rajsamand-I	Marble, (Rs. 24.51 crore)	31.12.01 to 31.12.03	27.42	15.44	11.98
2.	ME, Rajsamand-I	Marble, (Rs. 36.52 crore)	18.7.03 to 31.3.05	8.79	3.50	5.29

Remark: After the case was pointed out, the Government stated in April 2007 that demand had been raised in both cases and recovery was being initiated under the LR Act.

¹⁰ Calculation: Total non-productive month = 244 X 40,000 = 97,60,000

1	2	3	4	5	6	7
3.	ME, Jaipur	Marble, lime stone, marble <i>khanda</i> and dolomite (5.11 crore)	21.6.02 to 31.3.04	35.08	Nil	35.08
Remark: After the case was pointed out, the Government stated in April 2007 that the demand had been raised.						
	Total			71.29	18.94	52.35

6.12.2 Rule 64 A of the Mineral Concession Rules, 1960 provides, that, the State Government may charge simple interest at the rate of 24 *per cent* per annum on royalty due from the 60th day of the expiry of the due date for the payment of such royalty until the payment is made.

In Sriganganagar, it was noticed in December 2006 that mining leases for gypsum were effective in favour of RSMML from May 1996. Audit scrutiny revealed that the payment of royalty pertaining to the year 2003-04 to 2005-06 was delayed by 28 to 669 days after allowing 60 days. But the AME did not levy interest for the delayed payments. This resulted in non-realisation of interest of Rs. 12.84 lakh.

After the case was pointed out, the ME stated that the lessees have been asked to deposit the interest leviable on delayed payment of royalty.

The matter was pointed out to the department (January 2007) and reported to the Government (March 2007); their replies have not been received (September 2007).

6.13 Loss due to adjustment of income tax against royalty payable

As per an amendment dated 1 October 2004 in section 206 C(1C) of the Income Tax Act, any person responsible for collecting the tax, failing to collect it in accordance with the provisions, is liable to pay tax with simple interest at the rate of one *per cent* per month. The State Government empowered Director, Mines and Geology, Rajasthan, Udaipur on 9 March 2006 to recover two *per cent* income tax at source on royalty from the mining leases.

In Rajsamand, it was noticed that an ERCC was allotted to a contractor 'A' for the period between 18 July 2003 and 31 March 2005. The contract amount was Rs. 21.18 crore for the period from 1 October 2004 to 31 March 2005. The Mining Department was required to collect income tax of Rs. 42.36 lakh from the contractor. However, it was not collected by the ME. Thereafter the Income Tax Department raised a demand of Rs. 42.36 lakh in March 2005 and directed the ME to collect the tax at source and deposit it in the Central

Government account. However, tax was neither collected nor deposited by the ME concerned. There was nothing on record to indicate that the Director, Mines and Geology had ever directed the ME to collect the amount of tax till March 2006. Consequently, income tax recoverable from the contractor 'A' was not recovered. The contract was terminated on 31 March 2005.

Another contractor 'B', executed ERCC with the department for the same areas. He was asked by the Income Tax Department to pay the income tax dues outstanding against the first contractor 'A' that were required to be collected by the Mining and Geology Department. The amount was paid by the contractor 'B' under intimation to the ME stating that aforesaid amount would be adjusted by him against future instalments of March and April 2006. The ME accepted the proposal. Thus adjustment of income tax payable against royalty resulted in loss of Rs. 51.05 lakh including interest.

After the case was pointed out, the Government intimated in July 2007 that due to setting aside of the appeal by the Commissioner of Income Tax, Udaipur, a writ petition had been filed in Hon'ble High Court.

6.14 Short realisation of revenue due to despatch of mineral without *rawanna*

According to the agreement of ERCC, the contractor shall collect amount only from such vehicles having valid *rawannas*¹¹ issued by the lessee. In cases of vehicles carrying mineral without *rawanna*, the contractor shall hand over these vehicles to the ME. In case of unauthorised despatch of mineral, the department has the right to recover 10 times the royalty of mineral.

In Bhilwara, it was noticed in February 2007 that ERCC for mineral marble despatched from tehsil Kotri was awarded to a firm for the period from 28 April 2004 to 31 March 2006. The returns of royalty submitted by the contractor revealed that royalty was collected from 73 vehicles carrying mineral without *rawanna*. The contractor did not hand over these vehicles to the ME to enable the department to levy royalty at higher rate. The department failed to detect the mistake at the time of scrutiny of returns. This resulted in non-realisation of Rs. 29.37 lakh in terms of unauthorised despatch of mineral.

The matter was pointed out to the department in March 2007 and reported to the Government in April 2007; their replies have not been received (September 2007).

¹¹ Delivery challan for removal or despatch of mineral from mines.

6.15 Short realisation of royalty from defaulting contractors

The MMRD Act or rules made thereunder do not provide any time limit for finalisation of assessment by the assessing authority in the Mines Department. The competent authority can terminate the lease for breach of any of the conditions of the lease agreement.

In Sojat City and Ajmer, it was noticed between July 2006 and September 2006 that seven mining leases of mineral lime stone and marble were cancelled/rejected during the years 2004-05 and 2005-06 for breach of conditions such as non-payment of dead rent, non-submission of security amount, non-completion of formalities for renewal of mining lease etc. Royalty amounting to Rs. 70.08 lakh was payable by these lessees for extraction of mineral limestone and marble for the period 2001-02 to 2004-05. The lessees had paid Rs. 50.23 lakh only during the period. However, the department did not finalise the assessment. Consequently no demand was raised for this period. This resulted in short realisation of Rs. 19.85 lakh.

After the cases were pointed out, the department stated in September 2007 that Rs. 2.58 lakh had been recovered by ME (Ajmer) and demands had been raised in remaining cases.

The matter was reported to the Government between September 2006 and March 2007; their reply has not been received (September 2007).

6.16 Unauthorised excavation by brick kilns

Rule 48 of the RMMC Rules provides that whenever any person raises any mineral from any land and where mineral so raised has already been despatched or consumed without any lawful authority, he shall be liable to pay the cost of mineral so excavated. The cost of mineral is to be computed as 10 times of the royalty payable at the prevalent rates.

In Jaipur, it was noticed in November 2006 that three inspections of a brick kiln were carried by the department between February 2004 and April 2005. In all the inspections, the kiln was found in operation and was running without any lawful authority. Based on the parameters fixed by the Government, the annual capacity of the kiln was 15,750 MT¹² (30 *ghoris*) of brick earth. There was nothing on record to indicate that the kiln had ever closed its business during the period. The kiln was liable to pay Rs. 13.89 lakh as cost of mineral unauthorisedly extracted between 4 February 2004 and 9 April 2005. The department made no attempt to assess the cost of mineral under the rules. Instead, it demanded only Rs. 1 lakh as cost of 4.45 lakh bricks found at the site. This resulted in short realisation of Rs. 12.89 lakh.

¹² Capacity of kiln in MT = 150 X W X N = (150 X 3.5 X 30 = 15,750 MT) where W is weight of 1,000 standard size bricks in tonnes and N for vertical columns (*ghoris*) in kiln.

After the case was pointed out, the ME raised the demand of Rs. 12.89 lakh in July 2007 and stated that recovery was being effected under the LR Act.

The matter was pointed out to the department in November 2006 and reported to the Government in March 2007; their replies have not been received (September 2007).

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