

**Report of the  
Comptroller and Auditor General of India**

**on**

**Assessment, Levy and Collection of Major and  
Minor Mineral Receipts**

दिनांक .. .....के विधान सभा  
में प्रस्तुत ।  
Presented to Legislature  
on...**2-2-MAR-2013**.....

**for the year ended March 2011**

**Government of Chhattisgarh**  
*Report No. 4 of the year 2012*

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1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods and techniques used to collect and analyze data. It highlights the importance of using reliable sources and ensuring the accuracy of the information gathered.

3. The third part of the document focuses on the interpretation and analysis of the collected data. It discusses the various statistical tools and techniques used to identify trends and patterns in the data.

4. The fourth part of the document discusses the importance of communication and reporting. It emphasizes the need for clear and concise communication of the findings and conclusions of the study.

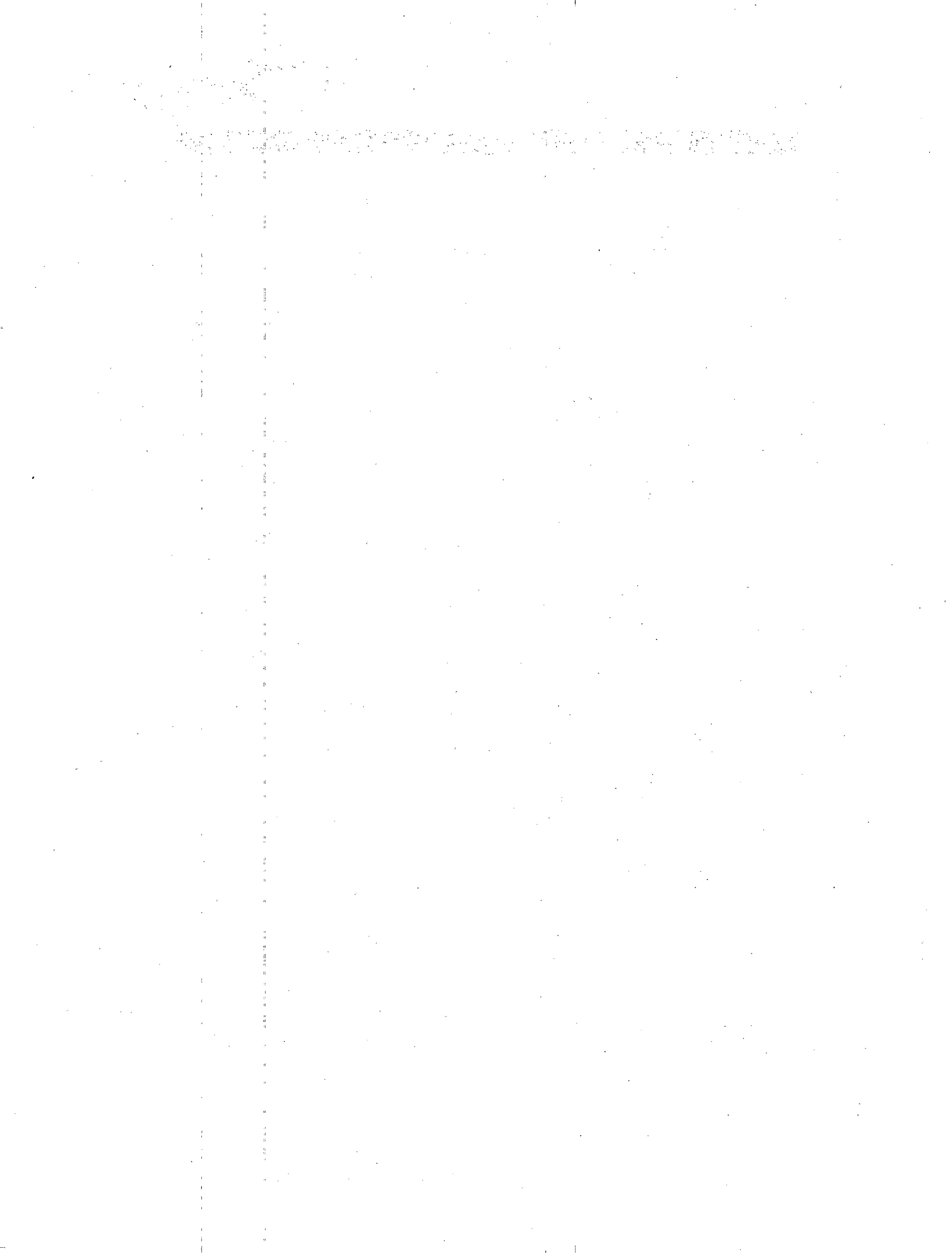
5. The fifth part of the document discusses the importance of ethical considerations in research. It highlights the need for researchers to adhere to ethical standards and to be transparent about their methods and findings.

## PREFACE

This Performance Audit Report for the year ended 31 March 2011 containing the results of the Performance Audit on “Assessment, Levy and Collection of Major and Minor Mineral Receipts” of Government of Chhattisgarh has been prepared for submission to the Governor under Article 151 (2) of the Constitution of India.

The audit of non-tax mining receipts of the State Government is conducted under Section 16 of the Comptroller and Auditor General’s (Duties, Powers and Conditions of Service) Act, 1971.

The cases mentioned in this Report are among those which came to notice in the course of test-audit of records of the selected units during the year 2011-12, as well as those noticed in earlier years but which were not included in the previous Reports.





## EXECUTIVE SUMMARY

Minerals are valuable natural resources. Being finite and non-renewable, their exploitation is guided by long term national goals and perspectives. Mineral exploration and development is closely linked with the development of the economy and upliftment of the local population. However, a harmony and balance is to be maintained between conservation and development as it intervenes with the environment and social structure.

Management of mineral resources is the responsibility of both the Central Government and the State Governments in terms of entry 54 of the Union list (List I) and entry 23 of the State list (List II) of the Seventh Schedule of the Constitution of India.

Receipts from mines and minerals mainly consist of royalty which is levied either on specific or *ad valorem* basis on the quantity of minerals removed or consumed from mines. Dead rent is levied on the area leased out for mining activity. Other receipts for the Mineral Resources Department are application fees, license fees, prospecting charges, penalties and interest for delayed/belated payments of dues *etc.* Rates of royalty and dead rent in respect of major minerals are prescribed by the Central Government but these are collected and utilised by the State Government, whereas rates of royalty and dead rent in respect of minor minerals are determined by the State Government and their collection and utilisation is done by the State Government.

Chhattisgarh is one of the foremost mineral rich States in the country. There are almost 28 varieties of minerals present in the State, including precious stones like diamond, iron ore, coal, tin ore, bauxite and gold. In addition to its deposits of diamond and gold, the State is also known for having India's only producing tin mine and one of world's best quality of iron ore deposits at Bailadila in Dantewada district. The mining receipts of ₹ 2,470.44 crore realised during the year 2010-11 constituted 19.23 and 64.41 *per cent* of the total revenue and non-tax revenue, respectively, of the State.

We conducted a Performance Audit on "Assessment, Levy and Collection of Major and Minor Mineral Receipts" for the period 2006-07 to 2010-11 in order to ascertain whether the provisions of various Acts and Rules made thereunder were enforced effectively by the Mineral Resources Department. We also ascertained whether there existed an effective system for computation, levy and realisation of various fees, royalty, penalty *etc.* in the Department and action taken in cases of default or unauthorised excavation of minerals was effective. We examined the internal controls and the monitoring mechanism in the Department for their effectiveness.

We found that the Government of Chhattisgarh has not developed any Mineral Policy on the lines of the model State Mineral Policy circulated in October 2009 by the Central Government to the State Governments, even after passage of more than two years.

We observed that the internal control mechanism in the Mineral Resources Department was weak as in the absence of a separate Internal Audit Wing coupled with low percentage of inspections by Mining Inspectors, there was no effective system of internal check on the activities of the Department. In the absence of Government weighbridges, weighment of excavated minerals was done at the private weighbridges leaving scope for leakage of revenue.

We found that a large number of applications for mining leases were pending resulting in non-exploitation of minerals. We noticed cases where mining operations were not in accordance with the mining plan and instances where operations were done without an approved mining plan. There were substantial delays in cancellation of leases of inoperative mines.

Due to wrong calculation of average annual royalty by the DDMA/DMOs there was short realisation of Stamp Duty and Registration Fees.

Our scrutiny revealed misuse of transit passes and dispatch of minerals without valid transit passes, and also cases where the cost of minerals was not recovered in cases of unauthorised mining.

We found that a large number of stone crusher leases were operating without environmental consent. The Department did not have a monitoring mechanism to watch this. We further observed that Environment Cess and Infrastructure Development Cess on both major and minor minerals due were neither assessed nor realised.

We found irregularities in management of leases, unauthorised excavation, non/short assessment and realisation of royalty, misuse of transit passes *etc.* aggregating ₹ 294.54 crore as mentioned in the succeeding Chapters of this Report.

## CHAPTER-I

### INTRODUCTION

**1.1** Minerals are valuable natural resources. Being finite and non-renewable, their exploitation is guided by long term national goals and perspectives, which in turn are influenced by the global economic scenario. Mineral exploration and development is closely linked with development of the economy and upliftment of the local population. However, as it simultaneously intervenes with the environment and the social structure, a harmony and balance is to be maintained between conservation and development.

Minerals can be divided into two categories-Major minerals which are further classified as hydrocarbons or energy minerals (such as coal, lignite *etc.*), atomic minerals, metallic and non-metallic minerals, and minor minerals which include building stone, flagstone, ordinary clay, ordinary sand and any other mineral notified by the Central Government.

### **1.2 Management of mineral resources**

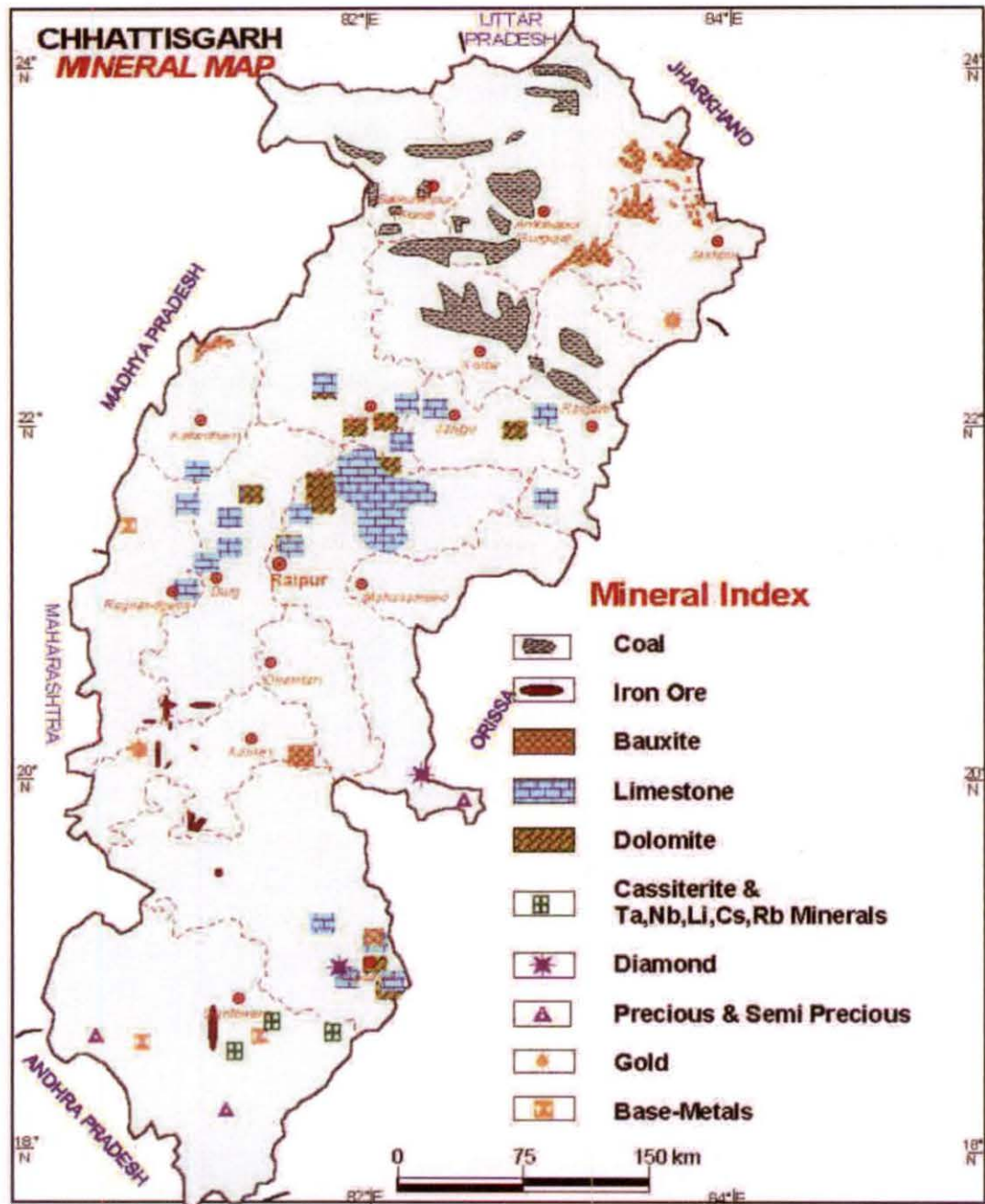
Chhattisgarh is endowed with 28 varieties of major minerals such as iron ore, coal, diamond, limestone, bauxite, tin ore, fireclay, corundum *etc.* and minor minerals such as building stones, ordinary clay and ordinary sand *etc.* The State accounts for mineral deposits approximately 19 *per cent* (2731 million tonnes) of iron ore, 17 *per cent* (44483 million tonnes) of coal and 11 *per cent* (847 million tonnes) of dolomite.

Iron ore deposits are available in Dantewada, Bastar, Durg, Kanker and Rajnandgaon districts. Coal is found in Korba, Korea, Raigarh and Surguja districts while bauxite is available in Surguja and Kabirdham districts.

The State is the only tin producer in the country<sup>1</sup> and accounts for approximately 21 *per cent* of India's coal production making it the foremost coal producing State.

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<sup>1</sup> Source: Data published by Chhattisgarh Government



(Source: Office of the Director, Geology and Mining)

### 1.3 Mineral Policy of the State

**1.3.1** Management of mineral resources is the responsibility of both the Central Government and the State Governments in terms of entry 54 of the Union list (List I) and entry 23 of the State list (List II) of the Seventh Schedule of the Constitution of India. So long as Parliament does not make any law in exercise of its powers in entry 54, the powers of the State legislature in entry 23 would be exercised by the State legislature. The Central Government has enacted the Mines and Minerals (Development and Regulation) Act, 1957 which lays down the legal framework for regulation of mines and development of all minerals other than petroleum and natural gas. In addition, the Mineral Concession (MC) Rules, 1960 for regulating grant of permits, licenses and leases in respect of all minerals (other than atomic minerals and minor minerals) and the Mineral Conservation and Development (MCD) Rules, 1988 for conservation and systemic development of minerals (except coal, atomic minerals and minor minerals) have been framed.

**1.3.2** The State Government framed the Chhattisgarh Minor Mineral (CMM) Rules, 1996 which governs mining of minor minerals. It had also promulgated the 'Mineral Policy 2001' which spelt out measures to promote proper use of mineral resources for sustainable economic development. The specific objectives of the policy were to ensure:

- Sustainable development and use of the State's mineral wealth.
- Encouragement of value addition.
- Creation of a conducive business environment to attract investment in the mining sector.
- Simplification of procedures and complete transparency in decision making.

