

Mining Mafia

**A THREAT TO
DEMOCRACY**



Mining Mafia

— A threat to Democracy —

The Story of Gali Brothers

— I —

Indian Democracy, the prized possession of this young nation and a gift from our forefathers, has withstood many onslaughts during the post –independent period of six decades. Naxalism, terrorism, regionalism and several other parochial attempts aimed at scuttling and destabilizing democracy in the country have been spurned by judiciary, political parties and people at large. Several times, the threat was so immense that there was desperation and apprehension that we might go the way of other countries where military rulers and corrupt juntas have taken over the country denying democratic rights to the people at large.

Of late, there is a rising phenomenon of mafia- in particular the mining mafia- which is posing serious threat to the survival of democratic institutions and rule of law in the country. The scenario is one and the same in every other state where powerful and well-connected people monopolized control over the mineral resources, which are primarily the wealth of the nation and have to be judiciously used and conserved for future. The inspiration came from the global market forces which led to the phenomenal increase in the prices of the minerals.

The overall economic boom, the event of Olympics in China and policy of developed nations to conserve their resources and import for the daily present needs, have resulted in multi-fold increase in the international prices of minerals. This has given rise to several mafia activities in the mining regions which have never witnessed unruly and organized criminal elements.

The rising prices of minerals in the international markets have prompted a nexus between some greedy politicians and mine owners to the detriment of public interest. These politicians in power, irrespective of the state and party they belong, have hatched a conspiracy to defraud the country of its natural resources and make money, flouting every rule of the land and cannons of democratic institutions.

The recent events highlighted the occurrence of this phenomenon in states of Jharkhand, Andhra Pradesh, Orissa, Karnataka and Chattisgarh. Everywhere it starts with the nexus between political system and mining lobby where large chunks of mining land, involving thousands of crores of rupees worth minerals, are allotted to chosen few ignoring the rules and regulations. The antiquated mining rules- which require only nominal royalty - and un-equipped mining bureaucracy which cannot stop illegal mining in un-allotted areas result in plundering of wealth to be shared by some politicians and mining mafia.

The mining lobby then acquires limitless financial power with which they cow down all the organs of government either by lure or by threat. Inconvenient and obstinate people will be removed or chased out of their positions and pliable will be rewarded to establish their unquestionable sway over society. Then come the private armies financed by the ill-gotten money ruling over the land and making ineffective all organs of administration. Political positions will be the next obvious target occupying every party in the reach through financing the elections and sponsoring their henchmen as party nominees. In the final analysis, mass media is captured either by ownership or through financing the system. This can be witnessed in varied guises and forms in different states but the following story of Gali brothers is a typical case of rise of mafia in the country with the abetment and collusion of the politicians.

The implication in highlighting this story is to appeal to all to take cudgels against mining mafia which already took hold in several states and threatening and destabilizing the democratic institutions. In the real style of Mafioso, this gang is bulldozing the authorities entrusted with enforcement of rule of law, questioning the established traditions of governance and engulfing the ruling apparatus with their ill-gotten money. In the second stage, they along with their cohorts entered into active politics and won the seats with limitless money power and very characteristically they occupied the political space in every party to sustain their hold over the system. Finally, they are now daring to destabilize the elected governments who failed to dance to their tunes, established their grip over the mass media and ultimately enforcing a parallel rule by mafia in the society.

The story of Gali brothers is a pointer in this direction which can give us insights about the threat to future of democratic system in our country by these lumpen elements.

The son of a small time employee, in Chittoor district of Andhra Pradesh, Sri Gali Janardhan Reddy started his first venture, in late nineties, to cheat the public in the name of **Ennoble India Saving and Investment Co. Ltd.**, and RBI had to intervene and stop its illegal activities(1) (Page 34). After several similar enterprising attempts, he became director of a mining company by name **Obulapuram Mining Company Private Limited**, Bellary, Karnataka, (OMC) in May 2002.

The Obulapuram Mining Company was registered in the year 2001 by Sri. G. Rammohan Reddy. He inherited, the leasing rights from his demised

1. Advertisement dated 05th Oct 1998 of the Reserve Bank of India announcing prohibition from accepting deposits by Ennoble India Savings and Investment Company Limited.



father in the year 1972, who obtained original lease in the year 1964 for a period of 20 years i.e, 1964 to 1984. Though the lease was for an area of 547.62 acres in Survey No.1 of Obulapuram village, at the time of renewal in 1984 he applied for 64.20 acres only (25.98 hectares) within the above land.

The renewal took quite a long time due to the dispute with the government on the amount to be deposited and fulfillment of other conditions for the renewal of applied land. But during this time, Hon'ble High Court of A.P., Hyderabad, permitted him to continue the mining in the applied portion and the remaining 483.42 acres was surrendered. Finally, Govt. of A.P., after obtaining clearance from Govt. of India, has sanctioned lease for a period of twenty years from 1984 to 2004 to Sri G. Rammohan Reddy for mining vide its G.O.Ms. No.236 dated 10.12.1996. The lease deed was executed on 26.04.1997.

The same leasing rights were permitted to be transferred to his own company by name M/s. OMC by the state government in Feb 2002 vide G.O.Ms. No. 80 dated 18.02.2002 for the unexpired period of lease ending with 13.12.2004.

(Govt. of A.P.)....under Rule 37(1) Mineral Concession Rules 1960, hereby permit the transfer of Mining Lease held by Sri G.Rama Mohan Reddy for Iron Ore over an extent of 64.20 acres in S.No.1/P of Obulapuram Village, D-Hirehal Mandal, Anantapur District, for a period of 20 years for the unexpired period of lease i.e., upto 13-12-2004 in favour of M/s Obulapuram Mining Company Private Limited for the unexpired period of lease i.e., upto 13-12-2004...(2) (Page 35)

After three months i.e., during May 2002, Sri Gali Janardhan Reddy joined as Director of this outfit and latter owned it (3) (Page 37). This was his initiation into mining activity. Subsequently, the OMC has taken over several mining leases, directly or indirectly viz., Anantapur Mining Corporation, Y. Mahabaleswarappa & sons etc., against the provisions of Mines and Minerals (Regulation & Development) Act, 1957.

The turnover of the OMC in 2003-04 was Rs.35.52 crores with a nominal profit of Rs. 1.05 crores., Now, by March 2009, it has reached a turnover of Rs.3,000/ crores and net profit of Rs.700/-crores, a phenomenal growth unheard in Indian economic scenario earlier. The company which was started with initial capital of Rs.10 lakhs in the year 2001-02, has now become a

- 2) G.O.Ms.No.80, dated 18.02.2002 of Govt. of A.P. transferring the lease from Sri G.Rama Mohan Reddy to M/s OMC Pvt. Ltd., floated by him.
- 3) Annual return of 2004-05 filed by M/s OMC with Registrar of Companies, Bangalore.

major corporate giant in mining industry. Of course, this is due to munificence given by political powers at the cost of public wealth.

Sl.No.	Year	Turnover	Profit (Rs.in crores)
1	2003-04	35.52	1.05
2	2004-05	150.08	8.66
3	2005-06	209.44	19.61
4	2006-07	308.18	51.69
5	2007-08	1740.97	481.37
6	2008-09	3000 (provisional)	700 (provisional)

This metamorphosis is a great story and made possible only in nexus with Sri YSR, the then Chief Minister of Andhra Pradesh, who openly supported and allowed illegal mining in un-allotted forest and other areas by the OMC owned by Sri Gali Janardhan Reddy.

The OMC has so far mined millions of tons of ore in this land of 25.98 hectares during the last three years. In fact, Indian Bureau of Mines (IBM) has permitted mining only in six hectares out of this land allowing to extract 7.50 lakh tones per year. However, On the floor of the Assembly it was declared by Sri YSR on 24.07.2007 that more than 20 lakh tones of iron ore was extracted by OMC during the year. The realistic estimate is that during the last two years, OMC has extracted, in flagrant violation of various



Gali with the mentor YS

statutes, one crore tons of ore-when market price was around Rs.3,000/- per ton- making IBM conditions as irrelevant.

