

Executive Summary

This Report of the Comptroller and Auditor General of India relates to matters arising from compliance audit of 30 Departments of the Government of Rajasthan. Compliance Audit refers to examination of the expenditure and revenue of the audited entities to ascertain whether the provisions of the Constitution of India, applicable laws, rules, regulations and various orders and instructions issued by the authorities are being complied with.

This report consists of six chapters and contains 15 paragraphs involving ₹ 178.93 crore which include one Performance Audit. A summary of the significant audit findings is provided below:

I General

This chapter discusses about the procedure of audit and response of the Government/Departments to Audit observations. The Accountant General (Audit-II), Rajasthan, Jaipur audits the Government/ Departments to test check the transactions and verify the maintenance of important accounts and other records as prescribed in the rules and procedures. These inspections are followed by Inspection Reports (IRs) which incorporate irregularities detected during the audit and not settled on the spot. Analysis of Inspection Reports issued upto March 2023 disclosed that 23,975 paragraphs involving ₹ 65,853.84 crore relating to 5,418 IRs issued for these departments remained outstanding at the end of September 2023.

II Mines and Geology Department

This chapter discusses about the major audit findings noticed during the audit of Department of Mines and Geology.

Performance Audit on “Implementation of Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) including DMFT in Rajasthan”

The PMKKKY was launched to ensure welfare of areas and people affected by mining related operations, using the funds generated by DMFTs. GoR constituted DMFTs (9 June 2016) in all the districts of the State for implementation of the PMKKKY. According to the provisions of Rajasthan DMFT Rules, management of DMFTs vested in Governing Councils, which consist of all the trustees of the trust and headed by the District Magistrate of the district. A macro analysis of legal framework, planning, audit and accounts, demand and collection of DMFT contributions, environmental impact due to mining activities, accountability and transparency mechanism revealed that in violation of directions issued by the Government of India, the GoR issued directions to DMFTs that prior sanction of Finance Department was necessary for sanction and payment from DMFT funds. Accordingly works were approved by the Finance Department. The Government of India directed (June 2022) the preparation of five-year perspective plans for systematic and time-bound development of mining-affected areas, based on baseline surveys and sectoral

strategies. However, the State Government did not amend the Rajasthan DMFT Rules, 2016 to incorporate these provisions.

As per DMFT Rules, 2016, the Governing Councils were required to prepare and approve annual action plans and budgets one month before the financial year. However, no such plans or budgets were prepared or approved, and projects worth ₹5,626.63 crore were sanctioned between the years 2018-19 and 2022-23 without any approved action plans.

Audit of annual accounts up to the year 2022-23 was completed in 17 districts. However, 23 annual accounts for the years 2019-20 to 2022-23 in 16 districts remained unprepared as of February 2025. The ME/AME offices were required to maintain separate Demand and Collection Registers for DMFT contributions; however, audit found that such registers were not maintained physically. The departmental online system DMGOMS was also not developed to show due DMFT contribution, interest on delayed payment of contribution.

It was noticed that work-wise deducted amount of royalty and DMFT was neither submitted by the Works Departments nor demanded by the Mines Department. In absence of work wise details, neither the Mines Department nor Audit could verify the correctness of deducted and deposited amount.

The ME/AME concerned were responsible for collection, reconciliation and cross verification of the contribution to the DMFT Fund. However, reconciliation of DMFT fund was not done with due diligence. In selected districts, audit checked the data of DMFT contribution collected and cross checked with the data of DMG office, it was found that data of selected districts except Bharatpur was not matched.

DMFT contribution of ₹84.71 lakh on collection of ₹84.71 crore towards royalty on illegal mining/transportation/storage was not deposited with the respective DMFT funds as required. As per DMGOMS data, 6,300 mining leases covering 11.22 lakh hectares were non-working due to cancellation, surrender or expiry. However, no information regarding backfilling of mined pits was available on the DMGOMS. Audit observed that selected DMFTs had not undertaken any project for land reclamation of mined areas. Despite provisions requiring the deposit of financial assurance and recovery of mineral costs from defaulters, no initiatives were taken by the Department for reclamation of degraded mining land.

