

CHAPTER - IX NON-TAX REVENUE

A. FOREST RECEIPTS

9.1 Tax administration

The Forest Department functions under the overall control of the Principal Secretary at the Government level while the Principal Chief Conservator of Forest (PCCF) is responsible for the overall administration of the department. Out of 93 divisional forest offices, 76 deal with revenue generating activities in the state.

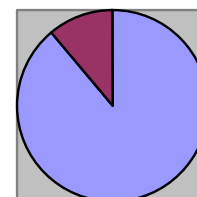
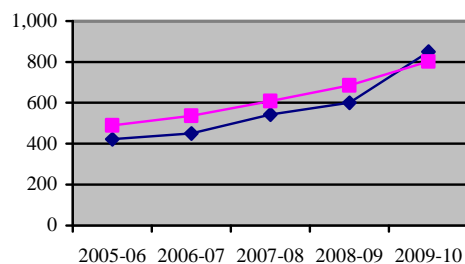
9.2 Trend of receipts

Actual forest receipts during the last five years 2005-06 to 2009-10 along with the total non-tax receipts during the same period is exhibited in the following table and graph.

(₹ in crore)

Year	Budget estimates	Actual receipts	Variation Excess (+)/shortfall (-)	Percentage of variation	Total non-tax receipts of the State	Percentage of actual Forest receipts vis-a-vis total non-tax receipts
2005-06	422.00	490.40	(+) 68.40	(+) 16.21	2,208.20	22.21
2006-07	450.00	536.50	(+) 86.50	(+) 19.22	2,658.46	20.18
2007-08	543.00	608.89	(+) 65.89	(+) 12.13	2,738.18	22.24
2008-09	600.00	685.60	(+) 85.60	(+) 14.27	3,342.86	20.51
2009-10	850.00	802.00	(-) 48.00	(-) 5.65	6,382.04	12.57

The percentage contribution of forest receipts to the total non-tax receipts of the State has been registering a declining trend during the last three years.



◆ Budget estimates ■ Actual receipts

■ Total non-tax receipts (2009-10)
■ Forest receipts (2009-10)

9.3 Impact of audit

During the last five years, audit had pointed out non/short realisation of revenue with revenue implication of ₹ 946.15 crore in 657 cases. Of these, the department/Government had accepted audit observations in 35 cases involving ₹ 81.70 crore and had since recovered ₹ 27.60 crore. The details are shown in the following table.

(₹ in crore)

Year of Audit Report	No. of units audited	Objected		Accepted		Recovered	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
2004-05	41	185	191.65	05	0.44	-	-
2005-06	69	127	199.74	08	1.09	01	0.0009
2006-07	69	110	37.08	01	36.50	01	27.59
2007-08	79	117	91.59	07	0.95	01	0.0043
2008-09	103	118	426.09	14	42.72	-	-
Total	361	657	946.15	35	81.70	03	27.60

The percentage of recovery as compared to the accepted cases has been very low except in the year 2006-07. We have brought this issue to the notice of the head of the department as well as the Finance Secretary to the Government.

9.4 Working of internal audit wing

Total nine posts (Director Finance/Budget and Financial Advisor-01, Dy. Director-01, Assistant Director-01, Assistant Internal Audit Officer-06 of which 01 post is vacant) have been sanctioned by the Finance Department for internal audit in the Forest Department. As per departmental orders dated 28 October 1992, audit manual for internal audit in the department has been made effective. Internal audit is conducted in accordance with the roster prepared for each year.

As per the roster prepared for the year 2009-10, internal audit of 70 unit offices was planned against which internal audit was conducted only in 27 unit offices. Particulars of major comments/observations of the IAW and corrective action taken by the department have not been received (December 2010).