**1.3.3** To give a fillip to investment in the mining sector and to attract technology, the National Mineral Policy, 2008 was announced in March 2008. The policy stated that the Central Government in consultation with the State Governments would formulate legal measures to ensure uniformity in mineral administration and to ensure that the development of mineral resources keeps pace and is in consonance with the national policy goals.

A model State Mineral Policy was circulated (October 2009) by the Central Government to the State Governments requiring them to develop suitable mineral policies within the ambit of the National Mineral Policy for their States keeping in view their local requirements. However, the Government of Chhattisgarh has not developed any Mineral Policy on the lines of the model State Mineral Policy even after a lapse of more than two years.

In reply, the Department stated (August 2012) that preparation of the model State Mineral Policy was in progress.

**It is recommended that the Government may consider the early finalisation and implementation of the model State Mineral Policy.**

#### **1.4 Why we chose the topic**

Chhattisgarh is the second largest mineral producing State in the country. It has 28 different kinds of major and minor minerals and accounts for more than 15 *per cent* of the national mineral production.

Further, the mining receipts of ₹ 2,470.44 crore realised during the year 2010-11 constituted 19.23 and 64.41 *per cent* of the total revenue and non-tax revenue, respectively, of the State. The contribution of the mining sector has increased to ₹ 2,470.44 crore in 2010-11 from ₹ 813.42 crore in 2006-07. Thus, this sector plays a vital role in the National and the State economy. There is ample scope for augmenting revenues from this sector by revamping the revenue realisation mechanism system and plugging revenue leakage.

#### **1.5 Audit objectives**

The Performance Audit was conducted with a view to ascertain:

- the efficiency and efficacy of the system for levy and collection of mining receipts;
- whether adequate provisions exist and were adhered to by the Department for determination and collection of mining receipts;
- whether action taken in the cases of default or illegal excavation of minerals was effective; and
- whether an effective internal control and monitoring mechanism was in place in the Department to prevent leakage of revenue.

#### **1.6 Audit criteria**

The audit criteria for the Performance Audit have been derived from the following sources:-

- Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act);
- Mineral Concession Rules, 1960 (MCR);
- Mineral Conservation and Development Rules, 1988 (MCD Rules);
- Chhattisgarh Minor Mineral Rules, 1996 (CMM Rules);
- Chhattisgarh (*Adhosanrachana Vikas Evam Paryavaran*) *Upkar Adhinyam*, 2005;
- Chhattisgarh Minerals (Mining, Transportation and Storage) Rules, 2009; and
- Guidelines, circulars etc, issued by the Government of India/Government of Chhattisgarh from time to time.

## 1.7 Scope of audit

We had conducted a Performance Audit on "Assessment and Collection of Mining dues from Major Minerals" in 2005-06 and this was incorporated in the Report of the Comptroller and Auditor General of India for the year ended 31 March 2006, highlighting non/short recovery of royalty, interest etc. The Report is presently under discussion in the Public Accounts Committee (PAC).

For the present Performance Audit on "Assessment, Levy and Collection of Major and Minor Mineral Receipts", we conducted test check of the records of nine<sup>2</sup> out of 18 districts for the period from 2006-07 to 2010-11, between April 2011 to December 2011, to examine the mechanism for assessment, levy and collection of Mining Receipts. The selection of these nine units was done on the basis of simple random sampling without replacement (SRSWOR). In addition, records maintained by DMO Rajnandgaon and the Director, Geology and Mining were also test checked. These units account for 98.29 *per cent* of the total mining receipts of the State during the period 2005-06 to 2009-10.

Besides, we have also included irregularities noticed in previous years while conducting transaction audits of two<sup>3</sup> districts in this Report.

## 1.8 Acknowledgement

Indian Audit and Accounts Department acknowledges the co-operation of the Mineral Resources Department in providing necessary information and records to Audit. The objectives, scope and methodology of audit were discussed with the Secretary of the Mineral Resources Department in an Entry Conference held in April 2011. The draft Performance Audit report was forwarded to the State Government in January 2012 and discussed with the Secretary of the Mineral Resources Department in an Exit Conference held in February 2012. The responses of the Government received during the Exit Conference and at other points of time have been appropriately incorporated in the relevant paragraphs of this Report.

<sup>2</sup> Bilaspur, Dantewada, Durg, Janjgir-Champa, Korba, Korea, Raigarh, Raipur and Surguja (Ambikapur).

<sup>3</sup> Kanker and Kabirdham





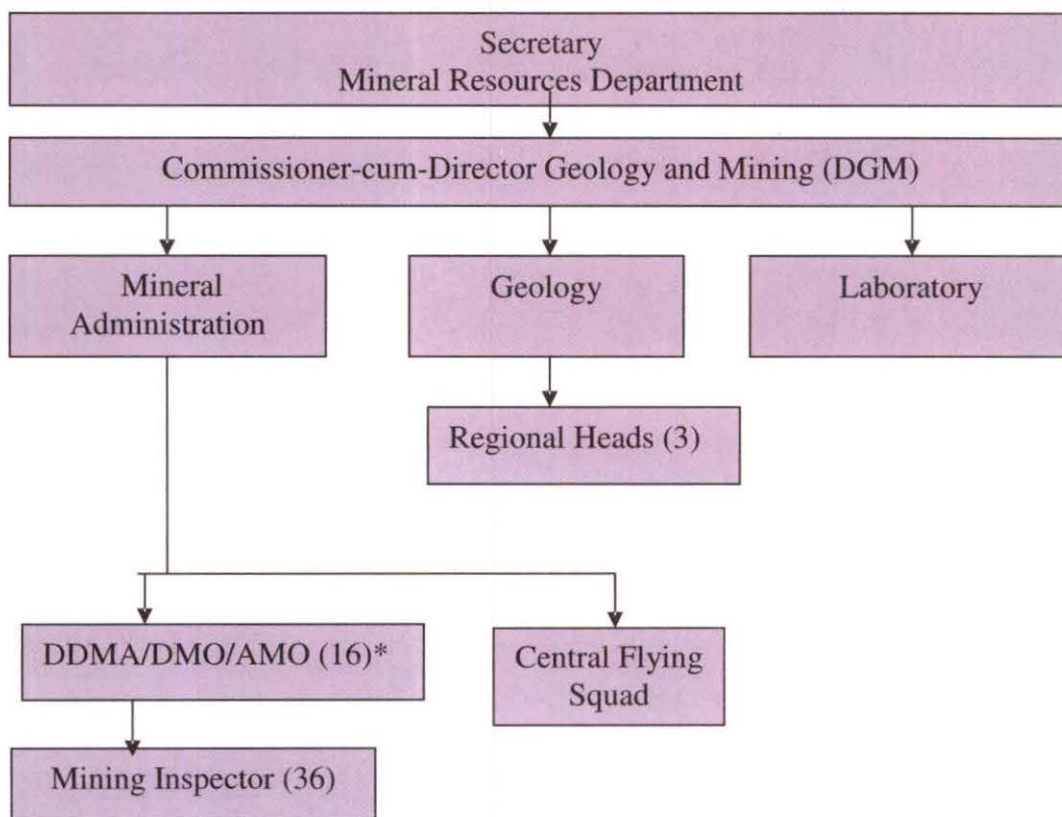
## CHAPTER-II

### FINANCIAL MANAGEMENT AND INTERNAL CONTROL

#### 2.1 Organisational set-up

**2.1.1** At the Government level, the Secretary, Mineral Resources Department and at the Directorate level the Commissioner-cum-Director, Geology and Mining (DGM) are responsible for administration and implementation of the related Mining Acts and Rules. The DGM is assisted by three Regional heads at Bilaspur, Jagdalpur and Raipur where qualitative analysis of minerals is done in the departmental chemical laboratories. The organisational set up of the Mineral Resources Department is given below:

**2.1.2** The Mining offices are located at each District Collectorate under the direct control of the District Collector. There are 16 Deputy Directors Mining Administration (DDMA)/District Mining Officers (DMO). Mining Inspectors (MI) are responsible for assessment and collection of revenue, besides prevention of illegal excavation and dispatch of minerals and other activities leading to leakage of revenue from areas under their control. There is a Flying Squad which works under the control of DGM. However no targets have been fixed for the Flying Squad and action is taken by them on the basis of grievances received at the Government/DGM level.



## 2.2 Revenue contribution of Mining sector

**2.2.1** Receipts from mines and minerals mainly consist of royalty which is levied either on specific or *ad valorem* basis on the type and quantity of mineral removed or consumed from the mines. Dead rent is levied on the area leased out for mining activity. Other receipts from mining are application fee, for various permits and licences, penalties and interest for delayed/belated payments of dues *etc.* Rates of royalty and dead rent in respect of major minerals are prescribed by the Central Government but these are collected and utilised by the State Government. Rates of royalty and dead rent in respect of minor minerals are determined and their collection and utilisation is also effected by the State Government itself.

The mining/quarry lease holders are required to pay either the dead rent or royalty, whichever is higher. The lessee removes, dispatches or utilises the minerals from the mines and quarries on valid transit passes. The lessee is required to maintain correct and regular accounts of all minerals excavated and dispatched and furnish monthly returns to the Department.

**2.2.2** The budget estimates, actual receipts from mining, total non-tax revenue raised by the State Government and the percentage contribution by the mining sector towards non-tax revenue is given in the following table:

(₹ in crore)

Year	Budget estimates	Actual receipts	Variation excess(+)/short fall(-)	Percentage of variation	Total non-tax receipts of the State	Percentage of the mining receipts to total non tax receipts
2006-07	824.62	813.42	(-) 11.20	(-) 1.36	1,451.34	56.05
2007-08	983.52	1,031.55	(+) 48.03	(+) 4.88	2,020.45	51.05
2008-09	1,185.50	1,243.24	(+) 57.74	(+) 4.87	2,202.21	56.45
2009-10	1,685.40	1,660.87	(-) 24.53	(-) 1.46	3,043.00	54.58
2010-11	2,150.00	2,470.44	(+) 320.44	(+) 14.90	3,835.32	64.41

(Source: Finance Accounts 2010-11)

The contribution of mining receipts to the total non-tax revenue of the State during the last five years was between 51.05 and 64.41 *per cent*. The actual receipts during the above period exceeded the budget estimates except during 2006-07 and 2009-10. The Department attributed (August 2012) the huge increase in revenue with reference to budget estimates during the year 2010-11 to increase in the basic price of iron ore by Indian Bureau of Mines (IBM)<sup>1</sup>. We do not agree as IBM had increased the basic price of iron ore with effect from 13 August 2009 which was already taken into consideration while formulating the BEs for the year 2010-11.

<sup>1</sup> The rate of basic price of iron ore is decided by the IBM (a multi-disciplinary Government organisation under the Department of Mines, Ministry of Mines, Government of India)

## 2.3 Arrears of revenue

The arrears of revenue as on 31 March 2011 as furnished by the DGM were ₹ 1.80 crore. The following table depicts the position of arrears of revenue during the period 2006-07 to 2010-11:

(₹ in crore)

Year	Opening balance	Addition during the year	Amount collected during the year	Closing balance
2006-07	1.80	0.11	0.09	1.83
2007-08	1.83	0.01	0.08	1.76
2008-09	1.76	0.14	0.21	1.69
2009-10	1.69	0.55	0.14	2.10
2010-11	2.10	0.17	0.48	1.80

(Source: Office of the Director, Geology and Mining, Raipur)

Out of the total arrears of ₹ 1.80 crore, ₹ 1.39 crore pertained to the period prior to 1996 while ₹ 41 lakh pertained to the subsequent period.

During the Exit Conference, the Government intimated (February 2012) that most of the arrears pertain to the period prior to 1996 and the whereabouts of the lessees are not known as the leases have expired. However, efforts would be made to recover the arrears. Wherever it was not possible to recover the sums due, the cases would be taken up with the Finance Department for write off. Further report has not been received (August 2012).

## 2.4 Impact of audit

**2.4.1: Position of IRs:** During the period 2006-07 to 2010-11, Audit through its Local Audit Inspection Reports had pointed out non/short levy/realisation of royalty, dead rent, loss of revenue due to non-levy of interest, penalty etc. with revenue implication of ₹ 451.53 crore in 2,123 cases. Of these, the Department/Government had accepted audit observations in 1,443 cases involving ₹ 287.54 crore and had since recovered ₹ 5.74 crore. The details are shown in the following table:

(₹ in crore)

Year of Inspection Report	No. of units audited	Amount objected		Amount accepted		Amount recovered	
		Cases	Amount	Cases	Amount	Cases	Amount
2006-07	11	21	335.00	16	221.00	4	0.42
2007-08	13	640	68.09	470	56.62	5	0.29
2008-09	12	764	20.09	473	1.45	1	0.14
2009-10	7	396	4.64	335	2.33	45	4.83
2010-11	9	302	23.71	149	6.14	61	0.06
<b>Total</b>	<b>52</b>	<b>2123</b>	<b>451.53</b>	<b>1443</b>	<b>287.54</b>	<b>116</b>	<b>5.74</b>

The recovered amount constituted a very small quantum (2 per cent) of the accepted amount.

**2.4.2: Position of Audit Reports:** In the Audit Reports 2005-06 to 2009-10, cases of non/short levy and realisation of royalty, dead rent, interest and underassessment of stamp duty and registration fees involving ₹ 235.73 crore were indicated. The Department accepted observations of ₹ 8.50 crore of which an amount of ₹ 1.54 crore only was recovered till March 2011 as shown in the following table:

(₹ in crore)

Sl. No.	Year of the Audit Report	Total money value of observations raised	Amount accepted	Recovery made up to March 2011
1	2005-06	228.61	1.49	1.42
2	2006-07	0.87	0.76	0.04
3	2007-08	4.33	4.33	0
4	2008-09	0.42	0.42	0.08
5	2009-10	1.50	1.50	0
	<b>Total</b>	<b>235.73</b>	<b>8.50</b>	<b>1.54</b>

**We recommend that the Department revamp its revenue recovery mechanism to ensure that recovery is effected, at least in the accepted cases.**

## 2.5 Results of audit

We conducted a Performance Audit on "Assessment, levy and collection of major and minor mineral receipts" during the period April 2011 to December 2011. The Performance Audit revealed a number of deficiencies relating to non-assessment/short assessment of revenue and non-raising of demand etc. involving financial effect of ₹ 294.54 crore as mentioned in the succeeding chapters of this Report.

After the cases were pointed out in the Performance Audit, the Department recovered ₹ 21.41 crore in seven cases.

## 2.6 Internal control mechanism

**2.6.1** The internal control mechanism is intended to provide reasonable assurance of proper enforcement of laws, rules and departmental instructions. Internal controls also help in creation of reliable financial and management information systems for prompt and efficient service and for adequate safeguards against evasion of Government revenue.

### 2.6.2 Internal Audit

The Internal Audit (IA) is a vital component of the internal control mechanism and is generally defined as the control of all controls. It enables the organisation to assure that the prescribed systems are functioning reasonably well.

We noticed (April 2011) that there was no Internal Audit Wing in the Department. The Directorate intimated (September 2011) that Internal Audit is conducted by the Secretary of the Department, the Director and Joint Directors and furnished

the details of Internal Audit conducted during the period 2006-07 to 2010-11 as shown in the table below:

Sl. No.	Year	No. of units	No. of units inspected	Percentage (%)
1	2006-07	16	0	0
2	2007-08	16	6	37
3	2008-09	16	4	25
4	2009-10	16	2	12
5	2010-11	16	3	19
	<b>Total</b>	<b>80</b>	<b>15</b>	

During the Exit Conference the Government stated that an IAW has since been established.