Sri YSR has taken several pains to bestow a series of benefits to OMC in violation of principles of public administration and oath administered to protect the public interest. First his government in G.O.Ms.No.202, dated 10.09.2004 has reckoned the date of lease from the date of execution of the lease deed i.e., 24.6.1997, instead of date of renewal i.e., 14th Dec 1984, to another twenty years ending with 2017.

In G.O. Ms.No. 202 dated 10.09.2004, Govt. of Andhra Pradesh considered “ the request of M/s. OMC Pvt. Ltd to reckon the period of first renewal of Mining Lease grantedfrom the date of execution i.e., with effect from 26.04.1997.....”. The fact that mining activity was done on the leased land on the orders of Hon’ble High Court by the earlier lessee between 1984 and 1997 was conveniently ignored so as to confer benefit of longer period to OMC. (4) (Page 38)

The permission from Ministry of Environment and Forests (MoEF), GOI for this was given in the year 2007. The OMC, however has taken up mining immediately after the issue of G.O without obtaining clearance from GOI under Forest Conservation Act and other statutes. Quite surprisingly, the forest clearance was arranged latter with retrospective effect from the year 2005, to cover up the illegal mining done by OMC between 2005 and 2007. Perhaps, this might be a unique instance of this sort where permission under Forest Conservation Act was given with retrospective effect instead of initiating action for mining without permission!

- 4) G.O.Ms. No. 202 dated 10.09.2004 extending the lease upto 2017 reckoning the date from date of agreement i.e., 24.06.1997.

The Regional Office (southern zone), MoEF,GOI, Bangalore has, in its letter No. 4-APC 335/2007 – BAN, dated 18.07.2007 has conveyed “ Central Government’s approval in principle (Stage-I) for renewal of mining lease over an area of 25.98 ha. of forest land in Survey. No. 1/P of Obulapuram village, Bellary RF, for a period of 10 years with effect from 19.07.2005.....” (5) (Page 40)

The OMC has not restricted its mining to allotted 25.98 hectares of land. Quite non-chalantly, it encroached into the adjacent 10 hectares of forest land (called as no-man’s land meaning that it was not allotted to any company) which is in the midst of three mining leases. The OMC has usurped this land and, without any permission from any agency, has mined the area at its will extracting millions of tones of iron ore. It has even illegally mined in the adjoining lands taken on lease by other companies by brutal force and threatened them not to complain. Some were made to handover their lease unofficially for a song, at the terms and conditions decided by OMC, and others left the mining activity. The remaining firms, who dared to question this unruly mining, were made to run from pillar to post seeking justice.

When a complaint was lodged with the courts on this gross violation, the YSR government has done inconceivable things to cover-up the misdeeds of OMC. All the agencies – forest, mines and survey departments – were coerced and a so called High Level Committee was made to fix the boundaries to suit the needs of OMC. The committee has come up with a map which simply denied the existence of 10 hectares of unallotted forest land in midst of leased out lands.

5) Letter No. 4-APC 335/2007-BAN dated 18.07.2007 from Chief Conservator of Forests (C) I/c, Regional Office, Southern Zone, MoEF, GOI, Bangalore.

During the year 2007, Sri. J. Ramchandra Reddy, the Director of OMC, himself has applied for a portion of this “no man’s land” which irrefutably confirms the existence of un-allotted forest land.

The MoEF, GOI, vide its proceedings dated 22.04.2009, armed with a factual report from its regional office, has intervened and directed the state government to stop mining in all these leases and to take action against the officials for allowing mining without demarcation of boundaries on the ground, basing on the findings of the Forest Advisory Committee.

The Forest Advisory Committee, GOI (constituted under section 3 of the Forest Conservation Act) recommended for suspension of mining till demarcation is completed by Survey of India (and) till proper boundaries and safety zones are provided to these mines on ground(6) (Page 42).

MoEF,GOI directed that “permission given for five minesbe kept in suspension with immediate effect till demarcation is completed by Survey of India...” and further directed “...to initiate action against officials for allowing the mining without proper demarcation on the ground”(7) (Page 43).

The YSR government has pressed the panic button and pleaded repeatedly with the MoEF, GOI to accept its own High Level Committee survey, requesting to revoke the orders of the GOI. Several requests were made to convince the GOI not to undertake fresh survey which will reveal the illegal mining by Ms.OMC.

6) Minutes of the Forest Advisory Committee, dated 02.04.2009.

7) Letter dated 22nd April 2009, Minister of Environment and Forest, (Forest Conservation Division).

The Minister for Forest and Environment, Science and Technology Govt. of Andhra Pradesh (8) (Page 45) and the Spl. Chief Secretary, EFS&T. Govt. of A.P. have separately addressed the MoEF, GOI requesting to revoke the orders assuring that “ none of the leases have encroached any fresh RF adjoining to their iron ore mining lease area, nor they were allowed to carry out mining operations outside their mining lease boundary limit within RF”.(9) (Page 46)

The MoEF, GOI, however, insisted for resurvey by Survey of India and directed the State Government to provide security to the survey team. The YSR Govt., however, succeeded in pressurizing MoEF, GOI to keep its orders for suspension of mining activity in abeyance and refer the issue for further examination by its Regional Conservator of Forests, Bangalore.

MoEF in its letter 1st May 2009, conveyed “...the temporary suspension of approval under the FC Act in respect of the 5 mines indicated in our letter dated 22.4.2009 be kept in abeyance till further orders. (10) (Page 49)

The field examination by the Regional Conservator of Forests, Bangalore (Central) has exposed the chicanery committed by the state authorities in

- 8) D.O.Lr.No.95 / M(E.E.S&T)/2009, dated 28.04.2009 from Sri Satrucharla Vijaya Rama Raju, Minister for Forests, Environment, Science & Technology, Govt. of A.P. addressed to Hon'ble Minister Env. & Forests, GOI, New Delhi.
- 9) Letter No. 8517 / For.I (I) /2008-04 dated 28.04.2009 from Spl. Chief Secretary to Government, EFS & T Department, Govt. of A.P. addressed to The I.G. MoEF, New Delhi.
- 10) Letter dated 01st May, 2009 from Sr. A.I.G. of Forests, MoEF,GOI, addressed to Principal Secretary, Forests, Govt. of A.P. Hyderabad.

fixing the boundaries and established that the effort of the State Government in refixing the boundaries is not consistent with the original sketches and maps. The MoEF GOI has categorically directed the State Government to arrange for conduct of Survey by providing security.

MoEF in its letter dated 8th July 2009, stated that “it is regretted that it is not possible for the Central Government to agree to the proposals of the State Government of Andhra Pradesh... It is requested that the State Government may kindly provide all necessary assistance and security to the field team of the Survey party of the APGDC, Survey of India, Hyderabad as already requested by us earlier”. (11) (Page 50)

The matter went to the Hon’ble Supreme Court of India which directed that the survey be conducted by Survey of India within six weeks for which the MoEF GOI gave a commitment before the court.

The YSR Govt. didn’t relent with this and prevailed upon Govt. of India to go back on its commitment before the Hon’ble Supreme Court of India to complete the survey by Survey of India within six weeks.

The situation was so helpless that the Survey of India had to address the Secretary, Ministry of Home Affairs, Govt. of India and later Chief Secretary, Govt. of A.P. to provide security to their men and equipment to conduct the survey as directed by the Hon’ble Supreme Court of India. Till date however, the agency couldn’t take up the survey which speaks volumes about the hold of OMC and attitude of state government.

11) MoEF (FC-Division) letter dated 8th July 2009 conveying its decision not to agree to the plea of the state government.