B. MINING RECEIPTS

9.5 Tax administration

The Mining Department functions under the overall charge of Secretary, Mining, Government of Madhya Pradesh. The Director, Geology and Mining is the head of the department who is assisted by Deputy Directors at headquarters and District Mining Officers (DMO) at the district level. The latter is assisted by Assistant DMOs and Mining Inspectors. The DMOs, Assistant DMOs and Inspectors are under the administrative control of the Collector at the district level.

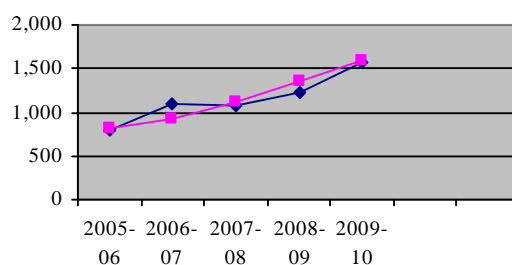
9.6 Trend of receipts

Actual mining receipts during the last five years 2005-06 to 2009-10 along with the total non-tax receipts during the same period is exhibited in the following table and graph.

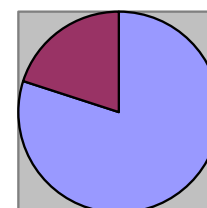
(₹ in crore)

Year	Budget estimates	Actual receipts	Variation Excess (+)/shortfall (-)	Percentage of variation	Total non-tax receipts of the State	Percentage of actual mining receipts vis-a-vis total non-tax receipts
2005-06	800.00	815.31	(+) 15.31	(+) 1.91	2,208.20	36.92
2006-07	1,100.00	923.91	(-) 176.09	(-) 16.01	2,658.46	34.75
2007-08	1,080.00	1,125.39	(+) 45.39	(+) 4.20	2,738.18	41.10
2008-09	1,235.00	1,361.08	(+) 126.08	(+) 10.21	3,342.86	40.72
2009-10	1,566.00	1,590.47	(+) 24.47	(+) 1.56	6,382.04	24.92

The percentage contribution of receipts from non-ferrous mining and metallurgical industries to the non-tax revenue of the state has been registering a declining trend from the last three years.



◆ Budget estimates ■ Actual receipts



■ Total non-tax receipts (2009-10)
■ Mining receipts (2009-10)

9.7 Impact of audit

During the last five years, audit had pointed out non/short levy, non/short realisation, underassessment/loss of revenue with revenue implication of ₹ 1,496.29 crore in 6,906 cases. Of these, the department/Government had accepted audit observations in 4,530 cases involving ₹ 662.50 crore and had since recovered ₹ 140.53 crore. The details are shown in the following table:

(₹ in crore)

Year of Audit Report	No. of units audited	Objected		Accepted		Recovered	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
2004-05	33	1,286	250.71	340	0.89	-	-
2005-06	21	2,455	359.13	619	31.13	21	2.90
2006-07	31	1,258	38.84	1,746	293.16	96	0.49
2007-08	34	1,474	513.88	1,457	97.25	53	129.74
2008-09	34	433	333.73	368	240.07	27	7.40
Total	153	6,906	1,496.29	4,530	662.50	197	140.53

The percentage of recovery as compared to the accepted cases has been very low except in the year 2007-08. We have brought this issue to the notice of the head of the department as well as the Finance Secretary to the Government.

9.8 Working of internal audit wing

The department reported that due to shortage of staff, internal audit wing has not been established.

9.9 Results of audit

Test check of the records of 132 units relating to mining receipts and forest receipts revealed underassessment, non/short realisation of revenue and other irregularities involving ₹ 1,869.11 crore in 1,507 cases which fall under the following categories.