### 2.6.3 Inadequate inspections by Mining Inspector

As per instructions of the Director (Geology and Mining), Chhattisgarh issued in May 2008, the Mining Inspector (MI) is required to inspect all major and minor mines in his jurisdiction once in every six months to ensure that the terms and conditions as laid down in the lease deed are observed by the lessee, extraction of mineral is not done outside the leased area and the leased area is properly demarcated.

During test check of the mining lease case files and information collected from 10 DDMA/DMOs, we noticed that in only four mining offices<sup>2</sup> information was furnished to Audit regarding inspection of mines for the period 2008-09 to 2010-11. The shortfall in inspection of mining leases in three<sup>3</sup> districts ranged between 53 and 70.2 *per cent* while in case of quarry leases it was between 50 and 96.6 *per cent*. We further noticed that no inspection was conducted by the MI in Korea District. In six<sup>4</sup> DMOs neither were any records maintained in the office

nor were the DMOs able to furnish information regarding inspections done by the MIs. Further, we noticed that only five to 12 inspectors were posted during the period 2006-07 to 2010-11 as against the sanctioned strength of 24.

During the Exit Conference, the Government accepted the audit observation and stated that due to shortage of staff, inspection of mines had not been done regularly. It was further stated that recruitment of Mining Inspectors was in progress.

<sup>2</sup> Durg, Korba, Korea and Raipur

<sup>3</sup> Durg, Korba and Raipur

<sup>4</sup> Bilaspur, Dantewada, Janjgir Champa, Raigarh, Rajnandgaon and Surguja

#### 2.6.4 Inadequacy of weighbridges

Under the MMDR Act, State Governments have been delegated powers to make rules for preventing illegal mining, transportation and storage of minerals. Such rules may provide for establishment of weighbridges to measure the quantity of minerals being transported. The Government of Chhattisgarh framed the Chhattisgarh Minerals (Mining, Transportation and Storage) Rules, 2009 which provides for checking of the quantity of minerals being transported at the weighbridges.

From the information furnished by the DGM, DDMA Korba and DMO Raigarh we noticed that only five weighbridges have been set up in two<sup>5</sup> out of 18 districts. During the period 2006-07 to 2010-11, 110 cases of overloading were detected in Korba district by the DDMA and royalty along with penalty amounting to ₹ 12.39 lakh was recovered. In Raigarh district no such case was noticed. In absence of Government weighbridges, weighments were done at the private weighbridges leaving scope for leakage of revenue.

During the Exit Conference, the Government stated that five new weighbridges would be established in 2012-13 and a centralised monitoring system would be implemented.

#### 2.7 Recommendation

- *Internal Audit may be conducted on a regular basis for detecting weaknesses in the system, leakage of revenue and ensuring compliance of rules and provisions of the Act and Rules.*

<sup>5</sup> Korba and Raigarh

## CHAPTER-III

### MANAGEMENT OF LEASES

#### 3.1 Introduction

For management of mining leases, the Central Government enacted the Mines and Mineral (Development & Regulation) Act, (MMDR) 1957, and framed the Mineral Concession Rules, (MC) 1960 and Mineral Conservation and Development Rules, (MCD) 1988. Minor minerals in Chhattisgarh are regulated under the Chhattisgarh Minor Mineral Rules, (CGMM) 1996.

#### 3.2 Delay in disposal of lease applications

The MC Rules prescribe the procedure for grant of lease for major minerals. As per the provisions of the Rules, the Government is required to dispose of the application for grant of mining lease within 12 months from the date of its receipt.

**3.2.1.** The Government, despite being requested in September 2011 and May 2012, did not furnish the information regarding the number of applications received for grant of lease for major minerals, leases granted, number of applications rejected and

number of pending applications. However, from the information collected by Audit from the DGM and six<sup>1</sup> districts, we noticed that 606 mining lease applications were forwarded to the State Government for approval. These lease applications were pending at the Government level, out of which 180 applications were pending for more than five years. In Korea District no mining lease applications were received. The other mining offices<sup>2</sup> did not furnish the information till date (July 2012).

During the Exit Conference, the Government stated that the applications were pending due to incomplete applications on the part of the applicant and delay in getting clearances from various Departments such as Revenue, Forest, Panchayat etc. It was further stated that a supervisory mechanism would be instituted to watch the disposal of applications.

**3.2.2:** We further observed that in 601 mining lease applications (out of the above 606 applications) 182 applications involving a total area of 4,39,959 hectares pertaining to five<sup>3</sup> DDMA/DMOs were pending with the State Government for approval. As these applications could not be settled within the specified time period, the Government was deprived of dead rent besides blocking of mineral development.

<sup>1</sup> Bilaspur, Dantewada, Janjgir-Champa, Korba, Raigarh and Raipur.

<sup>2</sup> Durg, Korea, Rajnandgaon and Surguja.

<sup>3</sup> Dantewada, Janjgir-Champa, Korba, Raigarh and Raipur.

During the Exit Conference, the Government stated that applications could not be settled as in many cases approval of Government of India (GOI) is required.

### 3.3 Levy and Collection of Stamp Duty and Registration Fees

#### 3.3.1 Incorrect determination of average annual royalty

As per instructions (No./F-19-192/92/12/2 dated 15 March 1993) of Government of Madhya Pradesh, Mineral Resources Department, as applicable to Chhattisgarh, Stamp Duty (SD) and Registration Fees (RF) is leviable on new mining lease and is calculated on the basis of mineral to be extracted as shown in the application form for mining lease or the production given in the mining plan, whichever is higher.

During test check of mining lease case files of four<sup>4</sup> DDMA/DMOs, we noticed that while sanctioning mining leases for a period of 20 to 30 years, lease deeds were executed/registered on the basis of the average production of the first five years as shown in the mining plan or application instead of the average of the proposed production for the complete lease period as per the instruction *ibid*. The average annual royalty was wrongly calculated by the DDMA/DMOs for the initial five years at ₹ 20.74 crore as against complete lease period at

₹ 41.36 crore. Thus, Stamp Duty and Registration Fees amounting to ₹ 7.08 crore and ₹ 5.07 crore was levied as against the leviable amount of ₹ 14.09 crore and ₹ 10.34 crore respectively. This resulted in short levy/recovery of Stamp Duty and Registration Fees of ₹ 12.29 crore (*Appendix I*).

During the Exit Conference, the Government stated that lease deeds were executed on the basis of average production for the first five years as shown in the mining plan or application whichever is higher. The fact however remains that as per the Rules average annual royalty was to be calculated for the entire lease period and it does not stipulate for determining the average annual royalty taking into account the production for the first five years only. Further, the same nature of observation appeared in the Audit Report 2009-10 (para 8.11) and the Government had accepted the audit observation and recovered ₹ 30.98 lakh in one case and in the other case a demand notice was issued for recovery of ₹ 8.91 lakh. Further reply has not been received (August 2012).

#### 3.3.2 Absence of provision for payment of Stamp Duty and Registration Fees

The CGMM Rules do not provide for levy of Stamp Duty and Registration Fees in the event of revision of the mining plan. We observed during scrutiny of mining lease case files and mining plans in DDMA, Korba (June 2011) that an agreement of lease for 30 years was executed in April 2006 on which Stamp Duty

<sup>4</sup> Bilaspur, Durg, Janjgir Champa and Raipur.



and Registration Fees of ₹ 2.39 crore was paid on the expected quantity of production of 18,60,000 metric ton (MT) per year as mentioned in the mining plan. The plan was revised in 2008 and as per the modified plan, the expected revised quantity of mineral was 45,25,000 MT. Due to increase in the quantity determined previously, the Department directed the lessee to execute a revised lease deed agreement in accordance with the modified mining plan but the lessee refused to re-execute the lease deed as per the revised mining plan on the ground that no provision exists in the MMDR Act for re-execution of a lease deed. Thus in the absence of enabling provisions in the Rules, the Government was deprived of revenue of ₹ 4.63 crore.

During the Exit Conference, the Government accepted the audit observation and issued a circular<sup>5</sup> in which it is mentioned that an undertaking would be taken from the lessee for payment of differential amount of Stamp Duty, where anticipated quantity of production in the mining plan has been revised/modified. Further the Government stated that a reference has been made to the Sub Registrar Korba and Inspector General of Registration (IGR), Bilaspur for recovery of the differential amount of Stamp Duty and Registration Fees.

### 3.3.3 Application of incorrect rate of royalty for calculation of average annual royalty

As per the order of the Government of Madhya Pradesh, Mineral Resources Department, Bhopal dated 15 March 1993 (adopted in Chhattisgarh) read with Article 35(a) (iv) (v) of Schedule I of the Indian Stamp Act, 1899, Stamp Duty is leviable at the rate of 6.5 per cent of three times of the anticipated average annual royalty on a lease for a period of 20 years at the time of execution of the deed. In addition, Registration Fees is also leviable at the rate of 75 per cent of the Stamp Duty. As per the rules *ibid*, the average production as shown in the application of the lessee or the mining plan, whichever is higher, is to be taken into consideration for calculation of Stamp Duty. Further, as per Government of India notification (August 2009), 10 per cent of the sale value is to be taken into account for calculating royalty of iron ore.

The royalty rates for iron ore are circulated by the Indian Bureau of Mines (IBM) for each month after a time lag of two-three months. The CGMM Rules or the terms and conditions of the lease deed do not provide for levy of the differential quantum of Stamp Duty and Registration Fees due to upward revision of rates of iron ore by the IBM with retrospective effect.

We found (June 2010 and December 2011) during the test check of mining lease case files of the DMO, Kanker and Rajnandgaon that two lease deeds for iron ore were executed between the Government of Chhattisgarh and two lessees (M/s Bhilai Steel Plant

<sup>5</sup> No. F 7-1/2004/12 dated 24 November 2011

(BSP) and M/s. Godawari Ispat and Power Ltd.) for a period of 20 years on 23 October 2009 and 15 March 2010 respectively for extraction of iron ore. Accordingly, Stamp Duty and Registration Fees of ₹ 45.98 crore and ₹ 34.48 crore respectively were leviable on the average annual royalty of ₹ 235.79 crore as per the prevailing rate of iron ore (₹ 184.60 and ₹ 223.90 per MT) in the month of October 2009 and March 2010 respectively. As against this, Stamp Duty and Registration Fees of ₹ 20.07 crore and ₹ 15.05 crore respectively was determined on the average annual royalty of ₹ 102.93 crore calculated by the DMOs on the basis of the rate of iron ore (₹ 70.50 and 65.80 per MT) prevailing in the month of August 2009 and November 2009 respectively. This resulted in short levy/recovery of Stamp Duty and Registration Fees of ₹ 45.34 crore (Appendix II).

During the Exit Conference, the Government accepted the audit observation and stated that a circular<sup>6</sup> has since been issued on 24 November 2011 which stipulates that an undertaking would be taken from the lessees for payment of the balance amount of Stamp Duty, whenever difference of Stamp Duty arises due to revision of rates of royalty by IBM. It was further stated that demand notices have been issued by the Collector, Kanker and Rajnandgaon for recovery of the differential amount.

Further, the Government intimated (April 2012) that an amount of ₹ 42.73 crore has been recovered from one lessee (BSP) in March 2012. However, the position on recovery of the differential amount of ₹ 2.61 crore has not been received (August 2012).

### 3.4 Delay in cancellation of lease of inoperative mines

Under the MC Rules, 1960 if any lease holder does not start mining within two years from the date of execution of the lease deed or discontinues the mining operation for a continuous period of two years after the commencement of such operation, the State Government shall by an order declare the mining lease as lapsed and communicate the declaration to the lessee.

We found (May 2010) in the test check of the mining lease case files of DMO, Durg that four mining leases were executed during the period 1994 to 1999 but the mining operations were not commenced since the date of execution. However, the Department intimated the Government about the idle mining lease after a gap of nine to 13 years and the Government declared these

leases as lapsed between September and November 2009 after a gap of 10 months to six years from the date of intimation by the Department. Thus, the mines remained inoperative for periods ranging between 10 and 15 years. During this period the lessees had neither deposited dead rent nor was any demand raised by the DMO. Had timely action been taken to terminate the non-operative leases and

<sup>6</sup> No. F 7-1/2004/12

to sanction fresh leases, the Department could have realised at least ₹ 55.44 lakh towards royalty (based on the yearly royalty quoted in those lease deeds). The Department had also failed to intimate the Government within the stipulated period of two years after sanction of the leases.

During the Exit Conference, the Government stated that royalty is payable under Section 9 of the MMDR Act, 1957 when mineral is removed or consumed from the lease area and hence there is no loss of royalty. However for administrative purpose, to monitor the cases of lapse of leases, computerisation of the Department is in progress. We do not agree as the lessees were liable to pay dead rent which was neither paid by the lessee nor demanded by the Department. Further, was abnormal delay in intimating the Government by the Department as well as in declaring the leases as lapsed by the Government.

### **3.5 Blocking of revenue due to non disposal of application**

As per Rule 64C of the MC Rules, 1960, on removal of tailings or rejects from the leased area for sale or consumption, such tailings or rejects shall be liable for payment of royalty. Further, as per rule 27(1)(O) of the MC Rules, the State Government may by order permit the lessee to dispose of the mineral in such quantity and in such manner as may be specified therein as a minor mineral.

During scrutiny of the mining lease case files of DDMA, Raipur, we noticed that a lessee applied for permission to sell limestone rejects of 10 lakh MT in July 2008 under Rule 27(1)(O) of MCR from the leased area on the basis of advance payment of royalty. The DDMA forwarded the proposal for permission to the State Government on

14 January 2009. It was however noticed that even after expiry of more than two years, the application was neither rejected nor was permission granted to the lessee. This resulted in blocking of royalty of ₹ 6.30 crore.

During the Exit Conference, the Government stated that it has given permission (December 2011) for sale of screen rejects after payment of royalty.

### 3.6 Discrepancy in the lease area and actual mining area

Section 11 of the Coal Bearing Areas (Acquisition and Development) Act, 1957 provides that where the right under any mining lease acquired under this Act vests in a Government Company under sub-Section (1), the Government Company shall on and from the date of such vesting be deemed to have become a lessee of the State Government. Rule 33 of the MCR, 1960 provides that when a mining lease is granted by the State Government, arrangement shall be made by the State Government at the expense of the lessee for the survey and demarcation of the area granted under the lease.

Our scrutiny of mining case files of DMO Korea revealed that a total of 5,898.28 hectares of land was sanctioned for mining activities by two collieries of a lessee viz. South Eastern Coalfields Limited (SECL). As per information received from the Forest Department, the total forest area of the collieries was 5086.77 hectares, whereas as per the records of the Mineral Resource Department the collieries had 5552.50 hectares of Forest land. Thus, the difference of 465.73 hectares

of Forest land was excess land in possession with the lessee. Further, as per the Forest Department total revenue land allotted to the collieries was 265.03 hectares whereas as per the records of the Mineral Resource Department 341.45 hectares of revenue land was in their possession. Thus, the collieries had excess land of 76.42 hectares of Revenue land. Despite this the Mining Department failed to demarcate the lease area allotted to the lessee for coal mining.