Rule 15(6) of the Rajasthan DMFT Rules mandates transparency through a website with updated information. This included details of the DMFT's composition, mining-affected areas and populations, quarterly contributions, meeting agendas, minutes, action taken reports, annual plans, budgets, work orders, and progress of ongoing projects. However, this information was neither hosted nor updated regularly on the available DMF-website in the selected districts. The audited annual accounts of the Trusts also did not disclose outstanding DMFT contributions, and none of the Trusts published quarterly details of contributions collected on DMF-website. DMFTs did not prepare quarterly progress reports of works implemented by the implementing agencies.

As annual reports were not prepared these could not be laid before the State Legislative Assembly as envisaged in the rules.

An analysis of Institutional arrangements, identification of mining affected people and areas, collection and utilization of DMFT fund, project management and monitoring in selected districts revealed that planning for implementation of projects was poor as identification of affected people and affected areas was not done, resulting in implementation of projects in non-mining affected areas. DMFT contributions collected were not being deposited in interest bearing PD accounts as provided in Rules. DMFT contribution amounting to ₹ 20.80 crore was not received due to lack of mechanism to oversee the collection of DMFT contribution. In contravention of direction of Government of India, funds were transferred to State level agencies. Implementing agencies executed the works in violation of provisions of RTPP Act and Rules made thereunder.

The Rajasthan DMFT Rules stipulate that developmental and welfare activities undertaken by the Trust should complement ongoing State and Central Government schemes. However, these activities were treated as extra-budgetary resources for the State Plan. In the selected districts, ten works/projects totalling ₹ 57.05 crore were included in the budget of Women and Child development, Education and Public Works Department (2018-19 to 2023-24). The additional Secretary PWD directed all Superintending Engineers to get approval of the DMFTs to release funds for the works/projects already approved by these departments. The respective Governing Council also approved the same except for three works/projects. Thus DMFT funds were utilised for budgetary works/projects which was contrary to the principle of financial discipline.

The Rajasthan DMFT Rules stipulate that the meeting of Managing Committees shall be held at least once in two months. However, audit noticed that these meetings were not conducted regularly in the selected districts. Of the 205 meetings required between June 2016 and March 2023, only 66 meetings were held. No meeting took place in Bharatpur (2016-17, 2022-23), Bhilwara (2016-17, 2021-22), Barmer (2019-20, 2022-23), and Sikar (2022-23).

The Rajasthan DMFT Rules require the Governing Council to meet at least once every quarter. However, in selected districts, these meetings were not held as prescribed in the rules. Of the 135 meetings required, only 35 meetings were held. In Barmer district, no meeting was convened after April 2021. Despite this, administrative and financial sanctions totalling ₹ 13.22 crore for various works were issued without the approval of the Governing Council.

Further, excess funds were found transferred to implementing agencies by the DMFTs. Income tax returns were not being filed by the DMFTs therefore, exemption from income tax under Section 10 (46) of Income Tax act was not available. Trustees in DMFTs were not appointed in timely manner. Meetings of Governing Councils and Managing Committees were not convened at regular interval. Advances given to implementing agencies were not monitored. Interest on delayed deposit of DMFT contribution was not levied by ME/AME concerned. Financial assurance submitted by the holders of ML/STP was forfeited by the Department in cancelled MLs and STPs, however, it was not deposited in DMFT fund as only forfeiture orders were issued but the same were not encashed.

Good Practice adopted by the Department

DMFT Bhilwara operates a Mobile Medical Van to conduct health check-ups of miners in the mining area of Bhilwara district with the objective of identifying probable silicosis patient at an early stage. Between November 2021 and March 2023, 294 camps were organized, covering 19,671 individuals and identifying 1,952 suspected cases of silicosis, of which 144 patients were given silicosis certificates. This initiative significantly contributed to early diagnosis and increased health awareness among mines workers.