(₹ in crore)

Sl. No.	Categories	No. of cases	Amount
A. FOREST RECEIPTS			
1.	Non-realisation due to non-exploitation of bamboo/timber coupes.	19	57.84
2.	Short realisation due to sale below the upset price.	05	1.54
3.	Non-realisation due to deterioration/shortage of forest produce.	17	1.20
4.	Short realisation due to non-accounting of forest produce.	06	4.25
5.	Short realisation due to low yield of timber/bamboos against estimated yield.	08	5.96
6.	Other irregularities.	68	24.12
	Total	123	94.91
B. MINING RECEIPTS			
1.	Non/short levy of dead rent/royalty.	378	74.43
2.	Non-realisation of rural infrastructure and road development tax.	126	428.00
3.	Short-realisation of contract money from quarries.	323	4.34
4.	Non-levy of interest on belated payment.	314	11.11
5.	Other irregularities.	243	1,256.32
	Total	1,384	1,774.20
	Grand total (A+B)	1,507	1869.11

During the course of the year, the department accepted underassessment and other deficiencies of ₹ 1,433.50 crore in 680 cases, which were pointed out in audit during the year 2009-10 and recovered ₹ 13 lakh in two cases.

A few illustrative audit observations involving ₹ 447.89 crore highlighting important audit findings are mentioned in the following paragraphs.

9.10 Non/short-realisation of rural infrastructure and road development tax from the holders of mining lease

According to the provisions of Madhya Pradesh *Grameen Avsanrachna Evam Sadak Vikas Adhiniyam*, 2005 (*Adhiniyam*) and notification of September 2005, rural infrastructure and road development tax is levied at the rate of five *per cent* per annum of the market value of major minerals produced after deducting amount of royalty actually paid by the lessee and ₹ 4,000 per hectare per year in case of idle mines. The tax is to be levied and demanded by the District Mining Officers.

We observed in 15 District Mining Offices¹ between December 2007 and December 2009 that the assessment of road development tax in respect of 132 mining leases for the period October 2005 to March 2009 had not been done. This resulted in non-realisation of tax of ₹ 295.35 crore.

After we pointed out the cases, all the District Mining Officers (DMOs), except Sidhi, Betul and Khargone, stated (between February and December 2009) that action would be taken as per rule after scrutiny.

DMO Sidhi, Betul and Khargone stated (June to December 2009) that action for forceful realisation has been restricted by the Supreme Court. The reply is not acceptable as the honourable court did not restrict assessment and issue of demand to the lessees. It only states that recovery of tax under this *Adhiniyam* cannot be made coercively.

We reported the cases to the Director of Geology and Mining (DGM) and the Government between December 2009 and March 2010; their reply has not been received (December 2010).

9.11 Tax collected but not deposited in Government account

All Government receipts should be collected and deposited regularly and promptly in the Consolidated Fund.

We observed during scrutiny of the records of three District Mining (DM) Offices² between March and August 2009 that two lessees of coal [M/s South Eastern Coalfields Ltd. (SECL) in Umaria and Shahdol district and M/s Northern Coalfields Ltd. in Singrauli district] collected ₹ 133.18 crore as *Grameen Avsanrachna Evam Sadak Vikas Kar* (tax) from their customers between September 2005 and March 2009 but the amount was retained by them and not deposited in Government account. As a result, the Government was deprived of revenue of ₹ 133.18 crore.

¹ Betul, Balaghat, Damoh, Dhar, Gwalior, Jabalpur, Katni, Khargone, Mandla, Narsinghpur, Rewa, Satna, Shahdol, Sidhi and Umaria.
² Shahdol, Sidhi and Umaria.

After we reported the cases to the DGM and the Government in November and December 2009, the Mineral Resources Department directed (March 2010) all the Collectors to get the amount deposited in Government account in the same financial year.

Further progress is awaited (December 2010).

9.12 Short-realisation of royalty

Royalty is payable in respect of minerals removed or consumed by a lessee at the rates prescribed in the schedule of the Mines and Minerals (Development and Regulation) Act, 1957. The Pit Mouth Value of coal was revised by a notification of December 2007.