(Area in hectare)

Name of colliery	Total lease area		Revenue land		Difference in Revenue land	Forest land		Difference in Forest land
	As per Forest Dept.	As per Mineral Resource Dept.	As per Forest Dept.	As per Mineral Resource Dept.		As per Forest Dept.	As per Mineral Resource Dept.	
Churcha	4,643.33	4,767.36	144.13	216.22	72.09	4,499.2	4,551.14	51.94
Katkona	712.8	1,130.92	120.9	125.23	4.33	587.57	1,001.36	413.79
<b>Total</b>	<b>5,356.13</b>	<b>5,898.28</b>	<b>265.03</b>	<b>341.45</b>	<b>76.42</b>	<b>5,086.77</b>	<b>5,552.5</b>	<b>465.73</b>

During the Exit Conference, the Government stated that for coal mining, the land whether Forest or Revenue, is acquired under the Coal Bearing Areas (Acquisition and Development) Act by the Government of India directly and the State Government, Mining Department does not come into the picture. It was further stated that formal demarcation of the lease area is done by Central Mine

Planning and Design Institute (CMPDI). Difference in lease area would be examined after getting the lease area map from the Central Mine Planning and Design Institute and Forest Department. Further report has not been received (August 2012).

### **3.7 Recommendations**

- *The Government may consider prescribing a system to monitor the cases of applications pending at the Government level. Further, the Government may also create an effective co-ordination mechanism with other Departments for timely finalisation of the applications.*
- *The Government may therefore consider incorporating a clause in the terms and conditions of the mining lease for execution of a revised modified agreement in case of modification in the mining plan.*
- *The Government may consider incorporating a clause in the lease deed for payment of the differential amount of stamp duty whenever difference in duty arises due to delayed publication of rates of royalty.*
- *The Government may consider prescribing appropriate mechanism to ensure timely cancellation of idle mining leases and resettlement of these leases for augmentation of revenue.*

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## CHAPTER-IV

### ASSESSMENT AND COLLECTION OF ROYALTY AND OTHER DUES

#### 4.1 Introduction

Section 9(2) of the MMDR Act provides that the holder of a mining lease shall pay royalty in respect of any mineral removed and/or consumed from the lease area. The lessees are required to file monthly, half-yearly and annual returns on the due dates in the prescribed form. On the basis of these returns, the DMOs assess the correctness of royalty paid by the lessees. In all leases, half yearly royalty assessment is to be done on the basis of monthly, half yearly and annual returns/reports of mines.

#### 4.2 Incorrect categorisation of iron ore as lumps and fines

As per the MMDR Act, the holder of a mining lease shall pay royalty in respect of any mineral removed from the lease area at the rate for the time being specified in the Second Schedule in respect of that mineral. The rate of royalty on iron ore lumps and fines was ₹ 27 per MT and ₹ 19 per MT for above 65 per cent iron content, ₹ 16 per MT and ₹ 11 per MT having 65 to 62 per cent iron content and ₹ 11 per MT and ₹ 8 per MT iron ore having less than 62 per cent iron content respectively upto 12 August 2009 and 10 per cent of sale price on *ad valorem* basis thereafter. Further as per the clarification (November 2004) of the Indian Bureau of Mines (IBM), Ministry of Mines, Government of India (GOI), ores of size more than 6 mm are categorised as lumps and those below 6 mm are categorised as fines.

During scrutiny of the mining lease case files and monthly and annual returns in DMO, Dantewada, we noticed (June 2011) that a lessee, National Mineral Development Corporation (NMDC) Ltd., was dispatching iron ore as lumps and fines and paying royalty accordingly. NMDC, Bachel complex had categorised iron ore below 10 mm as fines, whereas NMDC, Kirandul complex had categorised ores below 12.5 mm. as fines up to May 2009 and below 10 mm from June 2009 instead of categorising

ores below 6 mm as fines, as per the clarification *ibid*. By adopting this categorisation the lessee had depicted extraction of 5.97 crore MT fines in its returns for the period 2006-07 to 2010-11. The details are shown in the following table:-

Sl. No.	Complex	Deposit no.	+65% Fe (MT)	-65% Fe to +62% Fe(MT)	-62% Fe (MT)	Total production of fines (MT)
1	Kirandul	14,11C	1,46,47,341	1,41,54,601	12,88,687	3,00,90,629
2	Bacheli	5	1,20,19,698	53,73,346	3,88,860	1,77,81,904
3		10,11A	44,30,995	54,14,863	19,74,000	1,18,19,858
<b>Total</b>			<b>3,10,98,034</b>	<b>2,49,42,810</b>	<b>36,51,547</b>	<b>5,96,92,391</b>

As size-wise production records of iron ore was not maintained in the DMO's office, we were unable to work out the exact quantum of lumps and fines and the royalty payable thereon. We also noticed that no guidelines on categorization of iron ore as lumps and fines was issued by the State Government.

In the Exit Conference, the Government stated that a reference had been made on 25.10.2007 to the GOI to notify the size of lumps and fines as per the clarification given by the IBM.

It is recommended that the State Government should pursue the matter with the GOI regarding notification of the size of lumps and fines in order to ensure that there is no leakage of revenue on this issue.



### 4.3 Environment Cess and Infrastructure Development Cess

#### 4.3.1 Non levy of Environment Cess and Infrastructure Development Cess on quarry leases

Under the provisions of the Chhattisgarh (*Adhosanrachna Vikas evam Paryavaran*) *Upkar Adhiniyam* 2005, infrastructure development cess and environment cess is leviable on land covered under mining leases other than coal and iron ore, at the rate of five *per cent* each on the amount of royalty payable annually. Further as per section 2(d), “mining lease” means a lease granted under the MMDR Act, 1957. As per rule 2(xxv) of CGMM Rules, 1996 quarry lease means a mining lease for minor minerals as mentioned in Section 15 of the MMDR Act. Further, as per the order of DGM (December 2009) cess is leviable in quarry leases also and would be recovered by the Mining Department. It was also directed that records relating to levy and collection of cess would be maintained by the Mining Department.

During test check of mining lease case files of ten<sup>1</sup> DDMA/DMOs, we noticed that during the period December 2009 to March 2011, the DDMA/DMOs recovered royalty of ₹ 79.10 crore from quarry lease holders but failed to levy Infrastructure Development Cess amounting to ₹ 3.96 crore and Environment Cess of ₹ 3.96 crore on the amount of royalty paid. This resulted in non levy of cess of ₹ 7.92 crore.

During the Exit Conference, the Government stated that cess is not leviable on quarry leases and issued a circular no. F 12-03/2007/12 dated 15.12.2011 cancelling the

clarification of DGM dated December 2009 regarding levy of Cess on quarry lease. We do not agree as Section 2(d) of the *Upkar Adhiniyam* 2005 provides that Cess shall be levied and collected on lands covered under mining leases. Further, prior to issue of the circular dated 15.12.2011 no exemption on levy of Cess on quarry leases was granted by DGM. As such the DDMA/DMO should have levied and collected the Cess.

<sup>1</sup> Bilaspur, Dantewada, Durg, Janjgir Champa, Korba, Korea, Raigarh, Raipur, Rajnandgaon and Surguja

### 4.3.2 Non realisation of Environment Cess and Infrastructure Development Cess on mining leases

Under the provisions of the Chhattisgarh (*Adhosanrachna Vikas evam Paryavaran*) *Upkar Adhiniyam* 2005, development cess and environment cess is leviable at the rate of five *per cent* each on the amount of royalty payable. In case of iron ore, cess is leviable on dispatch quantity at the rate of ₹ 5 per MT each. Further as per order of DGM (December 2009) cess would be recovered by the Mining Department. It was also directed that records relating to levy and collection of cess would be maintained by the Mining Department.

During test check of mining lease case files of two<sup>2</sup> DMOs, we noticed (May 2010 to May 2011) that 43 lessees had paid royalty of ₹ 19.39 crore between 2006-07 and 2010-11, on limestone and other major minerals. However the DMOs did not levy cess amounting to ₹ 1.94 crore and no

action was taken for recovery of the same till the date of audit. Similarly, though two other lessees dispatched 430.83 lakh MT of iron ore, the Department did not levy environment cess in one case and in another case though the demand notice was issued, the DMOs failed to recover Environment and Development Cess amounting to ₹ 42.91 crore. This resulted in non-realisation of revenue of ₹ 44.84 crore (*Appendix III*).

During the Exit Conference, the Government stated that in case of a lessee (Bhilai Steel Plant) demand notice has been issued in September 2011, and out of the objected amount of ₹ 42.72 crore, ₹ eight crore has been recovered upto February 2012 and the lessee has agreed to deposit the remaining amount in installments. In the other two<sup>3</sup> cases, the objected amount has been recovered between July 2010 and September 2011. In the rest of the cases, it was stated that Cess would be recovered at the earliest.

<sup>2</sup> Durg (May 2010 and May 2011) and Kanker (June 2010)

<sup>3</sup> ACC Ltd. and Godavari Ispat pvt. Ltd

## 4.4 Short levy of royalty on coal

### 4.4.1 Application of incorrect rate of royalty on coal

According to Section 9(2) of the MMDR Act, every lessee is liable to pay royalty in respect of minerals removed/consumed from the lease area at the rate specified in the Second Schedule. As per GOI notification (August 2007), royalty on coal for various grades is fixed on the basis of basic pithead price of Run-of Mines (ROM) coal. The basic pithead price for Korea-Rewa coalfields is higher than Korba-Raigarh coalfields. Under Rule 64 A of the MC Rules, if the lessee fails to pay royalty on the due date, he shall be liable to pay interest at the rate of 24 per cent per annum from the 60<sup>th</sup> day of the due date of payment till the date of payment.

On scrutiny of the mining plan and lease case files of DDMA, Korba, we noticed that a lessee, Prakash Industries Limited, was allotted (January 2006) a coal block in Hasdeo-Arand area (Chotia block), which was located in Korea-Rewa coalfields. South Eastern Coalfield Limited (SECL)<sup>4</sup> had also clarified (December 2011) that Hasdeo-Arand area is situated in Korea-Rewa coalfield. For the purpose of royalty, the lessee had followed the basic pithead price of ROM 'D' coal applicable for Korba-

Raigarh coalfield and paid royalty accordingly on the dispatched quantity. Since Hasdeo-Arand area is situated in Korea-Rewa coalfield, higher rate of royalty was leviable. During the period August 2007 to March 2011, the lessee had extracted and dispatched 35,20,870 MT of 'D' grade coal and paid royalty amounting to ₹ 39.31 crore as against the royalty payable of ₹ 43.10 crore. Thus, failure of the DDMA to verify the payment with reference to the location of the mine resulted in short levy of royalty of ₹ 3.79 crore. Interest amounting to ₹ 1.60 crore is also leviable on short payment of royalty (*Appendix IV*).

During the Exit Conference, the Government stated that the matter will be taken up with the Coal Controller for determination of the rate of royalty. Further report has not been received (August 2012).

<sup>4</sup> A subsidiary of Coal India Limited

#### 4.4.2 Short payment of royalty as per minimum rate

According to Section 9(1) of the MMDR Act, every lessee is liable to pay royalty in respect of minerals removed/consumed from the lease area at the rate specified in the Second Schedule. Further, as per Rule 64(a) of MC Rules, if the lessee fails to pay royalty on the due date, he shall be liable to pay interest at the rate of 24 per cent per annum from the 60<sup>th</sup> day of the due date of payment till the date of payment. According to Rule 52 of the MCDR, 1988 the owner, agent, mining engineer or manager of every mine shall submit a copy of the monthly, quarterly and annual returns to the State Government concerned in whose territory the mine is situated. As per notification dated 1 August 2007 of the Ministry of the Coal, the rates of royalty shall be a combination of specific and *ad valorem* rates. The price of coal is lowest in case of core consumers and slightly higher in case of non-core consumers and e-buyers for the same grade of coal.

During scrutiny of the monthly returns of two<sup>5</sup> DDMA/DMOs we noticed (June 2011) that a lessee, South Eastern Coalfields Limited (SECL), dispatched 43.01 lakh MT coal from the lease area and paid ₹ 51.48 crore as royalty. The monthly returns of the lessee did not show the quantity of coal supplied to core consumers<sup>6</sup>, non-core consumers<sup>7</sup> and e-buyers and the rate of royalty applicable. However the minimum royalty payable (calculated by Audit on core consumer rates) was ₹ 77.35 crore as per the rate applicable

for the concerned grade of coal declared by the Coal Controller of India. The concerned DDMA/DMO failed to scrutinise the monthly returns submitted by the lessee. This resulted in short levy of royalty of ₹ 25.87 crore and interest of ₹ 13.16 crore thereon as shown below:

<sup>5</sup> Korba and Korea

<sup>6</sup> Coal supplied to Power, Fertiliser and Defence sectors are categorised as core sector

<sup>7</sup> Coal supplied to other than Power, Fertiliser and Defence are categorised as non core sector.

(₹ in lakh)

Sl. No.	DMO	Name of colliery	Grade of coal	Period	Dispatched quantity (MT)	Minimum royalty payable (applying minimum rate of royalty for the grade)	Royalty paid	Short payment	Interest leviable
1	Korba	Rajgamar	Slack 'B'	July 2008-September 2010	1,13,838	222.11	149.92	72.19	26.50
		Surakachhar	Steam 'B'	August 2007-March 2011	28,41,745	5,624.86	3,562.62	2,062.24	1,046.72
			Slack 'C'	August 2007-March 2011	13,21,132	1,838.70	1,387.01	451.68	242.35
2	Korea	West Jhagrakhand	Steam 'A'	August 2007	13,835	28.33	27.67	0.66	0.54
			Slack 'B'	August 2007	10,678	20.63	20.60	0.03	0.03
<b>Total</b>					<b>43,01,228</b>	<b>7,734.63</b>	<b>5,147.82</b>	<b>2,586.81</b>	<b>1,316.14</b>

During the Exit Conference, the Government stated that in Rajgamar colliery some quantities of coal of steam B was mixed with Slack B and SECL paid royalty as per prescribed royalty rate. In Surakachhar colliery royalty paid by the lessee was correct. In West Jhagrakhand colliery the objected amount of ₹ 1.19 lakh has since been recovered.

The reply of the Government is not acceptable because in the previous monthly returns (before August 2007) of Surakachhar colliery royalty paid was in accordance with the dispatched quantity of coal. In Rajgamar colliery, the figures of dispatched quantity of coal as well as royalty paid amount were changed after being pointed out by Audit.

#### 4.5 Short levy of royalty on bauxite

As per the provisions of the Second Schedule of the MMDR Act, rate of royalty in respect of bauxite is levied on the content of alumina in the ore. As per the directions issued (May 2006) by the DGM, Regional offices of the Directorate were required to collect a sample of the ore by the 15<sup>th</sup> of each month and the analysis report of the percentage of alumina content was to be send to the DMOs by the 30<sup>th</sup> of every month and on the basis of the result, royalty of bauxite was to be assessed.

During test check of the mining lease case files of DMO, Surguja, we noticed that a lessee, Bharat Aluminium Company Limited (BALCO), was paying royalty on bauxite (used for its Korba plant) on the grade of alumina (Al<sub>2</sub>O<sub>3</sub>) ranging from 43 per cent to 47 per cent. However, as per the mining plan, the average grade of alumina required

by the Korba plant was 48 *per cent*. By manual sorting the average grade of ore was maintained at 48 *per cent*. Thus dispatched and utilised alumina in the plant was 48 *per cent* but during the assessment of royalty it was taken as 43 to 47 *per cent*. We further noticed that between May 2006 and March 2011 the Regional office of DGM, Bilaspur had collected and checked samples of ore only on seven occasions. As per the result of the sample test, the average grade of alumina in the bauxite ore was more than 48 *per cent*. However, during assessment of royalty, the DMO had not taken into consideration the results of the sample test and accepted the lessee's returns. During July 2006 to December 2010, the lessee dispatched 25.55 lakh MT of bauxite and paid royalty of ₹ 26.07 crore instead of royalty payable of ₹ 27.81 crore. The DMO neither considered the results of the sample test nor initiated any action to get the sample results for the other months from the Regional office, Bilaspur. This resulted in short levy of royalty of ₹ 1.74 crore. Interest of ₹ 83.13 lakh was also leviable.

