

(C.No.122/V&E/NRI/2003)

**GOVERNMENT OF ANDHRA PRADESH
GENERAL ADMINISTRATION (VIGILANCE & ENFORCEMENT) DEPARTMENT**

System Improvement Note No. I

Dated: 21-01-2004.

Sub: Vigilance & Enforcement Department - Evasion of Seigniorage Charges worth crores per year on minor minerals in the construction of private apartments, buildings and commercial complexes - Need to streamline the collection of Seigniorage Fee to prevent loss of revenue to Government - Reg.

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The Vigilance & Enforcement Department of Visakhapatnam unit had carried out inventory on construction of LIG Housing Scheme, Group Housing Scheme and Multi Storied Private apartments in Visakhapatnam to ascertain the consumption of minor minerals like sand, metal, bricks to derive a simple system for calculating the total consumption of minor minerals per unit area of one square feet. For this purpose, the unit has analysed LIG Housing Construction, LIG flats taken up by Visakhapatnam Urban Development Authority and Group Housing Schemes taken up at Marripalem.

The quantities of minor minerals used are divided by constructed area to arrive at the quantity of minerals used per Sq.ft., as shown below.

Sl. No.	Type of const.	Const. Area in SFT	Quantities of Minor Minerals used			Minor Minerals used per Sft.		
			Metal M ³	Sand M ³	Bricks (Nos.)	Metal M ³	Sand M ³	Bricks (Nos.)
1	LIG	13,512	500	421	88,496	0.037	0.032	6.55
2	FLATS	11,370	374	363	57,263	0.032	0.032	5.04
3	GROUP HOUSE	21,000	665	630	1,03,240	0.032	0.030	4.92
Average :						0.0336	0.0313	5.5

Hence Minor Minerals required per Sft. area :

1. Crushed Metal : 0.0336 M³
2. Sand : 0.0313 M³
3. Bricks : 5.5 Nos.

The S.Fee leviable per square feet of constructional area is calculated as shown below.

Sl. No.	Mineral	Quantity of Metal, sand & Bricks required per Sft. of construction area	Present rate of SF	S.Fee leviable Rs./-
III	Metal	0.034	X33 =	1.12 or 1.10
	Sand	0.0313	x 30 =	0.93 or 0.90
	Brick	5.5	x0.035 =	0.19 or 0.20
				<u>Rs 2.20</u>

In Corporations like Visakhapatnam, Hyderabad, Vijayawada etc. and in Municipalities, heavy construction activity is going on and new built up area is added every year in the State, including private and public sector undertaking constructions. The Visakhapatnam Municipal Corporation alone is approving 2000 building plans with built up area of 25,000 Sq.Mt i.e., 2,68,750 sft every year. In order to plug the evasion of Seigniorage fee on the usage of minor minerals in the multistoried buildings / complexes / Housing colonies, it is desirable to have a system of transferring information from Municipalities and Municipal Corporations to Mines & Geology Department which in turn will take action for collection of Seigniorage Fee.

Recommendations

Therefore the Principal Secretary to Government, Municipal Administration & Urban Development Department is requested to instruct all Municipalities and Municipal Corporations in the State to put a condition / clause in the proceedings of the approved plans of multistoried buildings / complexes / Housing Colonies, that the builder / contractor should obtain the metal, stone, sand, bricks, napa slabs, earth murram and gravel from quarry lease holders with Royalty transit forms issued by Mines & Geology Department and a copy of the approved proceedings may be marked to concerned Assistant Director, Mines & Geology, who inturn will monitor the procurement of building materials by builder / contractor in order to arrest the leakage of mineral revenue to the Govt.


(K.ARAVINDA RAO)
DIRECTOR GENERAL (VIG. & ENFT.) &
E.O.PRL.SECY. TO GOVT., G.A.D.

To
The Principal Secretary to Government,
Municipal Administration & Urban Development Department,
A.P.Secretariat, Hyderabad.

Copy to
The Principal Secretary to Government,
Industries & Commerce Department,
A.P.Secretariat, Hyderabad.