We observed during scrutiny of records of seven DMOs³ between February and August 2009 that 16 lessees paid royalty of ₹ 131.29 crore for the period from January 2007 to March

2009 as against the payable amount of ₹ 139.03 crore as detailed below:

(₹ in lakh)

Sl. No.	Name of mineral	Quantity removed/ Consumed	Royalty payable	Royalty paid	Short realisation of royalty
1.	Coal	53.56 lakh tons	12,086.42	11,589.52	496.90
2.	White clay	4.35 lakh tons	99.95	19.59	80.36
3.	Limestone	34.37 lakh tons	1,565.87	1,388.26	177.61
4.	Dolomite	2.52 lakh tons	113.50	102.68	10.82
5.	Manganese	0.59 lakh ton	30.97	26.86	4.11
6.	Laterite	0.26 lakh ton	6.16	2.38	3.78
	Total		13,902.87	13,129.29	773.58

The DMOs concerned failed to notice the short payment/payment at incorrect rates which resulted in short realisation of royalty of ₹ 7.74 crore.

After we pointed out the cases, DMOs, Anuppur and Sidhi stated (August and October 2009) that demand notices would be issued. DMO, Shahdol and Umaria stated (June and August 2009) that the matter would be taken up with the SECL. DMO, Katni stated (May 2009) that the case was under scrutiny and the result would be intimated. DMO, Satna stated that reply would be given after scrutiny of the case. DMO, Chhindwara stated (March 2009) that action would be taken after scrutiny. Further developments have not been received (December 2010).

We reported the cases to the DGM and the Government (December 2009); their replies have not been received (December 2010).

³ Anuppur, Chhindwara, Katni, Satna, Shahdol, Sidhi and Umaria.

9.13 Short-realisation of royalty on minor minerals

As per MPMM Rules, a lessee has to pay dead rent or royalty, whichever is higher. As per orders of the Mineral Resources Department dated 4 June 2006, quarries were reserved/sanctioned to Madhya Pradesh State Mining Corporation (MPSMC) on the basis of advance payment of royalty which is calculated against the quantity of mineral shown in transit passes for extraction and transportation.

9.13.1 We observed during scrutiny of the records of DMO Gwalior and Bhind in October 2009 that 54 quarries were reserved/ sanctioned to MPSMC for extraction of sand. It was observed that as per the quantity for which transit passes were issued, MPSM was liable to pay royalty of ₹ 5.88 crore in advance upto March 2009 whereas the corporation had paid royalty of ₹ 3.35 crore

only. However, the department failed to work out correct amount of royalty. This resulted in short realisation of revenue of ₹ 2.53 crore.

After we pointed out the cases, both the DMOs stated (October 2009) that action would be taken after scrutiny.

9.13.2 We observed during scrutiny of the records of five DMOs⁴ between February and September 2009 that 12 lessees had removed 4,25,406.5 cubic metre road metal, 8,242.6 cubic metre marble and 4,641.465 cubic metre granite from the leased area between July 2004 and March 2009 on which royalty of ₹ 2.14 crore was payable. But it was noticed that the lessees had paid royalty of ₹ 99.70 lakh only. This resulted in short realisation of royalty of ₹ 1.14 crore.

After we pointed out the cases DMO, Seoni stated (August 2010) that ₹ 71,662 had been recovered in one case while in another case action for recovery was in process. The remaining DMOs stated between (February and September 2009) that action would be taken after scrutiny.

We reported the cases to the DGM and the Government between November 2009 and March 2010; their reply has not been received (December 2010).

⁴ Chhatarpur, Katni, Narsinghpur, Seoni and Shahdol.

9.14 Short realisation of contract money

A contractor of a trade quarry has to pay the contract money on the prescribed dates. If it remains unpaid for more than three months, the contract should be cancelled and the quarry re-auctioned. If any loss is sustained by the Government, it is to be recovered from the contractor as arrears of land revenue.

We observed during scrutiny of the records of 25 DMOs⁵ between February and December 2009 that in case of 290 contractors, contract money of ₹ 9.95 crore was due for payment during the period from April 2002 to March 2009 whereas the contractors paid an amount of ₹ 6.33 crore only.