During the Exit Conference, Government stated that a circular had been issued in May 2006 regarding determination of percentage of alumina content in bauxite ore through laboratory tests of samples before assessment of royalty. Further directions have been issued to the DMOs to check the percentage of alumina in previous assessments and if any short assessment of royalty came to notice, it should be collected from the lessee. The Department also stated that it is checking the grade of alumina from time to time in different lease areas and would make some changes in the sample collection procedure.

#### 4.6 Short levy of royalty on iron ore

The MMDR Act provides that the holder of a mining lease shall pay royalty in respect of any mineral removed or consumed by him. The royalty rates in respect of iron ore is based on iron content available in the mineral. During a review meeting held in September 2010, the Secretary (Mineral Resources Department) instructed all regional offices to provide sample results of analysis of iron, bauxite and tin ore to the DMOs for the assessment of royalty.

During scrutiny of the monthly returns, mining plans and lease case files of DMO Durg, we noticed that a mining lease of iron ore was granted in 1958 and renewed in April 2003 to Bhilai Steel Plant for a period of 20 years in Rajhara (mechanised mine). Royalty for the period from 2006-07 to 2010-11 was paid without verifying the iron content in the iron ore. Based on the chemical analysis report shown in the mining plan and mining scheme, iron content in the ore was more than 65 *per cent*. As per sample test of iron ore done by the Regional office, Raipur in December 2007, content of iron was more than

65 *per cent*. During 2003-04 to 2007-08, the lessee had also shown in his mining plan that the quality of ROM fed to the crushing and screening plant was more than 65 *per cent*.

During 2006-07 to 2010-11, the lessee had extracted 63,70,540 MT iron ore and paid royalty on iron content of 62 to 65 *per cent* amounting to ₹ 72.38 crore instead of the royalty payable (more than 65 *per cent* iron ore content) of ₹ 94.20 crore. Thus non verification of the iron content in iron ore resulted in short levy of royalty of ₹ 21.82 crore. Interest of ₹ 5.91 crore was also leviable.

During the Exit Conference, the Government stated that matter will be examined by technical experts after collecting the lab reports of Bhilai Steel Plant. The Department maintained that royalty is collected on the grade/quality of mineral mined and not on the basis of mining plan. We do not agree as neither did the Regional office collect and check the ore sample nor did the DMO comply with the instructions of September 2010.

#### 4.7 Short levy of royalty on coal

According to Section 9(2) of the MMDR Act, every lessee is liable to pay royalty in respect of minerals removed/consumed from the lease area at the rate specified in the Second Schedule. As per GOI notification (August 2007), royalty on coal for various grades is fixed on the basis of basic pithead price of ROM coal. The GOI, Ministry of Coal, Coal Controller vide letter dated March 2010 notified the grade of coal in Chotia coal block, Seam II as ROM 'D' grade, subject to the condition that if after inspection or from the sample drawn, the Coal Controller is satisfied that the grade declared does not conform to the grade notified, the owner, agent or manager of the mine is bound to revise the grade as per the directions issued by the Coal Controller.

During test check of mining lease case files, monthly returns and mining plans of DDMA, Korba, we noticed that a lessee, Prakash Industries Limited (PIL), was allotted coal block in Chotia region in 2006. The lessee was extracting coal from seam II of Chotia coal block-1 from the beginning of the lease and paying royalty on 'D' grade coal. However, as per the original mining plan and revised mining plan approved by the Coal Controller, the grade of mineral reserve of seam II of Chotia block - 1 was 'B'(10 *per cent*), 'C'(61 *per cent*) and 'D'(29 *per cent*) grade respectively<sup>8</sup>. The mining plan of the lessee also revealed 'A'-'E' grade coal reserve in the block. Besides this, at the time of execution of the lease deed, the lessee had paid Stamp Duty and Registration Fees as per 'C' and 'D' grade coal.

During 2006-07 to 2010-11, the Regional office, Bilaspur had checked the coal samples drawn in January 2007, October 2009 and October 2010 in which the grade of coal was found to be G, C and D respectively. The Coal Controller,

<sup>8</sup> As per surveyor's report excavation of coal is done at 10 to 20 metre depth in seam 2 of Chotia block I. Total coal reserve is 4.598 MT at this depth. Out of this total coal reserve, 0.455 MT is 'B' grade coal, 2.818 MT 'C' grade and 1.325 MT 'D' grade coal as shown in the mining plan which comprise 10 *per cent*, 61 *per cent* and 29 *per cent* respectively.

Kolkata had also informed the results of coal sample drawn in January 2010 from the seam as 'B' grade.

During 2006-07 to 2010-11, the lessee had dispatched 44,42,329 MT of coal and paid royalty at the rate of 'D' grade. As per grade shown in mining plan the total quantity of B, C and D grade coal was 4,44,233 MT, 27,09,821 MT and 12,88,275 MT respectively. Accordingly royalty amounting to ₹ 62.29 crore was leviable. As against this, DDMA Korba levied and collected ₹ 47.14 crore. This resulted in short levy of royalty of ₹ 15.14 crore. Interest amounting to ₹ 7.96 crore was also leviable (*Appendix V*).

During the Exit Conference, the Government stated that matter will be taken up with the Coal Controller who is statutorily responsible for declaration of coal grades in coal mines. Further report has not been received (August 2012).

#### **4.8 Irregular allowance towards processing loss**

According to Rule 30(b) of the CMM Rules, the lessee shall pay royalty in respect of quantities of mineral intended to be consumed or transported from the leased area at the rate for the time being specified in Schedule III.

During test check of the assessment records and returns furnished by the lessees in DDMA, Raipur, we noticed that 13 limestone quarry lease holders used 132.07 lakh cubic feet (cft) limestone boulder for crushing and produced 115.06 lakh cft limestone *gitti* (metal) between January 2006 and December 2010. In

this process, 17.01 lakh cft (85,066 MT) of limestone was shown as loss. This loss ranged between 5.6 to 28.8 *per cent*. In the assessment report of the MI, royalty was assessed only on the metal produced and not on the loss shown by the lessee. Since there is no provision in the CMM Rules for allowing processing loss, exemption of royalty on processing loss was irregular. This resulted in irregular exemption of royalty of ₹ 48.37 lakh.

During the Exit Conference, the Government stated that the lessees paid royalty when the dust was sold. We do not agree as neither was production of the dust shown in the assessment report nor was any royalty assessed on the dust.



#### 4.9 Short realisation of royalty and interest thereon

Under the provisions of the MMDR Act, the holder of a mining lease is liable to pay royalty in respect of any mineral removed from the leasehold area or consumed. Therefore, as soon as the mineral is removed, royalty becomes due and can be demanded on the basis of available information. As per order of the DGM (April 2006) assessment of royalty is to be done once in every six months.

During test check of the mining lease case files, assessment records and monthly returns of the DMO, Dantewada we observed that the DMO had assessed royalty based on the returns and issued demand notice (December 2007) of ₹ 18.53 crore for the period January 2003 to June 2007 payable by a lessee (NMDC). Against this, the lessee paid royalty of ₹ 4.45 crore in June 2008 on the plea that the figures in the six monthly returns

were not correct. Despite this, the DMO neither took any steps to examine the plea of the lessee and calculate and recover the realisable dues from the lessee.

Further, our scrutiny of records of the DDMA, Raipur and DMO, Raigarh revealed that two lessees had paid royalty aggregating ₹ 9.18 crore. Our calculation of the royalty from the monthly returns and other records revealed that royalty amounting to ₹ 9.65 crore was leviable against these lessees. The DDMA/DMO (Raigarh and Raipur) neither assessed the royalty payable nor issued demand notice for recovery of royalty. This resulted in short realisation of ₹ 47 lakh. Interest amounting to ₹ 12 lakh was also leviable as shown below:

(₹ in lakh)						
Sl. no.	DDMA/DMO	Mineral	Royalty payable	Royalty paid	Short realisation	Interest
1	Dantewada	Iron ore	1853.29	444.96	1408.33	1070.33
2	Raigarh	Coal	951.87	906.83	45.04	11.50
3	Raipur	Limestone	13.42	11.59	1.83	0.04
<b>Total</b>			<b>2818.58</b>	<b>1363.38</b>	<b>1455.20</b>	<b>1081.87</b>

During the Exit Conference and in its reply of February 2012, the Government stated that in Dantewada, a committee would be constituted at the Directorate level for checking and assessment of royalty. In Raigarh, out of ₹ 65.51 lakh, ₹ 44.41 lakh had been deposited between January 2011 to April 2011. Interest amounting to ₹ 21.10 lakh had been deposited in October 2011. Similarly, in Raipur the objected amount of ₹ 13.42 lakh has been fully recovered. The fact remains that in the case of DMO, Dantewada, the Department failed to resolve the issue and recover the outstanding dues from the lessee even after lapse of four years. In the case of Raigarh and Raipur the reply is not specific to the amount pointed out in Audit. Further reply has not been received (August 2012).

#### 4.10 Non levy of interest on delay in payment of royalty

According to Rule 64(A) of the MC Rules, if the lessee fails to pay royalty on the due date, he shall be liable to pay interest at the rate of 24 per cent per annum from the 60<sup>th</sup> day of the due date of payment till the date of payment.

During scrutiny of the mining lease case files, assessment and monthly returns of two DDMA/DMOs, it was noticed that in four cases the lessees deposited royalty pertaining to the period between January 2003 and March 2009 after the due

dates. The period of delay ranged between 120 days to 365 days as detailed in the table below:

(₹ in lakh)

Sl. no.	DDMA/ DMO	Name of lessee	No. of cases	Royalty amount paid	delayed period (in Days)	Interest leviable (@ 24 % per annum)	Nature of observation
1	Dantewada	NMDC Ltd.	1	805.12	120-150	73.31	Balance amount of royalty amount pertaining to the period January 2003 to June 2007 was deposited in May and June 2008 after a delay of 120 to 150 days by the lessee.
2	Raipur	1.M/s.Grasim Cement 2.M/s.Ambuja Cement 3.M/s.Lafarge Cement	3	177.41	330-365	41.14	Balance amount of royalty amount pertaining to the period February 2009 to March 2009 was deposited in February and March 2010 after a delay of 335 to 365 days by the lessee.
	<b>Total</b>		<b>4</b>	<b>982.53</b>		<b>114.45</b>	

The DDMA/DMOs however did not levy interest amounting to ₹ 1.14 crore. This resulted in non-realisation of interest of ₹ 1.14 crore.

During the Exit Conference, the Government stated that in Raipur district the objected amount of ₹ 41.14 lakh has been fully recovered in October 2010 and September 2011. No reply was furnished by the Government in case of DMO, Dantewada.

#### 4.11 Short assessment of royalty and interest

As per Rule 29(4) of the CGMM Rules, the lessee shall pay royalty in respect of any mineral removed or consumed at the rate specified from time to time in Schedule III. Rule 30(1)(b) provides that the lessee shall pay royalty in respect of quantities of mineral intended to be consumed or transported from the lease area. Rule 30(1) (d) provides that the lessee shall pay interest at the rate of 24 per cent per annum for all defaults in payment of royalty. Rule 30(14) provides that the lessee shall surrender all previous duplicates of used TP books together with unused TP books issued to him before the royalty is paid by him under clause (b) of sub rule (1) and fresh transit passes are issued.

During scrutiny of mining lease case files in DMO Rajnandgaon we noticed that a lessee, Ashoka Buildcon Limited, was granted a lease for boulders at Margaon (6.25 acre) for a period of five years from August 2007. During the period January 2008 to June 2009, the DMO had issued 8400 TPs. The lessee had transported 10 cu.mt limestone per TP. The DMO however had assessed royalty on 4199 TPs only without considering the total number of TPs used. During the above period the DMO assessed royalty amounting to ₹ 16.57 lakh as against royalty payable of ₹ 33.60 lakh (₹ 40 per cu.mt.). During the period the lessee had paid advance royalty ₹ 29 lakh. Thus difference of royalty of ₹ 4.60

lakh was neither assessed nor was demand for recovery of the same issued by the DMO. Interest of ₹ 1.75 lakh was also leviable.

During the Exit Conference, the Government stated that the matter would be cross checked with the lessee's records and action would be taken accordingly. Further reply has not been received (August 2012).

#### 4.12 Recommendations

- *The Government may consider putting in place a mechanism to ensure that royalty is charged as per rules.*
- *The Department should issue necessary instructions for regular scrutiny of the monthly statements and linking of the same to other related records to avoid loss of revenue.*
- *The Government may consider issuing instructions to all DMOs to ensure levy of cess in accordance with the provisions of the Chhattisgarh (Adhosanrachna Vikas evam Paryavaran) Upkar Adhiniyam, 2005.*
- *The Government may consider prescribing monthly returns with details of quantity of coal supplied to core consumers, non-core consumers and e-buyers with rates.*

- ② *The Government may consider developing a mechanism to collect and analyse the sample and compare grades of iron ore at the Department's level and the grade shown in the mining plan every month.*
- ② *The Government may consider developing a mechanism to collect and analyse the samples of coal and intimate differences found in the declared grade to the Coal Controller.*

## **CHAPTER-V**

### **UNAUTHORISED EXCAVATION AND TRANSPORTATION OF MINERALS**

#### **5.1 Introduction**

Section 21(5) of the MMDR Act, 1957 envisages that whenever any person raises without any lawful authority, any mineral from any land, the State Government may recover from such person the mineral so raised, or where such mineral has already been disposed of, the price thereof along with royalty.

In the Mineral Resources Department, there is a Flying Squad in the DGM office at Raipur for prevention and monitoring of illegal excavation and despatch of minerals. The field staff posted at the District offices also detect cases of illegal excavation and despatch of minerals.

As envisaged in the MMDR Act and CGMM Rules, cases of illegal excavation and despatch of minerals are compounded by recovering the cost of mineral in case of major minerals and penalty up to ten times of royalty in case of minor minerals, respectively.

## 5.2 Unauthorised excavation

As per Rule 13(1) of the MCD Rules, 1988, every holder of a mining lease shall carry out mining operations in accordance with the approved mining plan. If the mining operations are not carried out in accordance with the mining plan, the Regional Controller, IBM or the authorised officer may order suspension of all or any of the mining operations. As per Rule 12(3), the scheme of mining shall be submitted to the Regional Controller at least one hundred twenty days before the expiry of the five years period for which it was approved on the last occasion. As per the instructions of the Government issued in July 2008, if mining activities were not carried out in accordance with the approved mining plan and if the lessee did not comply with the rules, the proposal for action to be taken is to be sent to the Regional Controller, IBM. Section 21(5) of MMDR Act, provides that whenever any person raises, without any lawful authority, any mineral from any land, the state Government may recover from such person the mineral so raised, or where such mineral has already been disposed of, the price thereof and may also recover from such person, rent, royalty or tax.

A Flying Squad is working under the control of the DGM with a working strength of two to three persons out of the sanctioned strength of six posts. We noticed that no targets have been fixed for the Flying Squad for detection of cases of illegal mining. The Squad acts on the basis of grievances received at Government/DGM level.