The Surveyor General of India, in his letter dated 04th Sep 2009, addressing the Chief Secretary Govt. of Andhra Pradesh to provide security cover to SOI staff has appealed that “ Hope you will NOT betray our trust, solely, reposed in you for security cover. Failure to get it as a last resort against our repeated pleas will compel us to bring it to the notice of Hon’ble Supreme Court for non-compliance of their legal directives”. (12) (Page 51)

All these efforts by an elected government to shield and protect the illegal mining activity of OMC! The Central Empowered Committee (CEC), appointed by the Ministry of Environment and Forests, was aghast about the role of state government and commented that in this affair, the role of the state government is not what is expected in such situations.

The CEC remarked that “the objectivity, fairness and impartiality which is expected from a state government is shockingly lacking here and doesn’t inspire confidence”. It concluded that “their (state government) effort appears to have been to cover up the illegal mining done by M/s. OMC in the un-allotted forest areas outside the approved mining leases”. (13) (Page 52)

Even this report of CEC, however, couldn’t motivate the state government to initiate action and stop mining to protect the interests of state and enforce rule of law. Initially the state government has taken a stand that it is awaiting the orders of Hon’ble Supreme Court conveniently abdicating its

12) Letter No.T-13404/1147-Project (APGDC/Co.4 dated 04th Sep 2009. from Surveyor General of India addressing Sri P. Ramakantha Reddy, Chief Secretary to Govt. of Andhra Pradesh.

13) Report of Central Empowered Committee on Obulapuram Mining Company dated 19.11.2009

own duty as elected government. The OMC Directors have the audacity to argue before the press, on record, that the CEC has no locus standi in the issue and its report is uncalled for and does not carry any validity.

The Central Empowered Committee (CEC) was constituted by the Ministry of Environment and Forests, New Delhi in its notification dated 17th Sep, 2002 under section 3(3) of The Environment (Protection) Act, 1986 (14) (Page 59). This was in pursuance of the directions of the Hon'ble Supreme Court of India by its order dated 09.05.2002 in Writ Petitions (Civil) Nos. 202/95 & 171/96).

The CEC is given powers under section 5 of the Environment Act, 1986, which provides to “issue directions in writing to any person, officer or any authority and such person, officer or authority shall be bound to comply with such directions.

Explanation :-

For the avoidance of doubts, it is hereby declared that the power to issue directions under this section includes the power to direct - -

- (a) the closure, prohibition or regulation of any industry, operation or process;
or
- (b) stoppage or regulation of the supply of electricity or water or any other service” (15) (Page 61).

14) Notification dated 17th Sep 2002, of Ministry of Environment & Forests, New Delhi.

15) The Environment (Protection) Act, 1986 (No.29 of 1986)

It is painful how the highest constitutional bodies and their expert panels were degraded with increased money power in their hands. Finally, when the CEC has addressed the Chief Secretary, Govt. of A.P. in this regard, state government issued orders to stop mining and its transportation. Even then, the OMC has been trying to move millions of tons of ore lying in the mining areas and also at different ports of the country. The state government did not take effective steps to enforce the directions to seize the material at once as directed by the CEC.

The CEC, in its report dated 19.11.2009, recommended that,

“(i) the boundaries of the six mining leases..... should be demarcated on the ground this demarcation should be done in a time bound manner by a team consisting of Senior representatives of the Survey of India, Ministry of Environment & Forests, Andhra Pradesh Mines Department, Andhra Pradesh Forest Department and Andhra Pradesh Revenue Department (Survey and land records). The above team should also demarcate, identify and determine the area falling outside the approved mining leases and wherein illegal mining operations have been carried out;

- (i) Till the demarcation of the boundaries of mining leases is done, the mining activities, including the transportation of already mined material from all the six mining leases should remain suspended.
- (ii) after the demarcation is done, for the mining done outside the approved mining leases, the concerned mining lease holder should be imposed an exemplary cost equivalent to the normative market value of the iron ore extracted from the area outside his approved mining lease.....
- (iii) the location of the GTS station... should be determined and no mining should be permitted therein”.

Sugamma Temple before the Mining Mafia blasted.



Another great violation is the blasting of historic Sugamma temple, which is situated outside the lease granted area, to extract high grade iron ore. An official committee from Karnataka government has categorically concluded that temple was blasted purposefully. Several attempts were made by OMC to

suppress this fact and it went to the extent of denying the existence of temple itself. Quite ironically the Director of OMC Mr. J. Ramachandra Reddy has filed a sworn affidavit before Hon'ble High Court of Karnataka, in a related case, arguing that the temple falls in the leased area of OMC.

— II —

After coming to power in the year 2004 the Y.S.R government has conceived several ingenious ways to amass illegal wealth. The modus operandi is gifting public properties to their henchmen with an understanding of quid-pro-quo and to share the benefits out of the public assets. Jayagnam involving one lakh crore rupees, Special Economic Zones and licenses to extract natural resources are all a part of this game plan.

With this motive the YSR government has issued a notification on 12th July 2004 calling for applicants for iron ore leasing, in Survey No. 1 of Malapanagudi village of Anantapur district (16) (Page 62). Of the 25 applicants, only one is recommended to GOI. It is none other than M/s OMC which was given lease in 68.5 hectares of land ignoring the directions of GOI to process other applications also.

The glaring irregularity in this allotment is the elimination of other applicants purposefully on flimsy grounds. The applications of earlier applicants, the companies with proven record of steel production and government companies were willfully not given importance. The state government has taken a stand that the preference to the OMC is given due to its commitment to use the ore for their proposed steel plant. This is specifically mentioned in their recommendations to GOI.

16) Notification dated 12th July 2004 of Govt. of Andhra Pradesh.

Govt. of Andhra Pradesh has informed Govt. of India, while answering the objections raised by GOI, that “Out of all five applications....., the application of M/s Obulapuram Mining Company Pvt. Ltd., is emerging as meritorious application in terms of its experience, financial capability and as seen from the Project Report submitted by the company, they intend to set up integrated steel plant consisting of 2 X 1000 TPD Pellet Plant, furnace, 20 tons continuous casting and 500 TPD rolling mill by utilizing Iron ore available in this area with an investment of Rs.450 crores at Bellary”. (17) (Page 63)

The G.O.Ms.No.151 dated 18.06.2007 while allotting 68.50 hectares (18) (Page 64), very mischievously, didn't mention this fact of captive mining. Consequently during the last two years, millions of tons of iron ore has been extracted and sold by OMC, both in the international and domestic markets. The proposed steel plant, however, is still in its nascent stage of construction and its completion is always a great doubt. The 'steel plant' was a premeditated ploy to eliminate the other eligible applicants and sanction the lease in favor of OMC! It cannot be a coincidence that the foundation stone ceremony of Ms. Brahmani Steels Ltd., was conducted through the hands of Sri YSR, on 10.06.2007 just to make gullible public to believe that irregular allotment of these mines is justified!

The greatest shock in this illegal allotment is still to come. The notification issued by YSR government and the application filed by OMC was for the land in the village of Malapanagudi. As against this the G.O.Ms.No.151 dated 18.06.2007 has sanctioned lease to OMC in the village of Siddhapuram and also included some land of Tumati village of Karnataka which was under lease to one Sri. T. Narayana Reddy. This is done deliberately to favour

17) Excerpts of the note file pertaining to G.O.Ms.No.151 recommending OMC to GOI.

18) G.O.Ms.No.151, dated 18.06.2007 of Govt. of A.P.

M/s OMC and it naturally led to inter-state border dispute. Till date, however, state government has not made any attempt to demarcate the land thus enabling OMC to encroach and mine the lands across the inter-state border.

The Hon'ble High Court of Andhra Pradesh has set aside this G.O stating that the "entire process of selection was prejudged only to favor M/s. OMC". However, state government and OMC have obtained a stay order from the division bench and OMC has continued its mining till date.