Thus, the contract money of ₹ 3.62 crore remained unpaid for a duration ranging from 2 to 33 months, yet the department had not initiated any action against the contractors under the terms of the contract to cancel the contract and to re-auction the quarries. It followed that the DMOs concerned allowed the contractors for quarrying despite their default in payment of contract money on due dates. This resulted in short-realisation of contract money of ₹ 3.62 crore.

After we pointed out the cases, all the DMOs, except Satna and Betul stated (May 2009 to December 2009) that action for recovery would be taken as per rule after scrutiny. DMO, Satna stated (February 2009) that reply would be furnished after scrutiny. DMO, Betul stated (November 2009) that action for cancellation of contract had been taken and action for realisation of dues was in progress. Further reports have not been received (December 2010).

We reported the cases to the DGM and the Government between November 2009 and March 2010, their reply has not been received (December 2010).

9.15 Short realisation of dead rent

According to Section 9A (1) of Mines and Minerals (Regulation and Development) Act, every lessee of mining lease has to pay dead rent at the rates prescribed in schedule III at the prescribed date. Further, as per the MPMM Rules, every lessee shall pay yearly dead rent for every year, except for the first year, at the rates specified in Schedule IV, in advance for the whole year at the prescribed date.

9.15.1 We observed during scrutiny of the records of four DMOs⁶ between February and August 2009 that 35 lessees holding mining leases of major mineral over 7,296.406 hectare land had paid dead rent of ₹ 2.55 lakh against the payable amount of ₹ 33.17 lakh. Thus, dead rent of ₹ 30.62 lakh was short paid which was not demanded and recovered by the respective

DMOs. This resulted in short realisation of dead rent of ₹ 30.62 lakh.

⁵ Balaghat, Betul, Burharnpur, Chhatarpur, Chhindwara, Damoh, Datia, Dhar, Dindori, Gwalior, Harda, Hoshangabad, Indore, Katni, Khargone, Mandla, Narsinghpur, Rajgarh, Rewa, Satna, Shahdol, Shajapur, Sidhi, Tikamgarh and Umaria.

⁶ Dhar, Narsinghpur, Shahdol and Umaria.

After we pointed out the cases, all the DMOs stated (between May and August 2009) that action would be taken for realisation of dead rent as per rule. Further progress has not been received (December 2010).

9.15.2 We observed during scrutiny of the records of 21 DMOs⁷ between May and November 2009 that 189 quarry lessees of minor mineral had paid dead rent of ₹ 34.93 lakh against the payable amount of ₹ 1.82 crore due from January 2004 to December 2009. This resulted in short realisation of dead rent of ₹ 1.47 crore.

After we pointed out the cases, all the DMO's except Sagar, Bhind and Khargone stated (between May 2009 and December 2009) that action for recovery would be taken as per rule. DMOs of Sagar, Bhind and Khargone stated (between November 2009 and March 2010) that an amount of ₹ 3.13 lakh had been deposited by the lessees and action for recovery of balance amount would be taken. Further progress has not been received (December 2010).

We reported the cases to the DGM and the Government between October and November 2009; their replies have not been received (December 2010).

9.16 Loss of revenue due to failure to re-auction trade quarries

Under MPMM Rules, quarries of sand, *murrum* & stone minerals specified in Schedule II of the rules shall be allotted only by auction for a period of two years on the basis of highest bid.

We observed during scrutiny of the records of DMOs Mandla and Rewa between June and September 2009 that 14 trade quarries of sand/*murrum* and 10 trade quarries of stone were sanctioned (between April 2006 and March 2009) for ₹ 2.39 crore. It was observed that

14 trade quarries were surrendered by the contractors and an amount of ₹ 1.61 crore remained unpaid out of the payable amount of ₹ 2.34 crore. In case of 10 trade quarries, agreements were cancelled due to non-execution of deeds resulting in non-receipt of contract money of ₹ 4.82 lakh. However, no action was taken by the department to re-auction all the 24 trade quarries. As a measure to protect the interests of the exchequer and to avoid illegal extraction/transportation of minerals, trade quarries should be re-auctioned at the earliest in the interest of revenue whatever may be the reason of their surrender but the department failed to do so. This deprived the exchequer of revenue of ₹ 1.65 crore.