We noted that during the period 2006-07 and 2010-11, 938 cases of unauthorised excavation and transportation were detected by the Flying Squad and penalty of ₹ 97.06 lakh was also recovered.

Our scrutiny of records of the test checked DDMA/DMOs revealed non-recovery of cost of minerals in case of unauthorised excavation and misuse of transit passes as discussed below:

## 5.3 Non-levy/recovery of cost of minerals on unauthorised excavation

**5.3.1** Our test check of the mining lease case files of DMO Janjgir-Champa revealed that two lessees viz. M/s. Mangal Minerals and M/s. Dolomite Mining Corporation were granted (May 1995 and March 2002 respectively) lease for mining of dolomite. Since the lessees had not obtained environmental clearance, the Collector, Janjgir Champa issued (January 2009) orders for stoppage of mining activities. However, we noticed from the monthly returns that the lessees had unauthorisedly excavated and dispatched 27,840 MT of dolomite, during February and March 2009. In the case of M/s Dolomite Mining Corporation neither was any action taken by the DMO to stop the unauthorised excavation nor was the cost of excavated minerals (27,550 MT) amounting to ₹ 1.26 crore

recovered. In the case of M/s Mangal Minerals, penalty of ₹ 1.83 lakh was imposed (February 2010) on 290 MT of unauthorised excavated mineral but the same was not recovered even after lapse of 16 months (June 2011).

During the Exit Conference, the Government stated that since the lessees violated the conditions of the Environmental Act, legal proceedings against the lessees would be taken by the Environment Board. The Environment Board had also given environment clearance to M/s Dolomite Mineral Corporation w.e.f. 2 February 2010. The fact however remains that in one case the lessee continued mining operation and dispatched mineral from the lease area despite the order of the Collector to stop the mining activities and the Department did not recover the cost of the minerals whereas in the second case the penalty imposed has not been recovered.

**5.3.2** Our test check of the mining lease case files and mining plan of DMO Raigarh revealed that a lessee, M/s Monnet Ispat Ltd., was granted lease for excavation of coal in Raigarh District. As per the approved mining plan, the excavation of coal from seam III was to be done from 2009-10 onwards. However, scrutiny of records revealed that the lessee had excavated 8,56,781 MT of coal during the period 2006-07, 2007-08 and 2008-09 over and above the quantity mentioned in the approved mining plan. Thus the coal excavated by the lessee was unauthorised and cost of the excavated coal amounting to ₹ 54.75 crore was recoverable from the lessee. The DMO Raigarh neither initiated any action against the lessee for excavating the coal in violation of the mining plan nor took any action for recovery of the cost of excavated coal valuing ₹ 54.75 crore.

During the Exit Conference, the Government stated that the mining plan for coal is approved by the Coal Controller and action against the lessee for violation of the plan would be taken by the Government of India. The State Government has also sent a report regarding production in excess of the quantity shown in the mining plan to the Government of India in October 2011.

**5.3.3** During test check of the mining lease case files and mining scheme of DMO, Surguja we noticed (May 2011) that Barima Bauxite Mines (Area 11.705 hec. and 80.414 hec.) were leased out to Chhattisgarh Mineral Development Corporation, a State PSU, from September 1999 for a period of 20 years. The approved mining scheme expired in March 2009. As per Rule 12(3) of the MCD Rules, the lessee was required to submit a new mining scheme for approval by November 2008. We observed from the records that the lessee had submitted the mining scheme to IBM for approval in November 2010 i.e. after a delay of 24 months. As the Mining Plan was not found fit for approval, IBM returned (January 2011) the same with the instruction to resubmit a fresh mining scheme. The mining scheme was still pending for approval till the date of audit (May 2011). During this period the lessee had excavated and dispatched 2,32,695.51 MT of bauxite unauthorisedly from the leased area without having an approved mining scheme. Thus the cost of the mineral amounting to ₹ 7.59 crore was recoverable from the lessee. The DMO Surguja however neither took any action to stop the unauthorised excavation nor recovered the cost of the excavated minerals.

After this was pointed out in Audit, the DMO stated that issue of transit passes has been stopped from December 2010.

During the Exit Conference, the Government stated that proceedings against the lessee has been initiated under Rule 13(1) of MCDR 1988. The lessee had also vide letter dated 7.9.2011 informed that the mining scheme has been submitted for approval on 27.6.2011 and had stopped excavation of minerals.

#### **5.4 Short/excess transportation of bauxite**

During scrutiny of information furnished by DMO Surguja on details of dispatch of bauxite from the railway siding at Meralgram we noticed (December 2011) that a lessee, M/s HINDALCO Ltd., had three leases (Samri, Kudag and Tatijharia) and had dispatched bauxite by road to Meralgram railway siding (Jharkhand) which was further transported by rail to its own captive plant at Renukut (Uttar Pradesh). As per the information received from the DMO, the lessee had an opening balance of 67,520 MT of bauxite during 2006-07 at Meralgram railway siding and had dispatched 5,92,126.07 MT of bauxite from the lease area. Cross verification of this figure with information regarding dispatch from the railway siding<sup>1</sup> revealed that the lessee had transported 6,35,227.8 MT bauxite by rail to the Renukut plant. Thus, as per the above, the lessee should have had closing stock of 24,418.27 MT of bauxite. However, as per the information furnished by the DMO, the closing stock at the end of the year 2006-07 was 20,191.03 MT instead of 24,418.27 MT. which implies that although 4227.24 MT of bauxite was dispatched from the mine, the same was not transported to the Renukut plant by the lessee and the possibility of diversion of the mineral for other purposes cannot be ruled out.

Similarly, the lessee had opening balance of 20,191.03 MT at the beginning of 2007-08 and had dispatched 5,22,806.34 MT of bauxite from the lease area. Cross verification of this figure with information regarding dispatch from the railway siding however revealed that the lessee had dispatched 5,44,013 MT of bauxite. Hence, the lessee should have had closing stock of 3,211.57 MT of bauxite. As per the information furnished by the DMO, the closing stock at the end of the year 2007-08 was 5,221.41 MT as against 3,211.57 MT of bauxite which implies that 2,009.84 MT of bauxite was illegally transported to Meralgram railway siding. Thus, the cost of mineral amounting to ₹ 7.93 lakh was recoverable from the lessee.

During the Exit Conference, the Government stated that in the year 2006-07 there was no loss of royalty and for the year 2007-08, directions have been given to the DMO to examine the records and take necessary action. We do not agree as the reasons for the difference of 4,227.24 MT of bauxite for the year 2006-07 have not been explained and reconciled.

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<sup>1</sup> Information furnished by PD (Railway Audit) Hajipur



## 5.5 Transit pass (TP)

### 5.5.1 Double use of transit pass

To prevent leakage/evasion of revenue, the CGMM Rules envisage that the lessee or any other person shall not dispatch the mineral from the leased area without a valid transit pass (TP) issued by the concerned MO. Further, as per Rule 29(7) the original copy of the TP shall be given to the driver of the carrier and the carbon copy shall be retained in the TP book. The TP book is filled up by using carbon paper between both the copies so that the original entry is entered in the second copy also. The TP shall be signed by the person issuing the TP with date. Omission to write the date and time of presenting the TP at the check post or overwriting on the TP attracts penalty. Only one transit pass shall be issued to one carrier for each trip. At the mining check post, information furnished in the TP is required to be registered in the check post register.

Our scrutiny of the check post register and used TP books of two<sup>2</sup> DDMA/DMOs, revealed that in two check posts (Mura and Mandir Hasaud) 12 lessees had reused their TPs in 40 cases and dispatched 581 MT of limestone and 18 cu.mt. of *murrum* by reusing the TPs. In all these cases the transit time and/or vehicle numbers were different from those shown in the original TP. Thus, transportation of such minerals was illegal. The Department failed to scrutinise the TPs at the check post and allowed the vehicles with these invalid TPs to pass through the check post though these TPs were already registered in the records. Penalty of ₹ 3.39 lakh leviable was also not levied.

During the Exit Conference, the Government stated that the irregularities noticed by Audit were mainly due to improper maintenance of registers for which show cause notices have been issued to the check post staff. The cases pointed out by Audit were reviewed and show cause notices have been issued to the lessees who failed to produce the evidence.

### 5.5.2 Irregularities in use of TPs

During scrutiny of records of DMO, Bilaspur, we noticed the following irregularities in case of two lessees:

- In 11 TPs carbon paper was not used.
- In 15 cases, both the copies (i.e. original and duplicate) were not found in the TP book.

<sup>2</sup> Bilaspur and Raipur

- The Transit Pass should contain the details like the name of the mine, district, name of the mineral and its grade, name of the lease holder, name of the consignor, date and time of dispatch, destination of dispatch, quantity of mineral, sale value of mineral, name and registration number of owner/carrier, signature, etc. However, we noticed that in 11 cases the date, time and name of the purchaser were not mentioned in the TPs.
- In two cases quantity of mineral was not mentioned in the TPs.
- In eight cases the TP was not signed by the Mine Manager.

During the Exit Conference, the Government accepted the audit observation and stated that blank transit passes have been cancelled and a register for watching used TPs is being maintained.

## **5.6 Recommendations**

- *The Government may consider issuing instructions to ensure that mining is carried out strictly in accordance with the approved mining plan and to establish a monitoring mechanism to detect unauthorised mining.*
- *The Government may consider evolving a monitoring mechanism to watch whether mineral dispatched from the lease area is consumed in the captive plant.*
- *The Government may prescribe a system of cross verification of used TPs with the check post records at the time of assessment to prevent reuse of TPs.*

## CHAPTER-VI

### IMPLEMENTATION OF THE MINING RULES AND REGULATIONS

#### 6.1 Challans not found in treasury records

During test check of the mining lease case files and treasury receipts of DDMA, Raipur, we noticed (May 2011) that in two cases, royalty of ₹ 76,500 was deposited into Government account through two challans in May 2009 and March 2011.

However, while cross checking these challans with the treasury records we did not find the above challan amounts in the Consolidated Treasury Receipt statement. The Department also failed to detect these missing challans and no action was taken by the DDMA to reconcile the discrepancy.

During the Exit Conference, the Government stated that one challan amounting to ₹ 31,500 has since been found in the treasury and in the case of the other lessee, Anita Jain, the matter is being examined by the Collector. Further examination of the first challan in Audit revealed that though the challan amount was the same, the name of the lessee was different. Further report in case of the second lessee has not been received (August 2012).

#### 6.2 Non obtaining permit for temporary storage of mineral

According to Rule 6 of the Chhattisgarh Minerals (Mining, Transportation and Storage) Rules 2009, the lessee has to obtain a permit in form 7 for temporary storage/beneficiation/crushing of minerals which are kept outside the lease area. Storage fee for the first 250 MT is ₹ 20,000 and thereafter for every 100 MT or part thereof, the fee is payable at the rate of ₹ 2000.

During scrutiny of the mining lease case files and monthly returns of DMO, Dantewada, we noticed that a lessee, NMDC Ltd., dispatched iron ore from the railheads at Bacheli and Kirandul which are located outside the lease area. At the railhead, the lessee blends lower grade

iron ore with higher grade iron ore. Between August 2009 and March 2011, the lessee had temporarily stored 11.85<sup>1</sup> lakh MT iron ore at the railhead from Bacheli deposit no. '5', '10, 11A'. Similarly, 61.56<sup>2</sup> lakh MT iron ore was stored at the railhead from Kirandul deposit no. '14, 11C'. Since the minerals were

<sup>1</sup> Bacheli (Deposit No. 5,10 &11A) - 11,85,387 MT - 250MT = 11,85,137MT/100 = 11,852x ₹ 2000 = ₹ 2,37,04,000 + ₹ 20,000 = ₹ 2,37,24,000

<sup>2</sup> Kirandul (14&11C) - 61,56,254MT-250MT = 61,56,004MT/100 = 61561X ₹ 2000 = ₹ 12,31,22,000 + ₹ 20,000 = ₹ 12,31,42,000

stored outside the lease area, the lessee was required to obtain storage permit from the Collector (Mining) Dantewada. However neither did the lessee obtain the permit nor did the DMO take any action against the lessee for storing the minerals outside the lease area. This resulted in non levy of storage fees amounting to ₹ 14.69 crore.

During the Exit Conference, the Government stated that in Bacheli and Kirandul minerals dispatched are temporarily stored at the dumping yard/Railway siding adjoining the lease area. Therefore, asking for permission of temporary storage of minerals is not practical. We do not agree as in the Departments' reply of May 2012, it was stated that the lessee is blending mineral outside the lease area. Hence, the lessee had not only temporarily stored iron ore outside the lease area but had also blended iron ore at the railhead. Therefore permission was necessary as per Rules *ibid*.

### 6.3 Operation of mines without environmental consent

Under Section 21(4) of the Air (Prevention and Control of Pollution) Act, 1981 and Section 25 and 26 of the Water (Prevention and Control of Pollution) Act, 1974, no person shall establish or operate any industrial plant in an air pollution control area without the previous consent of Chhattisgarh Environment Conservation Board (CECB). The State Government directed all the Collectors (July 2004) that environmental consent from CECB is required for all stone crushers under the provision of the Water (Prevention and Control of Pollution) Act 1974 and Air (Prevention and Control of Pollution) Act, 1981.

During test check of the case files of two DDMA<sup>3</sup>, and information received from three other DMO<sup>4</sup> we noticed that consent from the Chhattisgarh Environment Conservation Board in the case of 289 out of 434 lessees of stone crushers were not on record. These lessees however continued their mining operations and the Department did not take any steps to ensure submission of the required certificate from the CECB by the lessees. In other DMOs, neither was any record regarding environmental consent found maintained nor were the DMOs able to furnish information of lease holders having consent from the Board.

During the Exit Conference, the Government stated that instructions will be issued to the DMOs not to grant fresh leases without getting consent from the Environment Board. In Raipur district all lessees had obtained environmental consent. In Korba district, working permission has been withdrawn from six out of 28 lessees due to non-obtaining environmental consent from the Board.

Though the Government had issued instructions in July 2004 regarding requirement of environment consent from CECB, the Department did not adhere to these directions. Further no mechanism was available either at the district or

<sup>3</sup> Korba and Raipur

<sup>4</sup> Dantewada, Janjgir-Champa and Korea

DGM/Government level to ascertain whether a mine was working with or without environmental consent. Regarding the cases in Raipur, the list of consent holders provided by DDMA Raipur did not tally with the cases pointed out by Audit.