Quite curiously, out of this 68.5 hectares, OMC mined only two hectares so far but transit permits were issued for 27 lakhs tons of iron ore which were used by OMC for transporting the illegally mined ore around the leased area. This fact was buttressed by none other than the DFO, Anantapur.

The Divisional Forest Officer, Anantapur in his show-cause notice to OMC dated 01.11.2009, stated that "the excavated pits are only two mts in depth.... (but) the permits obtaining by M/s OMC were fully utilized for transportation of the high grade iron ore mineral. It means a mineral was brought from some other area that is outside the lease hold area which is abetting the inter-state boundary of Andhra Pradesh and Karnataka.

I am of the prima facie view that the mineral brought from Karnataka was transported through the mining lease hold area and was sold from Andhra Pradesh" (19) (Page 67).

The DFO, Anantapur has further highlighted that the OMC has even laid a road from this land connecting the states of Karnataka and Andhra Pradesh through the reserve forest area without any permission to facilitate the illegal mining and trading of iron ore.

19) Notice dated 01.11.2009 of DFO, Ananthapur.

In his show-cause notice dated 26.10.2008 the Divisional Forest Officer, Anantapur has stated that “.... a road was illegally laid within the Reserve Forest in Compartment No.698 and also within the lease boundary limit of 68.50 ha area... in violation of Forest (Conservation) Act...” (20) (Page 69).

It is also to be observed that OMC has dug a deep trench around a hillock measuring 170 hectares even though its allotment was only 68.5 hectares. The issue of illegal mining was taken up by the Chief Minister of Karnataka in his letter addressed to Minister for Environment and Forests, Govt. of India with a request to fix the inter-state boundary to arrest the illegal mining.

Sri B.S. Yeddyurappa, Chief Minister, Govt. of Karnataka in his letter dated 09.02.2009 informed the Minister for Science and Technology, GOI that “.... there are allegations of mining companies in both Karnataka as well as Andhra Pradesh indulging in illegal mining activities in the area.... resulted in a huge revenue loss in the state... Although this matter has been taken up with the Government of Andhra Pradesh, the required cooperation is not forthcoming”. He, therefore, requested to “ direct the Director General, Survey of India, Dehradun, to take up a joint survey of the disputed boundary line between Bellary district of Karnataka and Anantapur district of Andhra Pradesh” (21) (Page 71).

The Lokayuktha of Karnataka government has submitted a report on the illegal mining of OMC in this area during Feb, 2009.

20) Notice dated 26.10.2009 of DFO, Ananthapur.

21) Letter dated 09.02.2009 from Sri. B.S. Yeddyurappa, Hon'ble CM of Karnataka addressed to Minister of Env. & Forests GOI, New Delhi.

Down to Earth magazine has summarized the contents of the Karnataka Lokayukta's report. "... A mining company in Andhra Pradesh has extended its area and operations into Bellary district in Karnataka....and Karnataka's tourism minister owns the company. The investigation, commissioned by the state government to the Lokayukta, a one-member grievance cell, found irregularities at all stages, from granting licenses to exports. The Lokayukta's report has recommended that the state ban iron ore exports. The report revealed mining was rampant on land for which permission was not granted.... the investigations also found that hillocks were flattened, waste dumped down hill tops, agriculture destroyed and water sources contaminated.... People are the worst affected and they do not enjoy any advantage from mining in their region. (22) (Page 72)

To cap it all, the Karnataka Pradesh Congress Committee has released a booklet, under the title of Satya Sodhana (Fact Finding), highlighting the field observations, by a committee headed by Sri V.S. Ugrappa, on irregularities committed by OMC (23) (Page 73).

All this evidence and reports couldn't stop the illegal mining by OMC. The state apparatus has become immobilized under the influence of the OMC due to its political and financial muscle. The court judgements, the Lokayukatha reports, the DFO notices and congress party field reports, - nothing could make the governments in power to enforce the rule of law. Is it not a pointer towards

22) "No Rules for Mining" by Deepa Kozhisseri, Down to Earth, Science and Environment online dated Jan 31,2009.

23) Satya Sodhana, report of the Karnataka Pradesh Congress Committee, Bangalore.

No Temple after the blast.



the defunct state of affairs? At last, the CEC direction could force the state government to issue an order to stop mining and its implementation in practice is yet to be seen. The OMC, on its part is not deterred and challenged these orders in the Hon'ble High Court of Andhra Pradesh.

— III —

The expansion of the Kingdom of OMC is endless. It has applied for another 39.5 hectares in the Survey No.1 of Obulapuram of Anantapur district during November 2004 with guidance from YSR government. Again negating the claims of the earlier applicants and openly tampering the files, OMC proposal was recommended to GOI. The insistence by the Govt. of India to give due weightage to the early applicants and to recommend all their cases was not adhered to by YSR government. The correspondence with the Govt. of India, the note files of the state government and tampering of files amply prove their culpability in irregular allotment of this land to OMC through G.O. Ms. No. 152 dated

18.06.2007. (24) (Page 74)

In all, OMC has got 180 acres of land under lease, out of the total area of 827 acres in Survey No.1 of Obulapuram village of Anantapur district. However, the total area - including un-allotted 647 acres of land- has been mined by OMC without any permission under Forest Conversation act, Environmental Protection Act, Mineral Concession Rules etc.,

It is to be noted that several applicants have earlier sought allotment of this 647 acres land , but all their applications were not attended to by the

24) G.O.Ms.No.152, dated 18.06.2007 of Govt. of A.P.

government purposefully. Quite understandably, Govt. of A.P has issued instructions not to issue new licenses for iron ore mining in the state with an ulterior motive of helping OMC to conduct illegal mining in this un-allotted 647 acres of land.

It is also reported that a huge hillock, with full of quality iron ore, is totally dug up and now it simply disappeared from the landscape without any trace in this survey number. Illegal mining in 647 acres of forest land, blasting historic monuments, encroaching inter-state boundaries and chasing inspecting forest officials – all have failed to move the system to order for even stoppage of illegal mining till CEC intervened. The crime and plunder continues even today. Are we still living in a democratic country with constitutional authorities governing the land?

— IV —

The sordid episode of plundering the natural resources cannot but be continued without the active support and collusion of the people in power. The whole story emanated from the year 2004, when YSR came to power in the state of Andhra Pradesh. He has scripted and directed the rise and growth of mining mafia headed by Gali brother for his selfish ends.



Mining... Mining... Illegal Mining...
Hills became Hillocks... Hillocks became flat.



The allotments made in the above three cases are only a tip of a mega plot. The Brahmani steels, which is to be constructed by Sri Gali Janardhan Reddy was given out of turn allotments in provision of water, land for the location of the industry and other facilities which bear testimony to the favoritism shown by him. Mr. Y.S.R. was magnanimous in allotting 10,760 acres of Government land at throwaway price to OMC for construction of steel plant and a private airport.

The story will be incomplete if we do not narrate reciprocation or the gratitude on the part of Sri Gali Janardhan Reddy towards YSR and his family as a good will gesture for giving him public properties worth thousands of crores of rupees violating all the rules of the land.

It is documented that OMC has entered into an agreement with one Red Gold Enterprises for sale of 50% of the iron ore it extracted at operational cost and 5% nominal profit in lieu of consultancy services extended by the firm. The agreement clearly specifies that this benefit is for arranging licenses, permits etc., from central and state governments. It is none other than YSR who can arrange all these services!

The registered agreement between M/s OMC and M/s Red Gold Enterprises a partnership firm, contains the terms and conditions, inter alia, include:

“ Where as RED GOLD has assisted and helped OMC in identifying the deposits of iron ore in the Lease Hold., Red Gold has also assisted OMC in preparing the necessary documents for obtaining the licenses / clearances / permissions required under the respective statutes from the concerned departments of the state and central governments.