Audit recommended that the Government/Department may consider:

- *Developing a module under DMGOMS, to monitor due DMFT contributions, ensure timely deposits and levy interest for delayed payments.*
- *Evolving a system to transfer the fund to DMFT from cases of unauthorised/illegal excavation/transportation of mineral.*
- *Conducting a study to assess the environmental impact of mining activities and identify necessary measures under PMKKKY to mitigate these effects.*
- *Developing and enforcing standardized protocols for the preparation and submission of quarterly progress reports and annual reports. Ensuring these reports are publicly accessible to enhance transparency and oversight.*
- *Instruct the DMFTs to identify specifically mining affected areas and persons to provide the benefit of the fund to the actually affected persons and area.*
- *Return the funds diverted for State budgeted works.*
- *Circulate a check list to the DMFTs for preventing irregular sanctions.*
- *Introduce stricter accountability mechanisms for the Management Committee to ensure timely and appropriate actions to finalize and submit annual accounts and tax returns on time.*
- *Develop a mechanism to monitor timely appointment of Trustees according to the recommendations of Gram Sabhas and Governing Councils.*
- *Develop a mechanism to monitor regular meeting of Governing Councils and Managing Committees to oversee the working of the implementing agencies and benefits to the targeted area and persons.*

Audit of 32 units of Mines and Geology Department was conducted during the year. The major audit findings noticed are as follows.

- Neither were Short-Term Permits (STPs) issued diligently, nor was their assessment conducted properly. Public work contractors excavated and used minerals without obtaining STPs, and the Department failed to recover the cost. These irregularities led to a non-recovery of ₹10.23 crore.

- Mining Engineers/Assistant Mining Engineers failed to recover costs for unauthorized excavation. Delayed recovery proceedings allowed lessees to extract and dispatch 0.76 lakh MT of *bajari* despite pending dues. Additionally, under-assessment of illegally excavated minerals led to further revenue loss. These lapses resulted in a non-recovery of ₹20.93 crore, granting undue benefits to lessees.
- Department failed to recover the processing fee regarding the issuance of *e-rawannas* and *e-transit passes* and due instalments of premium which resulted in non-recovery of ₹0.65 crore.
- Unauthorizedly excavated 5.92 lakh metric ton of minerals were dispatched by 10 lessees with the support of *rawannas* issued for Mining Leases granted to them, however, the Mining Engineers concerned failed to detect the illegal mining and recover the cost of minerals amounting to ₹ 20.23 crore.
- Assistant Mining Engineer, Nimbahera had not adjusted the performance security against the outstanding contract amount which resulted in non-recovery of ₹ 0.46 crore from a contractor.
- Fourteen AMEs/MEs did not initiate for levy and recovery of late fee amounting to ₹ 9.35 crore on delayed filing of monthly returns by 48 mining lease holders. These officials also did not take action against the other 58 mining lease holders for non-submission of returns.
- AME did not raise the demand of illegal mining in the online demand register within the prescribed period. This lapse allowed the lease holder to generate *e-rawannas* worth ₹ 6.33 lakh and resulted in non-recovery of ₹0.21crore for illegally excavated minerals.
- Financial loss caused to exchequer of ₹ 7.62 crore on accounts of registration fee and stamp duty in violation of provisions of Rajasthan Minor Mineral Concession Rules, 2017 as well Rajasthan Stamp Rules, 2004.

III Transport Department

Audit of 21 units of Transport Department was conducted during the year. The major audit findings noticed are as follows.

- Motor Vehicle Tax and Special Road Tax amounting to ₹ 12.10 crore in respect of 1,677 vehicles were not paid by vehicle owners. The Department, however, did not initiate effective action to realise the dues.
- The Department incurred an infructuous expenditure of ₹ 21.26 crore on 179 Portable Weighing Machines due to poor monitoring and coordination, leading to non-integration with *VAHAN* software and rendering them unusable.