**The Government may consider prescribing a monitoring mechanism to ensure that a lessee had obtained consent to operate any industrial plant in an air pollution control area.**

#### **6.4 Recommendation**

- *The Department may consider prescribing periodic reports/returns to be furnished by the DDMA/DMOs indicating the cases requiring environmental consent and should develop a monitoring mechanism to ensure the operation of mines only after obtaining environmental consent.*

Raipur  
The

18 DEC 2012



(PURNA CHANDRA MAJHI)  
Accountant General (Audit)  
Chhattisgarh

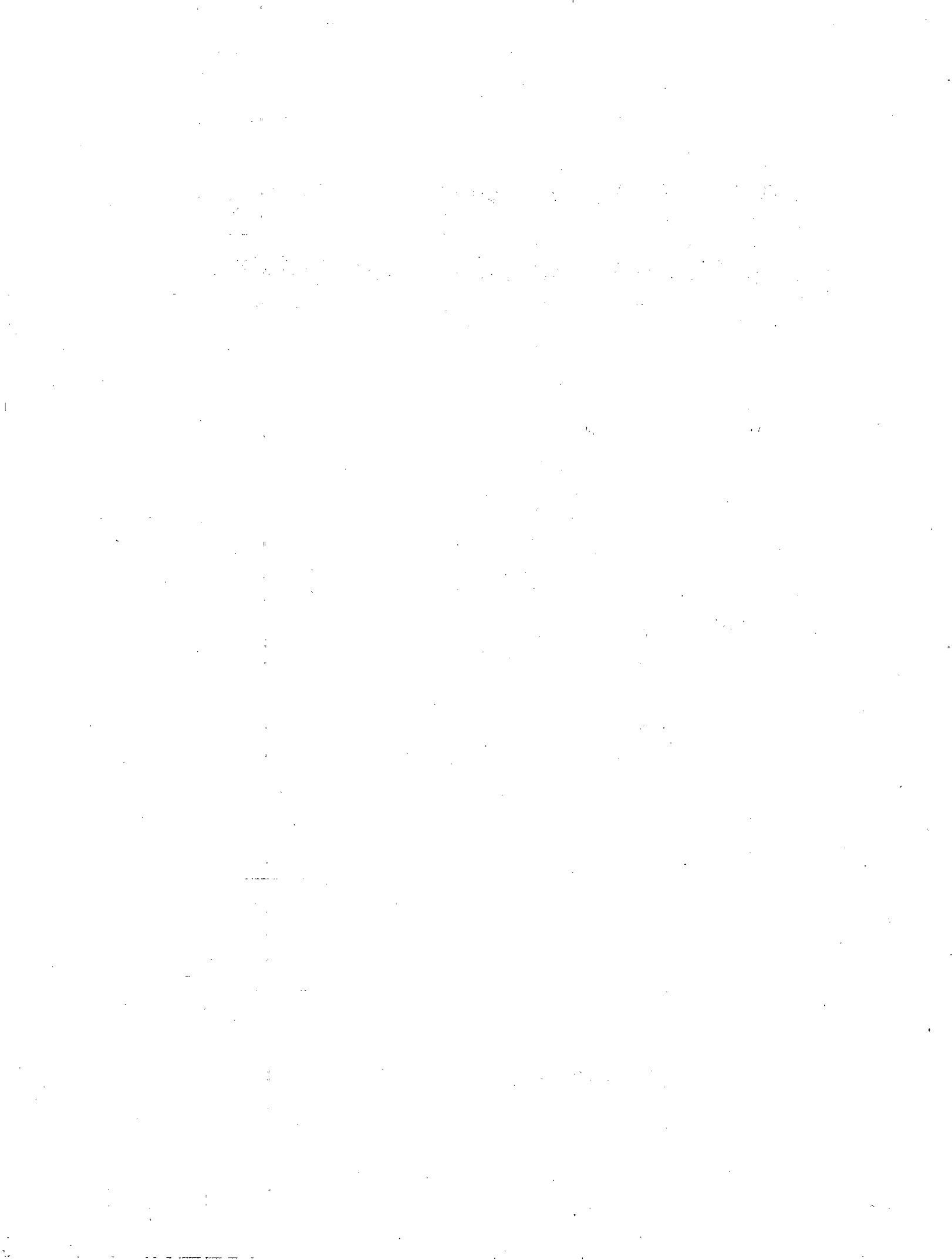
Countersigned

New Delhi  
The

24 DEC 2012



(VINOD RAI)  
Comptroller and Auditor General of India



## CHAPTER-VII

### Glossary of terms and abbreviations

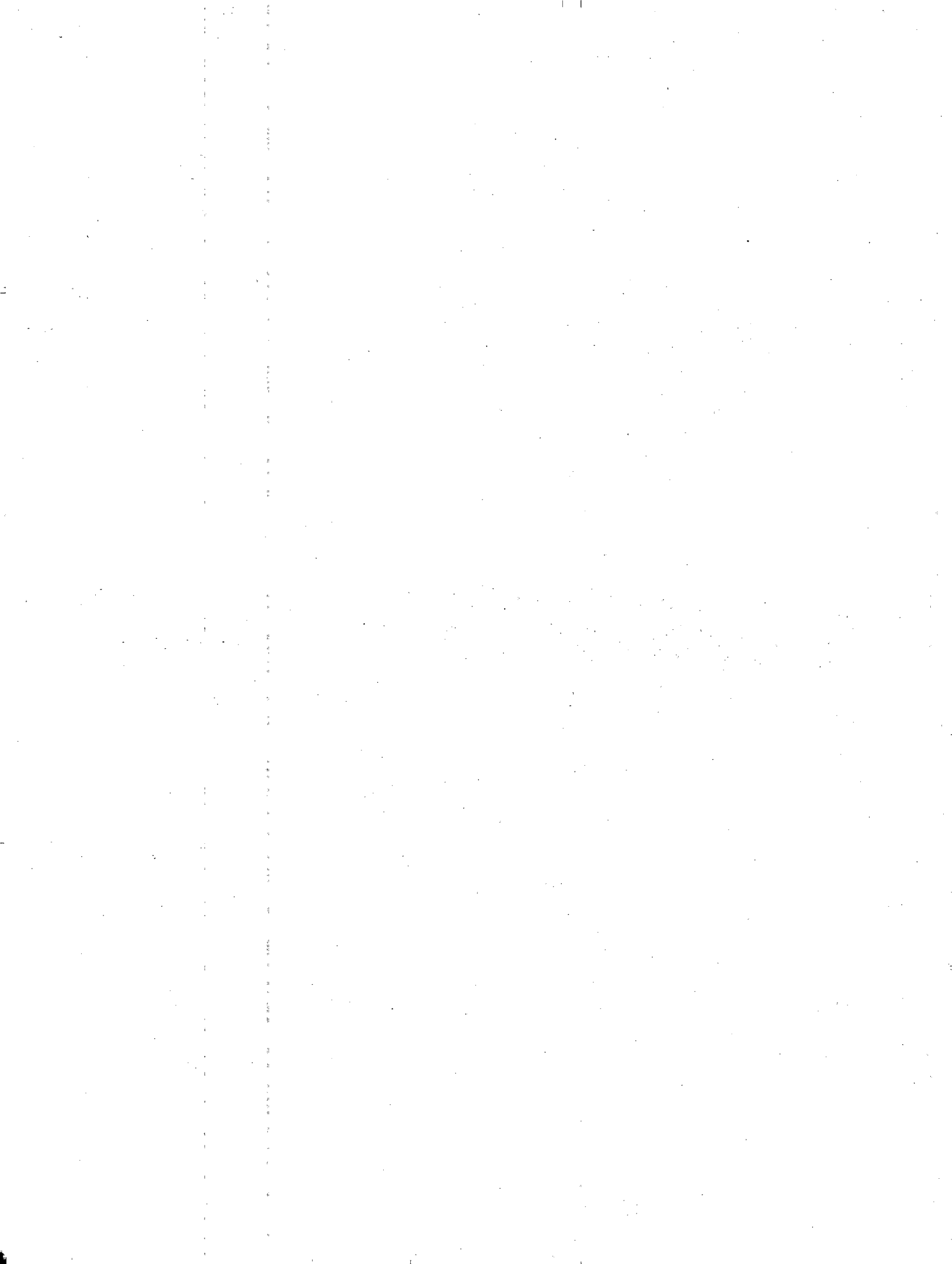
AMO	Assistant Mining Officer
CMMR	Chhattisgarh Minor Mineral Rules, 1996
DGM	Director Geology and Mining
DDMA	Deputy Director Mining Administration
DMO	District Mining Officer
GOI	Government of India
IAW	Internal Audit Wing
IBM	Indian Bureau of Mines
MCDR	Mineral Conservation and Development Rules, 1988
MCR	Mineral Concession Rules, 1960
MI	Mining Inspector
MMDR	Mines and Minerals (Development and Regulation) Act, 1957
MT	Metric Ton
PSU	Public Sector Undertaking
ROM	Run of Mines
SD & RF	Stamp duty and Registration fees
SRSWOR	Simple Random Sampling Without Replacement
TP	Transit Pass

THE UNIVERSITY OF CHICAGO  
DEPARTMENT OF CHEMISTRY  
5800 S. UNIVERSITY AVENUE  
CHICAGO, ILLINOIS 60637

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# APPENDICES



## Appendix I

(Referred to in paragraph 3.3.1)

Sl No.	DDMA/ DMO	Name of lessee	Mineral	Period of lease (years)	Average of proposed production (MT)		Average annual royalty (as per Deptt.)	Average annual royalty (as per audit)	Stamp duty (₹)			Registration fees (₹)			Total (₹)
					Average of first five years	Average of complete lease period			Leviable	Levied	Short levy	Leviable	Levied	Short levy	
1	Raipur	M/s. Emami cement Ltd.	Limestone	30	21,02,000	29,92,000	13,24,26,000	18,84,96,000	6,43,24,260	4,51,90,400	1,91,33,860	4,59,45,900	3,22,78,875	13667025	3,28,00,885
2	Bilaspur	M/s. ACC Ltd.	Limestone	30	10,94,000	34,32,466	6,89,22,000	21,62,45,399	7,37,90,869	2,35,19,633	5,02,71,236	5,53,43,152	1,67,99,838	3,85,43,314	8,88,14,550
3	Durg	M/s. ACC Ltd.	Limestone	30	1,23,750	1,41,500	55,68,750	63,67,500	23,40,056	20,47,000	2,93,056	17,55,042	15,35,225	2,19,817	5,12,873
4	Janjgir-Champa	Shri Pushpendra Singh	Dolomite	20	7,482	39,370.5	4,71,366	24,80,341.5	4,83,666	68,938	4,14,728	3,62,750	51,964	3,10,786	7,25,514
<b>Total</b>					<b>33,27,232</b>	<b>66,05,336.5</b>	<b>20,73,88,116</b>	<b>41,35,89,240..5</b>	<b>14,09,38,851</b>	<b>7,08,25,971</b>	<b>7,01,12,880</b>	<b>10,34,06,844</b>	<b>5,06,65,902</b>	<b>5,27,40,942</b>	<b>12,28,53,822</b>

**Appendix II**  
(Referred to in paragraph 3.3.3)

(₹ in crore)

Sl. No.	Name of lessee	Date of lease execution and Registration/ Years/Mineral	Proposed annual production (MT)	Average annual royalty			Stamp duty			Registration fee			Difference
				As per audit	As per deptt	Difference	leviable	levied	short levy	leviable	levied	short levy	
1.	<b>Bhilai steel plant</b>	October 2009/ 20/ Iron ore	1,40,00,000	223.93	98.70	125.23	43.67	19.25	24.42	32.75	14.43	18.31	42.73
2.	<b>Godawari Ispat and power ltd.</b>	March 2010/20/ Iron ore	5,30,000	11.87	4.23	7.64	2.31	0.82	1.49	1.73	0.62	1.12	2.61
<b>Total</b>			<b>1,45,30,000</b>	<b>235.80</b>	<b>102.93</b>	<b>132.87</b>	<b>45.98</b>	<b>20.07</b>	<b>25.91</b>	<b>34.48</b>	<b>15.05</b>	<b>19.43</b>	<b>45.34</b>

## Appendix III

(Referred to in paragraph 4.3.2)

Sl. No.	DMO	No. of cases	Name of lessee	Mineral	Production/Dispatch (MT)/Royalty paid (₹)					Total (MT)	Cess leviable (₹)		Total cess leviable (₹)
					2006-07	2007-08	2008-09	2009-10	2010-11		Infrastructure development cess	Environmental cess	
1	Kanker	1	Godavari Ispat Pvt. Ltd.	Iron ore	-	-	-	3,54,317	-	3,54,317	-	17,71,586	17,71,586
2	Durg	1	Bhilai Steel Plant	Iron ore	82,41,300	89,88,411	85,51,801	83,84,883	85,62,112	4,27,28,507	21,36,42,535	21,36,42,535	42,72,85,070
	<b>Sub total</b>	<b>2</b>			<b>82,41,300</b>	<b>89,88,411</b>	<b>85,51,801</b>	<b>87,39,200</b>	<b>85,62,112</b>	<b>4,30,82,824</b>	<b>21,36,42,535</b>	<b>21,54,14,121</b>	<b>42,90,56,656</b>
3	Durg	1	ACC	Limestone	0	0	2,84,17,811	4,32,68,747	5,85,79,379	13,02,65,937	65,13,297	65,13,297	1,30,26,594
4	Durg	42	Different lessees		2,18,12,347	2,35,87,212	1,82,26,543	-	-	6,36,26,102	31,81,305	31,81,305	63,62,610
	<b>Sub total</b>	<b>43</b>			<b>2,18,12,347</b>	<b>2,35,87,212</b>	<b>4,66,44,354</b>	<b>4,32,68,747</b>	<b>5,85,79,379</b>	<b>19,38,92,039</b>	<b>96,94,602</b>	<b>96,94,602</b>	<b>1,93,89,204</b>
	<b>Total</b>	<b>45</b>			<b>3,00,53,647</b>	<b>3,25,75,623</b>	<b>5,51,96,155</b>	<b>5,20,07,947</b>	<b>6,71,41,491</b>	<b>23,69,74,863</b>	<b>22,33,37,137</b>	<b>22,51,08,723</b>	<b>44,84,45,860</b>

**Appendix IV**  
(Referred to in paragraph 4.4.1)

Month	Production of coal (MT)	Quantity of coal dispatched (MT)	Hasdeo Arand area D grade coal rate (₹)	Korba Raigarh D grade coal rate (₹)	Royalty payable (₹)	Royalty paid (₹)	Short royalty (₹)	Interest @ 24% (₹)
Aug-07	73850.00	73802.50	116.00	106.50	8561090.00	7859966.00	701124.00	616989.12
Sep-07	75306.00	75257.16	116.00	106.50	8729830.56	8014888.00	714942.56	614850.60
Oct-07	70196.00	70151.10	116.00	106.50	8137527.60	7471092.00	666435.60	559805.90
Nov-07	80318.00	80423.58	116.00	106.50	9329135.28	8565111.00	764024.28	626499.91
Dec-07	82180.00	82065.86	116.00	106.50	9519639.76	8910224.00	609415.76	487532.61
Jan-08	76006.00	76005.64	120.50	110.00	9158679.62	8360620.00	798059.62	622486.50
Feb-08	70490.00	70496.78	120.50	110.00	8494861.99	7754646.00	740215.99	562564.15
Mar-08	75334.00	75428.10	120.50	110.00	9089086.05	8297091.00	791995.05	586076.34
	<b>603680.00</b>	<b>603630.72</b>			<b>71019850.86</b>	<b>65233638.00</b>	<b>5786212.86</b>	<b>4676805.14</b>
Apr-08	84028.00	84059.76	120.50	110.00	10129201.08	9246574.00	882627.08	635491.50
May-08	85022.00	85050.46	120.50	110.00	10248580.43	9355551.00	893029.43	625120.60
Jun-08	65128.00	65078.96	120.50	110.00	7842014.68	7158686.00	683328.68	464663.50
Jul-08	50064.00	50050.4	120.50	110.00	6031073.2	5505544.00	525529.20	346849.27
Aug-08	67018.00	66024.1	120.50	110.00	7955904.05	7262651.00	693253.05	443681.95
Sep-08	82068.00	83023.58	120.50	110.00	10004341.39	9132594.00	871747.39	540483.38
Oct-08	87066.00	87053.12	120.50	110.00	10489900.96	9575843.00	914057.96	548434.78
Nov-08	72058.00	72025.18	120.50	110.00	8679034.19	7922770.00	756264.19	438633.23
Dec-08	72030.00	72053.38	120.50	110.00	8682432.29	7925872.00	756560.29	423673.76