6. OMC shall sell to RED GOLD 50% of iron ore i.e., both marketable and sub-grade produced from the mine. The price will be Operational Cost plus 5% thereon.....

8. OMC shall not surrender or transfer the mining lease areas and the interest therein to any other party without prior concurrence of RED GOLD”. (25) (Page 77)

In essence, 50% of the profit share, which approximately amounts to Rs.400/- crores per annum, was given for consultancy- of arranging

25) Agreement between OMC and Red Gold dated 18th Sep 2008.

licenses and permissions from governments- which is unheard anywhere in the world!

M/s OMC under-invoiced the price of iron ore and exported to China through Benami upfront companies. The illegal income thus acquired is parked in tax heaven countries and brought back as investments through shell companies. The transfer pricing adopted in these cases need investigation by Income Tax Department to unearth exact tax evasion. Similarly violation under FEMA Act and Rules need to be investigated by the Directorate of Enforcement.

The route of this money laundering is very obvious to observe. The CEO of Red Gold Enterprises Sri Rama Subba Reddy is the CEO of Sajjala Iron and Steels Pvt. Ltd., Bellary. The owner of this steel company is one Sri Sajjala Diwakar Reddy who is none other than brother of Sajjala Ramakrishna Reddy, the director of Sakshi group of news papers owned by Sri Y.S.Jaganmohan Reddy.

Another innovative enterprise, R.R. Global Enterprises, has also put Rs.44 crores of investment in Jagati Publications Ltd., which owns Saakshi Newspaper group owned by Sri Y.S.Jaganmohan Reddy, Member of Parliament (son of late Sri YSR), apart from Rs.30 crores investment in Indira television owned by the same group. R.R.Global Enterprises Private Limited ,purported to be a trading company dealing with iron ore has earned Rs. 90 crores profit since its inception in October, 2007 till March, 2009. These profits are invested in family business concerns of Dr. Y. S. Rajasekhara Reddy through picking up shares at exorbitant premium.

R.R. Global Enterprises (P) Ltd. Red Gold Enterprises and Jagati publications Ltd., which runs Sakshi Newspaper are registered from the same address viz., 8-2-120/86-3,Krishna Sindhu Residency, Banjara Hills, Hyderabad. This clearly shows the quid-pro-quo of sharing of benefits by Sri Gali Janardhan Reddy with the family of YSR.

Another twist to this tale is the political angle. In Karnataka the trio of 'Gali brothers' are almost running the government and they even made the Chief Minister to plead helplessness in public by garnering the support of MLAs through their illegal wealth. The Chief Minister was humiliated and forced to post the officials of their choice in two districts of the Karnataka where this illegal mining is happening. The state of Karnataka is in the stranglehold of Gali brothers and the shameless drama they enacted in New Delhi recently, sent shivers among the law abiding citizens of this country.

On the other side, Sri J.Ramachandra Reddy, the Joint Managing Director of the proposed Brahmani Steels and Director of OMC is a Congress leader in the state of Andhra Pradesh and was made a congress MLA., from Rayadurg constituency, with the blessings of Sri YSR, where these mines are located.

Further, in the state of Andhra Pradesh their active partner and benefactor was none other than YSR who almost monopolized the congress party in the state. Even after his death, the relationship continues through the persona of Sri Y.S. Jaganmohan Reddy, S/o late YSR who is heading an empire of media and industries with questionable investments from beneficiaries of the YSR government's munificence while in power . The vernacular press quite often pointed out that the shares, with face value of Rs.10/-, were picked up by SEZ promoters and Jalayagnam contractors of the state, in huge lots with a premium of Rs.350/- even before its first issue was released. No other national media /channel share carry so much premium till date!

The great coincidence in this total episode is that both the families of Sri Gali and Sri YSR were filing IT returns with the tax liability of few lakhs of rupees as late as in 2004. Today, both the families have paid advance tax in few hundred crores of rupees. Enough to show the nexus and plunder of public money.

The “Telugu Desam Party” (TDP) being a principal opposition party in the state of Andhra Pradesh, has been agitating on the issue of illegalities in allotment of mining leases in the state. Its elected legislators have staged demonstrations, got arrested and were suspended from Assembly on several occasions drawing attention of the public and government to this irregularity. Sri Nagam Janardhan Reddy, senior leader of TDP, who went to OMC mines as member of all-party team, was insulted and abused and not allowed to look into the functioning of OMC. The government headed by YSR was ruthless and TDP party activists and leaders were subjected to economic sabotage, filing of SC/ST cases and even physical elimination in several cases. Still, TDP fought relentlessly on the issue and today its stand against YSR and his corrupt rule stand vindicated with the report of CEC.



Representation by All Party delegation to Governor of A.P.

All political parties in the state have come together to fight the corrupt practices of YSR government in general and mining irregularities specifically. During last one month, all-party delegation staged demonstrations in the district and submitted representations to Chief Minister and Hon'ble Governor of Andhra Pradesh demanding action against illegal mining.

The rise of mining mafia and its impact in states of Karnataka, Andhra Pradesh, Orissa , Chattisgarh and Jharkhand is witnessed by the country in great disbelief. The amount of illegal wealth amassed by these unruly elements has really shocked the nation. Democracy will be at peril, if these forces are not restrained by a united effort of all law-abiding citizens of this country. Those who believe in the need for sustainability of democratic system in the country must join to fight this menace of mining mafia.

The illegal mining perpetuated by OMC in states of Karnataka and Andhra Pradesh and real beneficiaries of this ill-gotten wealth and its placement in different front companies, both within and outside the country, must be probed to see that illegal wealth will be restored to public exchequer to cater to the needs of poor in the society. For this, investigation by the premier agencies of the country-including Central Bureau of Investigation, Dept. of Revenue Intelligence, survey of India, Ministry of Environment and Forests and other regulatory bodies is to be taken up on priority in a time bound manner to unearth the facts behind the financial growth of this mining mafia.

All the recommendations of the CEC , including recovery of normative market value of illegally mined ore, demarcation of boundaries and cancellation of leases where mining was done in unallotted areas are to be implemented forthwith.

The mineral resources are also to be preserved for the future generations. A comprehensive policy which ensures allotment of mining leases only for captive purposes - to those who can put up processing industries - with preference

to public sector industries and on competitive bidding to private industries is the need of the day. A legislation by the Parliament in this direction will be our gift to the generations to come.

RESERVE BANK OF INDIA
DEPARTMENT OF NON-BANKING SUPERVISION
Bangalore Regional Office
10/3/8, Nrupathunga Road, Bangalore-560 001

M/s Ennoble India Savings and Investment Co. Ltd.,
6(4), Raghavachari Road, Opposite Radhika Theatre, Bellary-583 101
PROHIBITED FROM ACCEPTING DEPOSITS

M/s Ennoble India Savings and Investment Co.Ltd., having its Registered Office at 6(4), Raghavachari Road, Opposite Radhika Theatre, Bellary -583 101, has violated various provisions of Reserve Bank of India's Directions relating to acceptance of deposits, investment in approved securities and submission of stipulated returns to the Bank. The financial position of the Company is not satisfactory and its Net Owned Fund has turned negative. The bank has, therefore, prohibited the Company with effect from October 05, 1998 from accepting deposits from any person including the existing depositors /certificate holders, in any form whether by way of subscriptions / instalments to any scheme conducted by the Company or by way of renewal of deposit or otherwise .

2. Reserve Bank of India has also directed the Company, in the public interest, not to sell, transfer, create charge or mortgage or deal in any manner with its property and assets including withdrawals of bank deposits / securities, etc., lodged with bank / kept with itself except for the purpose of repayment of its deposits on maturity, without prior written permission of Reserve Bank of India, for a period of 6 months from the date of the Prohibitory Order, i.e, October 05, 1998

(C.S Murthy)
General Manager

Date: October 05, 1998.

