

CHAPTER VI

CONCLUSION AND RECOMMENDATIONS

6.1 Conclusion

The Performance Audit of the functioning of the Directorate of Mines and Geology of the Andhra Pradesh Government revealed several deficiencies. There were instances of non-compliance with provisions of MMDR Act, 1957, rules and instructions issued by GOI and State Government, particularly with regard to grant, transfer and renewal of mining leases and deficiencies in operation of mining leases as well as monitoring by the Department. There were delays in disposal of Mineral Concession Applications. Leases were granted without obtaining mining plans. In some cases mining was not done according to the plans even where the mining plans were obtained. Mining rights in certain cases were transferred without consent of the Government. Non-working leases were not lapsed even after expiry of stipulated idle period which resulted in blockage of mineral bearing areas for re-grant. In absence of prescribed time limit in the rules, the applications for renewal of leases were neither considered for renewal nor rejected.

Management of sand quarrying leases also revealed several deficiencies. GWD clearances were not obtained for notification of sand reaches for auction. Minimum bid amounts were not fixed with reference to quantity of sand deposits available in the reach. There were also numerous shortcomings with regard to conduct of sealed-bid-cum-auctions of sand reaches. Decision making at Government level in extension of lease periods, granting of refunds and in condoning delay in payment of lease amounts seemed arbitrary at times.

On the issue of environment, there were several cases of excess quarrying of sand beyond the depth levels prescribed by GWD throwing the river beds to the potential risk of ground water depletion. Instances were noticed of heavy machinery like proclains employed for quarrying of sand though their usage was prohibited, leading to indiscriminate sand quarrying.

Monitoring of mining activities was not adequate. There was shortfall in conducting of mines/quarries inspections by the departmental officials. The ADsMG did not watch receipt of quarterly / monthly returns to be submitted by leaseholders. There were delays in submitting DCB statements by ADsMG hampering the preparation of consolidated DCB at State level.

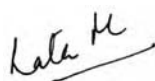
6.2 Recommendations

Audit recommends that the Government may consider

- Seeking separate reports, for specific purpose, from revenue authorities while issuing, renewing and re-granting different mineral concessions like reconnaissance permit, prospecting license, mining lease and quarry lease to the applicants. Such reports should state the duration for which the mineral concession is to be granted.

- Developing a system to ensure that mining leases are granted only after approval of the mining plans by the appropriate authorities and the mining activities take place as per approved plan.
- Making provisions for regular review of inoperative leases at fixed intervals for determining the leases which have been inoperative for more than the permissible time limit to prevent blockage of mining areas.
- Monitoring compliance of the extant provisions for fixing Minimum Bid Amount for auction of sand leases.
- Effective mechanism to ensure erection of boundary pillars and other identification marks may be put in place to avoid encroachment of leased area and to avoid indiscriminate quarrying from the areas restricted on environmental grounds.
- System be evolved for intensive vigilance on sand reaches to curb indiscriminate/illegal quarrying to protect the environment.

Hyderabad
The 28 April 2014


(Lata Mallikarjuna)
Accountant General
(Economic & Revenue Sector Audit)
Andhra Pradesh

Countersigned

New Delhi
The 30 April 2014


(Shashi Kant Sharma)
Comptroller and Auditor General of India