Jan-09	73836.00	73445.94	120.50	110.00	8850235.77	8079053.00	771182.77	416438.70
Feb-09	84700.00	85188.84	120.50	110.00	10265255.22	9370772.00	894483.22	465131.27
Mar-09	95648.00	95036.33	120.50	110.00	11451877.77	10453967.00	997910.77	498955.38
	<b>918666.00</b>	<b>918090.05</b>			<b>110629851.03</b>	<b>100989877.00</b>	<b>9639974.03</b>	<b>5847557.33</b>
Apr-09	86982.00	87613.38	120.50	110.00	10557412.29	9637472.00	919940.29	441571.34
May-09	95494.00	94611.30	120.50	110.00	11400661.65	10407243.00	993418.65	456972.58
Jun-09	100030.00	100368.32	120.50	110.00	12094382.56	11040515.00	1053867.56	463701.73
Jul-09	80150.00	80259.18	120.50	110.00	9671231.19	8828510.00	842721.19	353942.90
Aug-09	75012.00	75147.80	120.50	110.00	9055309.90	8266258.00	789051.90	315620.76
Sep-09	72030.00	72131.96	120.50	110.00	8691901.18	7934516.00	757385.18	287806.37
Oct-09	79856.00	80033.16	120.50	110.00	9643995.78	8961466.00	682529.78	245710.72
Nov-09	81060.00	80003.80	125.50	114.00	10040476.90	9120889.00	919587.90	312659.89
Dec-09	79086.00	80147.66	125.50	114.00	10058531.33	9136833.00	921698.33	294943.47
Jan-10	84196.00	84041.66	125.50	114.00	10547228.33	9580749.00	966479.33	289943.80
Feb-10	81130.00	79622.18	125.50	114.00	9992583.59	9076929.00	915654.59	256383.29
Mar-10	84490.00	85549.00	125.50	114.00	10736399.50	9752618.00	983781.50	255783.19
	<b>999516.00</b>	<b>999529.40</b>			<b>122490114.20</b>	<b>111743998.00</b>	<b>10746116.20</b>	<b>3975040.02</b>
Apr-10	81130.00	81087.86	125.50	114.00	10176526.43	9244016.00	932510.43	223802.50
May-10	85022.00	85103.92	125.50	114.00	10680541.96	9701847.00	978694.96	215312.89
Jun-10	93702.00	93383.66	125.50	114.00	11719649.33	10645737.00	1073912.33	214782.47

*Performance Audit Report on "Assessment, Levy and Collection of Major and Minor Mineral Receipts" for the year ended 31 March 2011*

Jul-10	89460.00	90299.90	125.50	114.00	11332637.45	10294189.00	1038448.45	186920.72
Aug-10	80856.00	80364.72	125.50	114.00	10085772.36	9161578.00	924194.36	147871.10
Sep-10	79542.00	80027.44	125.50	114.00	10043443.72	9123128.00	920315.72	128844.20
Oct-10	81312.00	80463.92	125.50	114.00	10098221.96	9172887.00	925334.96	111040.20
Nov-10	79394.00	80165.66	125.50	114.00	10060790.33	9138885.00	921905.33	92190.53
Dec-10	78918.00	79065.88	125.50	114.00	9922767.94	9013510.00	909257.94	72740.64
Jan-11	85652.00	83354.04	125.50	114.00	10460932.02	9502361.00	958571.02	57514.26
Feb-11	80290.00	81514.68	125.50	114.00	10230092.34	9375473.00	854619.34	34184.77
Mar-11	84266.00	84788.20	142.00	127.00	12039924.40	10768101.00	1271823.40	25436.47
	<b>999544.00</b>	<b>999619.88</b>			<b>126851300.24</b>	<b>115141712.00</b>	<b>11709588.24</b>	<b>1510640.75</b>
		<b>3520870.05</b>			<b>430991116.33</b>	<b>393109225.00</b>	<b>37881891.33</b>	<b>16010043.23</b>



**Appendix V**  
(Referred to in paragraph 4.7)

Month	Production of coal (MT)	Quantity of coal dispatched (MT)	Qty of 'B' Grade 10% of working Reserve of seam 2(MT)	Qty of 'C' Grade 61% of working Reserve of seam 2(MT)	Qty of 'D' Grade 29% of working Reserve of seam 2(MT)	Rate of B Grade coal of Hasdeo Arand Area (₹)	Rate of 'C' Grade coal of Hasdeo Arand Area (₹)	Rate of Hasdeo Arand area 'D' Grade coal rate (₹)	Royalty payable(₹)	Royalty paid (₹)	Short royalty (₹)	Interest @ 24% (₹)
Jul-06	50100	47012.51	4701.25	28677.63	13633.63	165	115	85	5232492.36	3996063.00	1236429.36	1409529.47
Aug-06	57019	60035.45	6003.55	36621.62	17410.28	165	115	85	6681945.59	5103013.00	1578932.59	1768404.50
Sep-06	56000	55880.13	5588.01	34086.88	16205.24	165	115	85	6219458.47	4749811.00	1469647.47	1616612.22
Oct-06	72000	71854.87	7185.49	43831.47	20837.91	165	115	85	7997447.03	6107664.00	1889783.03	2040965.67
Nov-06	76000	76280.10	7628.01	46530.86	22121.23	165	115	85	8489975.13	6483809.00	2006166.13	2126536.10
Dec-06	80010	80019.04	8001.90	48811.61	23205.52	165	115	85	8906119.15	6801618.00	2104501.15	2188681.20
Jan-07	75012	74922.96	7492.30	45703.01	21727.66	165	115	85	8338925.45	6368452.00	1970473.45	2009882.92
Feb-07	75012	75052.02	7505.20	45781.73	21765.09	165	115	85	8353289.83	6379422.00	1973867.83	1973867.83
Mar-07	84000	84014.32	8401.43	51248.74	24364.15	165	115	85	9350793.82	7141217.00	2209576.82	2165385.28
<b>Sub total</b>	<b>625153</b>	<b>625071.40</b>	<b>62507.14</b>	<b>381293.55</b>	<b>181270.71</b>				<b>69570446.82</b>	<b>53131069.00</b>	<b>16439377.82</b>	<b>17299865.18</b>
Apr-07	73010	72798.36	7279.84	44407.00	21111.52	165	115	85	8102457.47	6187861.00	1914596.47	1838012.61
May-07	70000	69976.76	6997.68	42685.82	20293.26	165	115	85	7788413.39	5947999.00	1840414.39	1729989.52
Jun-07	80304	80591.98	8059.20	49161.11	23371.67	165	115	85	8969887.37	6850318.00	2119569.37	1950003.82
Jul-07	73010	73020.32	7302.03	44542.40	21175.89	165	115	85	8127161.62	6206727.00	1920434.62	1728391.15
Aug-07	73850.00	73802.50	7380.25	45019.53	21402.73	192.50	143.50	116.00	10363716.06	7859966.00	2503750.06	2203300.06
Sep-07	75306.00	75257.16	7525.72	45906.87	21824.58	192.50	143.50	116.00	10567986.69	8014888.00	2553098.69	2195664.88
Oct-07	70196.00	70151.10	7015.11	42792.17	20343.82	192.50	143.50	116.00	9850968.22	7471092.00	2379876.22	1999096.02

Performance Audit Report on "Assessment, Levy and Collection of Major and Minor Mineral Receipts" for the year ended 31 March 2011

Nov-07	80318.00	80423.58	8042.36	49058.38	23322.84	192.50	143.50	116.00	11293481.22	8565111.00	2728370.22	2237263.58
Dec-07	82180.00	82065.86	8206.59	50060.17	23799.10	192.50	143.50	116.00	11524098.39	8910224.00	2613874.39	2091099.51
Jan-08	76006.00	76005.64	7600.56	46363.44	22041.64	199.00	149.00	120.50	11076681.95	8360620.00	2716061.95	2118528.32
Feb-08	70490.00	70496.78	7049.68	43003.04	20444.07	199.00	149.00	120.50	10273848.23	7754646.00	2519202.23	1914593.70
Mar-08	75334.00	75428.10	7542.81	46011.14	21874.15	199.00	149.00	120.50	10992514.15	8297091.00	2695423.15	1994613.13
<b>Sub total</b>	<b>603680.00</b>	<b>603630.72</b>	<b>90001.81</b>	<b>549011.07</b>	<b>261005.26</b>				<b>118931214.76</b>	<b>90426543.00</b>	<b>28504671.76</b>	<b>24000556.31</b>
Apr-08	84028.00	84059.76	8405.98	51276.45	24377.33	199.00	149.00	120.50	12250449.12	9246574.00	3003875.12	2162790.09
May-08	85022.00	85050.46	8505.05	51880.78	24664.63	199.00	149.00	120.50	12394828.79	9355551.00	3039277.79	2127494.45
Jun-08	65128.00	65078.96	6507.90	39698.17	18872.90	199.00	149.00	120.50	9484282.24	7158686.00	2325596.24	1581405.44
Jul-08	50064.00	50050.40	5005.04	30530.74	14514.62	199.00	149.00	120.50	7294095.04	5505544.00	1788551.04	1180443.69
Aug-08	67018.00	66024.10	6602.41	40274.70	19146.99	199.00	149.00	120.50	9622022.21	7262651.00	2359371.21	1509997.58
Sep-08	82068.00	83023.58	8302.36	50644.38	24076.84	199.00	149.00	120.50	12099441.43	9132594.00	2966847.43	1839445.41
Oct-08	87066.00	87053.12	8705.31	53102.40	25245.40	199.00	149.00	120.50	12686686.44	9575843.00	3110843.44	1866506.07
Nov-08	72058.00	72025.18	7202.52	43935.36	20887.30	199.00	149.00	120.50	10496589.61	7922770.00	2573819.61	1492815.37
Dec-08	72030.00	72053.38	7205.34	43952.56	20895.48	199.00	149.00	120.50	10500699.33	7925872.00	2574827.33	1441903.31
Jan-09	73836.00	73445.94	7344.59	44802.02	21299.32	199.00	149.00	120.50	10703644.07	8079053.00	2624591.07	1417279.18
Feb-09	84700.00	85188.84	8518.88	51965.19	24704.76	199.00	149.00	120.50	12414995.60	9370772.00	3044223.60	1582996.27
Mar-09	95648.00	95036.33	9503.63	57972.16	27560.54	199.00	149.00	120.50	13850119.55	10453967.00	3396152.55	1698076.28
<b>Sub total</b>	<b>918666.00</b>	<b>918090.05</b>	<b>91809.01</b>	<b>560034.93</b>	<b>266246.11</b>				<b>133797853.44</b>	<b>100989877.00</b>	<b>32807976.44</b>	<b>19901153.12</b>
Apr-09	86982.00	87613.38	8761.34	53444.16	25407.88	199.00	149.00	120.50	12768335.93	9637472.00	3130863.93	1502814.69
May-09	95494.00	94611.30	9461.13	57712.89	27437.28	199.00	149.00	120.50	13788177.81	10407243.00	3380934.81	1555230.01
Jun-09	100030.00	100368.32	10036.83	61224.68	29106.81	199.00	149.00	120.50	14627177.12	11040515.00	3586662.12	1578131.33
Jul-09	80150.00	80259.18	8025.92	48958.10	23275.16	199.00	149.00	120.50	11696571.60	8828510.00	2868061.60	1204585.87
Aug-09	75012.00	75147.80	7514.78	45840.16	21792.86	199.00	149.00	120.50	10951664.63	8266258.00	2685406.63	1074162.65

Sep-09	72030.00	72131.96	7213.20	44000.50	20918.27	199.00	149.00	120.50	10512151.19	7934516.00	2577635.19	979501.37
Oct-09	79856.00	80033.16	8003.32	48820.23	23209.62	199.00	149.00	120.50	11663632.57	8961466.00	2702166.57	972779.97
Nov-09	81060.00	80003.80	8000.38	48802.32	23201.10	206.00	155.00	125.50	12124175.87	9120889.00	3003286.87	1021117.54
Dec-09	79086.00	80147.66	8014.77	48890.07	23242.82	206.00	155.00	125.50	12145977.13	9136833.00	3009144.13	962926.12
Jan-10	84196.00	84041.66	8404.17	51265.41	24372.08	206.00	155.00	125.50	12736093.36	9580749.00	3155344.36	946603.31
Feb-10	81130.00	79622.18	7962.22	48569.53	23090.43	206.00	155.00	125.50	12066343.27	9076929.00	2989414.27	837036.00
Mar-10	84490.00	85549.00	8554.90	52184.89	24809.21	206.00	155.00	125.50	12964523.21	9752618.00	3211905.21	835095.35
<b>Sub total</b>	<b>999516.00</b>	<b>999529.40</b>	<b>99952.94</b>	<b>609712.93</b>	<b>289863.53</b>				<b>148044823.69</b>	<b>111743998.00</b>	<b>36300825.69</b>	<b>13469984.21</b>
Apr-10	81130.00	81087.86	8108.79	49463.59	23515.48	206.00	155.00	125.50	12288459.74	9244016.00	3044443.74	730666.50
May-10	85022.00	85103.92	8510.39	51913.39	24680.14	206.00	155.00	125.50	12897073.56	9701847.00	3195226.56	702949.84
Jun-10	93702.00	93383.66	9338.37	56964.03	27081.26	206.00	155.00	125.50	14151826.75	10645737.00	3506089.75	701217.95
Jul-10	89460.00	90299.90	9029.99	55082.94	26186.97	206.00	155.00	125.50	13684498.35	10294189.00	3390309.35	610255.68
Aug-10	80856.00	80364.72	8036.47	49022.48	23305.77	206.00	155.00	125.50	12178871.49	9161578.00	3017293.49	482766.96
Sep-10	79542.00	80027.44	8002.74	48816.74	23207.96	206.00	155.00	125.50	12127758.39	9123128.00	3004630.39	420648.26
Oct-10	81312.00	80463.92	8046.39	49082.99	23334.54	206.00	155.00	125.50	12193904.76	9172887.00	3021017.76	362522.13
Nov-10	79394.00	80165.66	8016.57	48901.05	23248.04	206.00	155.00	125.50	12148704.94	9138885.00	3009819.94	300981.99
Dec-10	78918.00	79065.88	7906.59	48230.19	22929.11	206.00	155.00	125.50	11982038.78	9013510.00	2968528.78	237482.30
Jan-11	85652.00	83354.04	8335.40	50845.96	24172.67	206.00	155.00	125.50	12631887.99	9502361.00	3129526.99	187771.62
Feb-11	80290.00	81514.68	8151.47	49723.95	23639.26	206.00	155.00	125.50	12353142.18	9375473.00	2977669.18	119106.77
Mar-11	84266.00	84788.20	8478.82	51720.80	24588.58	329.50	155.00	125.50	13896362.04	10768101.00	3128261.04	62565.22
<b>Sub total</b>	<b>999544.00</b>	<b>999619.88</b>	<b>99961.99</b>	<b>609768.13</b>	<b>289889.77</b>				<b>152534528.98</b>	<b>115141712.00</b>	<b>37392816.98</b>	<b>4918935.22</b>
<b>Grand total</b>		<b>4145941.45</b>	<b>444232.89</b>	<b>2709820.61</b>	<b>1288275.37</b>				<b>622878867.70</b>	<b>471433199</b>	<b>151445668.70</b>	<b>79590494.04</b>