Advertisement in HINDU

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

MINES & MINERALS – Transfer of Mining Lease held by Sri.G.Rama Mohan Reddy for Iron Ore over an extent of 64.20 Acres in S.No.1/P of Obulapuram Village. D-Hirahel Mandal. Anantapur District, infavour of M/s Obulapuram Mining Company Private Limited for the unexpired period of lease i.e up to 13-12-2004 and also to reject the transfer application dated 23-06-2001 filed by Sri. G. Rama Mohan Reddy in favour of M/s Obulapuram Mining Company (A Partnership Firm) as with drawn Permission Accorded.

INDUSTRIES & COMMERCE (M.III) DEPARTMENT

G.O.Ms.No.80

Dated:18-02-2002

Read the following:-

1. G.O.Ms.No.236,Ind & Com. Department, dated 10-12-1996
2. From Sri.G.Rama Mohan Reddy, Application dated 23-06-2001
3. From Sri.G.Rama Mohan Reddy, Application dated 02-11-2001
4. From the D.M.G., F.No.38523/R4-2001, dated 28-01-2002

ORDER:

In the G.O. 1st read above, a Renewal of Mining Lease for Iron Ore over an extent of 64.20 Acres in S.No.1/p of Obulapuram Village, Rayadurg Mandal, Anantapur District, for a period of 20 years with effect from 14-12-1984 was granted in favour of Sri G.Rama Mohan Reddy. The Mining Lease was executed on

25-04-1997 from 14-12-1984 to 13-12-2004.

- 2) In the reference 2nd read above, Sri. G.Rama Mohan Reddy has applied for the transfer of the above lease in favour of M/s Obulapuram Mining Company (A Partner Firm).
- 3) Subsequently, the partnership firm was converted into a Private Limited Company in the name and style of M/s Obulapuram Mining Company (P) Limited. In the reference 3rd read above, Sri G.Rama Mohan Reddy has applied for the transfer of the above lease in favour of M/s Obulapuram Mining Company Private Limited and has withdrawn the proposal made in the reference 2nd read above.
- 4) In the reference 4th read above, the Director of Mines and Geology has recommended to transfer of Mining Lease held by Sri G.Rama Mohan Reddy for Iron Ore over an extent of 64.20 Acres in S.No.1/p of Obulapuram Village, D-Hirehal Mandal, Anantapur District in favour of M/s Obulapuram Mining Company (P) Limited for the unexpired period of lease i.e., upto 13-12-2004 and also to reject the transfer application dated 23-06-2001 filed by Sri.Rama Mohan Reddy in favour of M/s Obulapuram Mining Company (A Partnership Firm) as withdrawn.

- 5) In the circumstances, Government after careful examination of the above proposal, under Rule 37(1) of A.P. Mineral Concession Rules , 1960, hereby permit the transfer of Mining Lease held by Sri G.Rama Mohan Reddy for Iron Ore over an extent of 64.20 acres in S.No.1/p of Obulapuram Village, D-Hirehal Mandal, Anantapur District, for a period of 20 years for the unexpired period of lease i.e., upto 13-12-2004 in favour of M/s Obulapuram Mining Company Private Limited for the unexpired period of lease i.e., upto 13-12-2004 and also to reject the transfer application dated 23-06-2001 filed by Sri G.Rama Mohan Reddy for transfer of the lease infavour of M/s Obulapuram Mining Company (A Partnership Firm) as withdrawn.
- 6) The transfer lease deed should be executed within three months from the date of this order and the transferor should pay all mineral revenue dues to the Government till the date of transfer, before execution of transfer lease deed. The Director of Mines and Geology is requested to take further necessary action in the matter.

A copy of this order is available on the internet and it can be accessed at the address – <http://apts.gov.in/apgos>”.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

MINNIE MATHEW
PRINCIPAL SECRETARY TO GOVERNMENT

To
Sri G.Ram Mohan Reddy,
Mine Owner, Obulapuram Iron Ore Mines,
Obulapuram (Post), Rayadurg(Taluk),
Anantapuram District.

Copy to:
The Director of Mines and Geology, Hyderabad
The Asst.Director of Mines and Geology, Anantapur.
The Controller General, Indian Bureau of Mines, Nagpur.
The Director General Mines, Safety, Dhanbad.
The Secretary to Government of India, Ministry of Mines.
Department of Mines, New Delhi.
The Industries and Commerce (IF-Cell) Department.

Forwarded by order

Sd: xxx
Section Officer

THE COMPANIES ACT (1 OF 1956)

SCHEDULE V - PART II

(See Section 159)

(Vide Notification No. GSR 389 (E) F. No. 3/24/94-CL V Dated 15-5-1995)

Regn. No.

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ANNUAL RETURN

OF

**OBULAPURAM MINING COMPANY PRIVATE LIMITED.
BELLARY**

BALANCE SHEET AS AT 31.03.2005

IV. DIRECTORS/MANAGER/SECRETARY INFORMATION (PAST AND PRESENT)

Name

G	A	L	I					J	A	N	A	R	D	H	A	N	A		
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Surname

First Name

		R	E	D	D	Y							
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Middle Name

Nationality

I

 I - Indian Date of Birth

1	1
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0	1
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6	7
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F - Foreign Date Month Year

Designation

c

 C - Chairman - cum - Managing Director, W - Whole Time Director,
S - Secretary, M-Manager, D - Director, M - Managing Director

Date of Appointment

0	2
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0	5
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0	2
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 Date of Ceasing

N	A
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Date Month Year Date Month Year

Election Commission Identity Card No. (if Issued)

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GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Mines & Minerals – 1st Renewal of Mining Lease for Iron Ore over an extent of 64.20 acres in Sy.No.1/p of Obulapuram (V), D-Hirehal (M) Anantapur Dist., held by M/s Obulapuram Mining Company Pvt., Ltd., Reckoning the lease period of 1st R.M.L., from the date of execution of lease deed i.e., 26.4.1997 Orders- Issued.

INDUSTRIES & COMMERCE (M.III) DEPARTMENT

G.O.Ms.No.202.

Dt.10-9-2004

1. G.O.Ms.No, 1205, Industries & Commerce Dept.,DT.10.8.1964
2. G.O.Ms.No.67,EFS&T (FOR.II).Dept., Dt.21.8.1995
3. G.O.Ms.No.236, Industries & Commerce (M.III) Dept., Dt.10.12.1996
4. G.O.Ms.No.80, Industries & Commerce (M.III) Dept., Dt.18.2.02
5. From DMG.,F.No.15818/R4-3/2004,Dt.27.5.2004

- 1 In G.O., 1st read above, Govt., granted a Mining Lease for Iron Ore over an extent of 547.62 acres in Sy.No.1/p of Obulapuram (V), D.Hirehal (M), Anantapur Dist., in favour of Sri G.Rammohan Reddy for a period of 20 years. The lease deed was executed on 15.12.1964. During the subsistence of lease period, Sri G.Ramamohan Reddy expired on 23.3.1972 and Sri G.Ramachandra Reddy, S/o Sri G.Rammohan Reddy has been declared as legal heir.
- 2 In G.O.,2nd read above, the EFS&T (FOR.I) Dept., have accorded permission for diversion of 25.98 Hectares in Obulapuram (V), Raydurg (M), Anantapur Dist., for Renewal of Mining Lease for a period of 10 years in favour of Sri.G.Rammohan Reddy, subject to certain conditions stipulated therein.
- 3 In G.O., 3rd read above, Government have granted 1st Renewal of Mining Lease for Iron Ore over an extent of 64.20 Acres in Sy.No.1/p of Obulapuram Village, Rayadurg Mandal, Anantapur Dist., in favour of Sri G.Rama Mohan Reddy for a period of 20 years with effect from 14.12.1984 i.e., the next day of expiry of the original lease period. The lease deed was executed on 26.4.1997
- 4 In G.O., 4th read above, the Mining Lease was transferred in favour of M/s Obulapuram Mining Company Pvt., Ltd.,