⁷ Balaghat, Bhind, Burhanpur, Chhatarpur, Chhindwara, Datia, Dhar, Dindori, Gwalior, Harda, Jabalpur, Katni, Khargone, Mandla, Narsinghpur, Rewa, Sagar, Seoni, Shajapur, Sidhi and Umaria.

After we pointed out the cases, the DMO, Mandla stated (June 2009) that the cases would be referred to the Government for further action. The reply is not acceptable because as per rule 7(4) of MPMM Rules, the power to sanction and control trade quarries is vested with the Collector/ Additional Collector of the district. DMO, Rewa stated (September 2009) that action would be taken after scrutiny. Further replies have not been received (December 2010).

We reported the cases to the DGM and the Government; their replies have not been received (December 2010).

9.17 Loss of revenue due to non-production according to mining plan

As per Rule 22A of the Mineral Concession Rules, 1960, mining operations shall be undertaken in accordance with the duly approved mining plan. Further, where mining operations are not commenced for a continuous period of one year from the date of execution of the lease or is discontinued for a continuous period of one year after commencement of such operations, the State Government shall, by an order, declare the mining lease as lapsed and communicate the declaration to the lessee.

We observed during scrutiny of the records of DMOs Damoh and Narsinghpur between May and July 2009 that two leases of dolomite/limestone over an area of 110.216 hectare had been sanctioned for a period of 20 to 30 years. Production of 3.12 lakh tons of mineral according to the mining plan and payment of ₹ 1.40 crore as royalty was anticipated during the period between 2005 and 2009 but no production was done by the lessees during this period.

The department did not take any action for declaring the mining leases as lapsed. This deprived the exchequer of revenue of ₹ 1.39 crore.

After we pointed out the cases, DMO, Damoh sent the proposal to the State Government (July 2009) for declaring the lease as lapsed. DMO, Narsinghpur stated (May 2009) that the matter would be forwarded to the Government after issuing show cause notice to the lessee. The replies shows apathy on the part of the DMOs to take timely action as per the rules. However, the Government may consider prescribing submission of reports/returns by the DMOs so as to strengthen the monitoring mechanism. Further replies have not been received (December 2010).

We reported the cases to the Government and DGM; their replies have not been received (December 2010).

9.18 Loss of revenue due to irregularities in issue of temporary permits

According to Rule 68 of MPMM Rules, the Collector shall grant permission for extraction, removal and transportation of any minor mineral from any specified quarry or land which may be required for the works of any department or undertaking of the Central Government or the State Government, subject to payment of royalty in advance calculated at the rates specified in Schedule III.

We observed during scrutiny of the records of 11 DMOs⁸ between March and November 2009 that 28 temporary permits were issued for various minerals⁹ to 21 contractors for construction of roads and buildings between December 2006 and February 2009 which attracted advance payment of royalty of ₹ 2.30 crore. However, it

was noticed that the contractors paid ₹ 1.14 crore only. This resulted in short realisation of revenue of ₹ 1.16 crore.

After we pointed out the cases, all the DMOs, except Sagar and Umaria, stated (between March and November 2009) that action for recovery would be taken. DMO, Sagar stated (November 2009) that an amount of ₹ 28.31 lakh had been recovered in August 2009. DMO, Umaria stated that the transit passes were issued to the contractors against the deposited amount. The reply is not acceptable because permission should have been granted only after receiving the entire amount of royalty of ₹ 8.40 lakh in advance whereas the contractor had paid only ₹ 1.35 lakh in four installments.