IV Forest Department

An audit on ‘**the Management of Tiger Reserves in Rajasthan**’ was conducted to assess the effectiveness of conservation and protection measures in Rajasthan’s tiger reserves. The Wildlife (Protection) Act, 1972, empowers

the State to designate areas for wildlife conservation. Rajasthan has 32,921 square kilometre of forest land, including three tiger reserves: Ranthambore, Sariska, and Mukundara Hills. Two additional reserves, Ramgarh Vishdhari and Dholpur-Karauli, were also notified May 2022 and October 2023 respectively. The Forest and Environment Department, under the Principal Secretary, manages these areas, with officials at multiple levels overseeing operations. The audit covered the period 2016 to 2021, with findings updated up to 2022-23. Previous audits also highlighted delays in village relocations and weaknesses in conservation efforts.

There were significant shortcomings in wildlife protection and tiger conservation efforts by the Department between the period 2016 and 2023. The Department could not prevent wildlife poaching which caused death of four tigers due to poaching. Moreover, the failure to develop critical tiger corridors, especially between RTR 1 and 2, resulted in overcrowding and territorial fights that caused the death of ten tigers.

There was poor financial management, inadequate security measures and ineffective manpower management by the Department during 2016-2023. Despite an allocation of ₹539.59 crore, ₹344.06 crore was utilised. Wildlife security was compromised due to the absence of effective patrolling plans, lack of adequate staff and insufficient facilities. The Department's inability to address staffing shortages and provide adequate training resulted in forest guards being overburdened with larger monitoring areas.

Non-compliance with the Ministry of Environment, Forest and Climate Change directives regarding Eco-Sensitive Zones exacerbated the situation, particularly around STR, where mining continued near the reserve.

There were significant failures in securing and managing tiger reserves, which jeopardized conservation efforts. The Department did not adequately demarcate and secure land for tiger reserves, leading to encroachment, crop raiding and cattle grazing. The Department was not able to control illegal mining near reserves, disrupting wildlife and damaging the surrounding environment. The Department also lacked a long-term policy to address invasive species, resulting in insufficient efforts to protect habitats.

There were shortcomings in relocating villages from core areas of tiger reserves and involving local communities in conservation efforts. Out of 108 planned village relocations in RTR, STR, and MHTR, only 15 were fully relocated and 17 partially by March 2023. This slow pace of relocation resulted in under-utilization of allocated funds. The incomplete relocation led to issues such as uncontrolled cattle grazing and wildlife crop raiding within reserves.

Audit recommended that the Government/Department may consider:

- ***taking concrete actions such as establishment of STF to minimise tiger mortalities by putting check on poaching.***
- ***taking effective action for development of corridors by carrying out required activities to avoid territorial fights.***

- *taking action to post adequate veterinary staff and patrolling staff in tiger reserves.*
- *demarcation of the boundaries of tiger reserves using pillars, walls, or fencing in a specified timeframe and take immediate action to eliminate all encroachment.*
- *framing a long-term plan for assessment and eradication of invasive species with sufficient funding.*
- *reviewing relocation package to make it more lucrative to enhance its acceptance among the villagers for relocation and*
- *establishing a dedicated cell at the headquarters level to efficiently execute the relocation program as a campaign within specified timeframe.*

V Public Health Engineering Department

Audit of 47 units of Public Health Engineering Department was conducted during the year. The major audit findings noticed are as follows.

- The Department executed additional quantities of works more than 50 per cent amounting to ₹ 3.38 crore, without obtaining necessary approvals from competent authorities.
- The Department laid the clear water trunk main pipeline without obtaining necessary permission from the Public Works Department. This resulted in an extra burden of ₹ 1.24 crore to the Government exchequer in re-laying of pipeline.

VI Devasthan Department

Audit of six units of Devasthan Department was conducted during the year. The audit findings noticed are as follows.

- The Devasthan Department failed to effectively monitor the compliance by surface right holders with regard to their surface rent payment obligations, resulting in prolonged periods of non-payment. This lack of enforcement led to the non-recovery of surface rent and accrued penal interest, amounting to ₹ 0.76 crore.