- 5 In the ref., 5th read above, the Director of Mines & Geology has informed that M/s Obulapuram Mining Company Pvt., Ltd., have represented that the Government while granting 1st Renewal of Mining Lease have reckoned the period of 20 years with effect from 14.12.1984. But they have executed the lease deed on 26.4.1997 and hence they have requested to reckon the lease period of 20 years granted in G.O.Ms.No.236, Ind., & Com.,(M.III) Dept., Dt.10.12.96 with effect from the date of execution i.e., 24.6.1997. In that event , the lease period expires by 25.4.2017. The DMG., has requested to consider the request of M/S Obulapuram Mining Company Pvt.,Ltd., on par with certain precedent cases in which Govt., have considered such requests earlier.
- 6 Govt., after careful examination, here by consider the request of M/s Obulapuram Mining Company Pvt., Ltd., to reckon the period of 1st Renewal of Mining Lease granted vide G.O., 3rd read above from the date of execution i.e., with effect from 26.4.1997 subject to obtaining Forest Clearance for the remaining period and also subject to fulfilling all other conditions as per MM(D&R) Act, 1957 and rules made thereunder, subject also to the conditions stipulated by the Forest Dept.,
- 7 The Director of Mines & Geology is requested to take further necessary action in this matter.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**K.V.RAO,
PRINCIPAL SECRETARY TO GOVERNMENT
AND COMMISSIONER FOR INDUSTRIAL PROMOTION.**

To,
M/s Obulapuram Mining Co.Pvt., Ltd., Ennoble House, Raghavachari Road,
Bellary-583 101(BY RPAD)

Copy to:

Director of Mines and Geology, Hyderabad. (W.e: File)
Asst.Director of Mines and Geology, Anantapur,
The Dist., Collector, Anantapur,
The Secretary to Govt., of India, Min., of Mines, Dept., of Mines, New Delhi.
The Controller General, Indian Bureau of Mines, Nagpur,
The Director General, Mines Safety, Dhanbad, Bihar,
The Regional Controller of Mines, Koti, Hyderabad,
The Ind. & Com.(IF.CELL) Department.

Sf/Sc

//Forwarded : By Order//

Sd/-
SECTION OFFICER

GOVERNMENT OF INDIA
MINISTRY OF ENVIRONMENT & FORESTS

Regional Office (Southern zone)
Kendriya Sadan, 4th Floor, E&F Wings, 17th Main Road,
2nd Block, Koramangala, Bangalore – 560 034

No.APC 335/2007-BAN

Dated : 18.07.2007

To
The Principal Secretary
Government of Andhra Pradesh
Environment, Forests, Science and Technology Department
A.P. Secretariat, HYDERABAD-500 022.

Subject : Renewal of Mining lease over an area of 25.98 ha. of forest land for the extraction of iron ore in S.No. 1/P of M/s. Obulapuram Mining (P) Limited, D. Hirechal Mandal, Ananthapur District.

Sir,

Kindly refer to the State Government's letter No. 2443/FOR.1(1)/2007-1 dated 4.4.2007 and 28.6.2007 seeking prior approval of the Central Government in accordance with Section '2' of Forest (Conservation) Act, 1980 for the above project.

After careful consideration of the proposal of the State Government, I am to convey Central Government's approval in – principle (Stage-1) for renewal of mining lease over an area of 25.98 ha. of forest land in S.No 1/P of Obulapuram village, Bellary RF, Kalyandurga Range, Ananthapur Division for extraction of iron ore in favour of M/s. Obulapuram Mining (P) Limited for a period of 10 years with effect from 19.7.2005 subject to the following conditions.

1. Demarcation of 25.98 ha. of forest land shall be carried out by erecting cement concrete pillar duly numbered at an interval of 20 meters at the cost of user agency.
2. The cost of raising penal CA over 51.96 ha. of degraded forest land shall be deposited by the user agency.
3. The cost of fencing and regeneration of safety zone area and afforestation in lieu of safety zone area shall be deposited by the user agency as per the guidelines issued under Forest (Conservation) Act.1980.
4. The State Government shall charge the Net present Value (NPV) of the forest area diverted under this proposal from the user agency as per the order of the Hon'ble Supreme Court dated 30.10.2002, dated 1.8.2003 in IA No. 566 in WP(C) No. 202/95 and the guidelines issued by Ministry vide letter No.5-1/1998-FC (Pt.II) dated 18.9.2003 and 22.9.2003 in this regard.
5. Additional amount of the Net Present Value (NPV) of the diverted forest land if any, becoming due after finalization of the same by the Hon'ble Supreme Court of India on receipt of the report from

the Expert Committee, shall be charged by the State Government from the user agency. The user agency shall furnish the undertaking to this effect.

6. The unds received from the user agency towards penal CA and NPV under the project shall be transferred to Adhoc CAMPA in account Number CA 1578 of Corporation Bank, Block II, CGO Complex, Phase –I, Lodi Road, New Delhi – 110 003.

After receipt of the compliance report of the above conditions, final approval will be accorded. Transfer of forest land to the user agency shall not be effected prior to issue of final approval. This approval shall be valid for a period of 5 years. In the event of non-compliance of the above conditions, this approval shall automatically stand revoked.

Yours faithfully,
Sd/

(R.S Prashanth)

Chief Conservator of Forests (C) I/c

Copy to:

1. The Director General of Forests and Special Secretary to Government of India, Ministry of Environment and Forests, Paryavarn Bhavan, CGO Complex, Lodi Road, New Delhi – 110 003.
2. The Principal Chief Conservator of Forests, Forest Department, Government of Andhra Pradesh, Thulajaguda Complex, M.J Market, Hyderabad.
3. The Additional Principal Chief Conservator of Forests / Nodal Officer (FCA), Office of the principal Chief Conservator of Forests, Forest Department, Government of Andhra Pradesh, Thulajaguda Complex, M.J. Market, Hyderabad.
4. M/s. Obulapuram Mining Company (P) Limited, Ennoble House, Raghavachari Road, Bellary, Karnataka – 583 101
5. Guard file.

Sd/

(R.S Prashanth)

Chief Conservator of Forests (C) I/c

**Ministry of Environment and Forests
(FC Division)
Recommendations of the Forest Advisory Committee(FAC)
in its Meeting held on 02.04.2009**

Total No. of Pages : 05
Total No. of Proposals : 14

14	<p>Violation of Forest (Conservation) Act, 1980 by the DFO, Anantapur in connivance with M/S Obulapuram Mining Company (P) Ltd.</p>	<p>The Forest Advisory Committee examined the violation of Forest (Conservation) Act, 1980 by the DFO, Anantapur in connivance with M/S Obulapuram Mining Company (P) Ltd.</p> <p>The FAC noted that the site has been inspected by the Regional office. As per the inspection report, the mining lease areas were not found to be demarcated properly on the ground. Further , there was no safety zone provided and planted by the mine owners. Hence Inspecting Officer could not ascertain whether mining was restricted to the approved leased forest area or not. The Committee also considered the views and advice of CEC. The CEC has recommended/advised that in view of the report it will be appropriate that in the present case, the demarcation is got done through the Survey of India and in the meanwhile no mining is permitted to be undertaken.</p> <p>After detailed discussions, the Committee expressed concern over such kind of irregularity in operation in the projects cleared under the F (c) Act, 1980 and</p>	
		<p>recommended that permission given for these 5 mines adjacent to and including Bellary Iron Ore Private Limited and M/s Obulapuram Mining Company Pvt.Ltd under the Forest (Conservation) Act,1980 be kept in suspension till demarcation is completed by the survey of India till proper boundaries and safety Zones are provided to these mines on ground</p>	

Sd/-
(Dr.Ullas Karanth)
Member

(Not Attended)
(Dr.Madahv Gadgil)
Member

Sd/-
(Dr.Mahesh Rangarajan)
Member

Sd/-
(A.R.Chaddha)
Addl.Commissioner(MoA)
Member

Sd/-
(Ansar Ahmed)
IGF (FG)
Member Secretary

Sd/-
(P.R.Mohanty)
DGF & SS
Chairman FAC

Ministry Of Environment & Forests
(Forest Conservation Division)

Paryavaran Bhavan, CGO Complex
Lodhi Road, New Delhi
Dated the 22nd April, 2009

To

The Principal Secretary (Forests),
Government Of Andhra Pradesh,
Hyderabad.