We reported the cases to the DGM and the Government between November 2009 and February 2010, their reply has not been received (December 2010).

⁸ Balaghat, Burhanpur, Chhatarpur, Dindori, Harda, Hoshangabad, Khargone, Mandla, Rewa, Sagar and Umaria.

⁹ Road metal- 6.51 lakh cubic meter, murrum-80,700 cmt., sand and granular sub base-59844 cmt., selected soil-34783 cmt., boulder-3200 cmt. & lime stone 16393.44 ton.

9.19 Non-imposition of penalty due to non-submission of returns by the lessees

According to Rule 30 (20) (a) (b) (c) of the MPMM Rules, every lessee of quarry lease shall furnish monthly, six monthly and annual return to the DMO in the prescribed forms by the specified dates, failing which the lease sanctioning authority may require the lessee to pay a penalty not exceeding double the amount of annual dead rent.

We observed during scrutiny of the records of nine DMOs¹⁰ between March and November 2009 that 57 lessees had not submitted monthly, six monthly and annual returns which were due between April 2004 and March 2009. Submission of returns is a vital mechanism for monitoring the working of the lessees. In the absence

of these basic records, the DMOs are constrained to assess the correct amount of royalty. Non-submission of returns resulted in non-realisation of revenue of ₹ 43.20 lakh in the form of maximum of penalty calculated at double the amount of annual dead rent.

After we pointed out the cases, all the DMOs except Seoni and Sagar stated that action would be taken against the lessees under the rules. DMOs Seoni and Sagar stated between November 2009 and January 2010 that penalty was to be imposed by the sanctioning authority. However, the reply does not explain why action was not taken to take up the case with the sanctioning authority as yet.

We reported the cases to the DGM and the Government between November 2009 and February 2010; their replies have not been received (December 2010).

¹⁰ Burhanpur, Dindori, Gwalior, Harda, Narsinghpur, Sagar, Seoni, Sidhi and Umaria.

9.20 Loss of revenue due to deficiency in the Act

Where a mining lease period purports to be for more than ten years but not exceeding 20 years, stamp duty at the rate of 7.5 per cent of three times of the estimated royalty and registration fee at three fourth of the stamp duty is leviable. As per instructions of the department, dead rent or royalty payable on expected quantity of minerals mentioned in the application of lease or in the mining plan whichever is more, should be considered for calculation of stamp duty. Therefore, it becomes essential that when mining plan is modified during currency of the lease according to which the expected quantity of mineral increases, the modified lease deed should be executed and got registered. It was noticed that provision regarding execution of the modified agreement of lease after the mining plan is modified, does not exist in the Mines and Minerals (Regulation and development) Act, 1957, and the Rules made thereunder.

We observed during scrutiny of the records of DMO, Rewa (September 2009) that an agreement of lease for 20 years was executed in February 2006 on which stamp duty and registration fee of ₹ 93,000 was paid on royalty of expected quantity of 3,171.80 ton per year as mentioned in the mining plan. Further, the plan was modified in December 2006 and as per the modified mining plan, the expected revised quantity of mineral was 52,530 ton. Notwithstanding the manifold increase in the earlier quantity, the department did not ask the lessee for execution of modified agreement in accordance with the

modified mining plan. The stamp duty and registration fee leviable on the modified agreement worked out at ₹ 23.46 lakh. Thus, Government was deprived of revenue of ₹ 22.53 lakh. **The Government may consider incorporating a clause in the conditions of mining lease for providing execution of modified agreement in case of modification in the mining plan.**

After we pointed out the cases, the DMO, Rewa stated (September 2009) that necessary action would be taken after investigation. Further progress has not been received (December 2010).

We reported the case to the DGM and the Government (December 2009); their replies have not been received (December 2010).

**Bhopal,
The**

**(M. RAY BHATTACHARYYA)
Accountant General
(Works & Receipt Audit)
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Countersigned

**New Delhi,
The**

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Comptroller and Auditor General of India**