Subject: Violation of Forest (Conservation) Act, 1980 by the DFO,
Anantapur in connivance with M/s Obulapuram Mining
Company (P) Ltd.

Sir,

I am directed to refer to Regional Chief Conservator of Forests, Bangalore's letter No.FCA/11.1/134/AP/3693 dated 30th January, 2009 on the above mentioned subject, where in site inspection report in violation of Forest(Conservation) Act, 1980 by the DFO, Anantapur in connivance with M/s Obulapuram Mining Company (P) Ltd, was submitted. The said report and central Empowered Committee's observations has been examined by the Forest Advisory Committee constituted by the Central Government under Section 3 of the aforesaid Act.

The FAC noted that the site has been inspected by the Regional Office. As per the inspection report, the mining lease areas were not found to be demarcated on the ground. Further, there was no Safety Zone provided and planted by the mine owners. Hence, Inspecting Officer could not ascertain whether mining was restricted to the approved leased forest area or not.

The Committee also considered the views and advice of CEC. The CEC has recommended/ advised that I view of the report, it will be appropriate that in the present case, the demarcation is got done through the Survey of India and the meanwhile, no mining is permitted to be undertaken. The state Government will request the Survey of India accordingly.

After detailed discussions, the Committee expressed concern over such kind of irregularity in operation in the projects cleared under the Forest(Conservation) Act, 1980 and recommended that permission given for these 5 mines adjacent to and including Bellary Iron Ore Private Limited an M/s Obulapuram Mining Company Pvt.Ltd under the Forest (Conservation) Act, 1980 be kept in suspension till demarcation is completed by the survey of India and proper boundaries and Safety Zones are provided to these mines on ground.

In view of above, I am directed to convey that permission given for these 5 mines mentioned in the Inspection report Viz. M/s Bellary Iron Ore Private Ltd.(27.12 ha), M/s Y.Mahabaleswarappa & Sons (20.24 ha),

M/s Obulapuram Mining Company Pvt.Ltd.(25.98 ha) M/s Obulapuram Mining Company Pvt.Ltd (39.50 ha) and M/s Anantapur Mining Corporation(6.5 ha) under the Forest(Conservation) Act, 1980 be kept in suspension with immediate effect till demarcation is completed by the Survey of India and proper boundaries and Safety Zones are provided to these mines on ground. It is necessary that action should be initiated against officials for allowing the mining without proper demarcation on the ground. The matter may be treated as most urgent.

The action taken report may kindly be submitted to MoEF on priority preferably within a fortnight.

Yours's faithfully,

Sd/-

(B.K.Singh)

Sr.Assistant Inspector General of Forests

Copy to:

1. The principal Chief Conservator of Forests, Government of Andhra Pradesh, Hyderabad
2. The Chief Conservator of Forests(Central), Regional Office, Bangalore-for necessary action.
3. Nodal Officer,O/O the PCCF, Government Of Andhra Pradesh, Hyderabad.
4. Director General, Survey Of India, Dehraddun.
5. The User Agency for Information and compliance.
6. Monitoring cell, FC Division, MoEF, New Delhi
7. Guard File.

SATRUCHARLA VIJAYA RAMA RAJU
MINISTER FOR FORESTS ENVIRONMENT
SCIENCE & TECHNOLOGY



Phones Nos. Off: 23450275
23450533
HYDERABAD

Date : 28.04.2009

Dear Sri Raghupathi garu,

Sub: Violation of Forest (Conservation) Act, 1980 by the Divisional Forest Officer, Ananthapur in Connivance with M/s. Obulapuram Mining Company (P) Limited – Regarding.

With reference to the above subject I am to inform that on the instructions of the Government of India, the State Forest Department was instructed to verify the field conditions of the above subject matter. The Field Officers have verified and stated that there are no violations with regards to demarcations of the boundary pillars of the forest area leased out. The report of the State Government is enclosed for reference.

In view of the above report, the matter may kindly be got Re-examined and the orders issued by the Government of India in their letter dated 22.04.2009 may please revoked.

With regards,

Yours sincerely

Sd/-
(STATRUCHARLA VIJAYA RAMA RAJU)

To
Sri Raghupathi garu,
Hon'ble Minister for Environment & Forests,
Government of India,
Paryavaran Bhavan, CGO Complex,
Lodhi Road, New Delhi.

GOVERNMENT OF ANDHRA PRADESH
ENVIRONMENT FORESTS SCIENCE AND TECHNOLOGY DEPARTMENT

LETTER NO.8517 / FOR 1 (1)/2008-4

DATED:28-4-2009

From:
The Special Chief Secretary to Government,
EFS & T Department,
A.P.Secretariat,
Hyderabad.

To
The Inspector General of Forests,
Government of India,
Ministry of Environment & Forests,
Paryavaran Bhavan, CGO Complex,
Lodhi Road, New Delhi.(w.e)

Sir,

Subject: Violation of Forest (Conservation) Act, 1980 by the DFO, Anantapur in connivance with M/s. Obulapuram Mining Company (P) Limited Report-Submitted – Reg.

- Ref: 1. From GOI, Mo.EF, New Delhi, Lr.No.F (C) A/11.1/134/AP/3682
2. From GOI,Mo.EF,New Delhi,Lr.No.11-244/2008-FC Dt.22-4-2009.
3. From Prl.CCF.Hyd. Lr.No.51066/2004/F2, Dated:27-4-2009 and 28-4-2009

I am directed to invite your attention to the letters cited and inform you that in the letter 1st cited, the CCF @ Bangalore, has informed that during his inspection along with the CCF, Anantapur and DFO, Ananthapur it was observed that the boundaries between mining lease area of M/s.Bellary Iron Ore Pvt. Limited, Bellary, M/s Y.Mahabaleswarappa & Sons, M/s .Obulapuram Mining Co. Pvt. Limited and M/s Obulapuram Mining Co. Pvt. Limited, were not demarcated on the ground and in absence of the same it was not possible to ascertain whether the mining activity is being carried out within the allotted area or not and requested the State Govt. to take necessary action to demarcate the boundary of all the above mining leases on the ground. He has also requested to send combined sketch map duly authenticating of all the above mines including M/s. Ananthapur Mining Corporation showing their respective lease area and the forest area. In this regard, the Prl. CCF was requested to take immediate necessary action. In the mean time the GOI, MoEF , New Delhi in their letter 2nd cited have conveyed that permission given for these 5 mines mentioned in the inspection report of CCF © Bangalore viz. M/s. Bellary Iron Ore private Ltd.(27.12 ha), M/s. Y.Mahabaleswarappa & Sons (20.24 ha) M/s. Obulapuram Mining Company Pvt.

Ltd. (25.98) M/s. Obulapuram Mining Company Pvt.Ltd (39.50 ha) and M/s. Anantapur Mining Corporation (6.5) under the Forest Act, 1980 be kept in suspension with immediate effect till demarcation is completed by the Survey of India and proper boundaries and Safety Zones are provided to these mines on ground.

2. In this regard, the Prl.CCF. in his letter 3rd cited has furnished the reports of DFO/CCF, Anantapur. In the report it was stated that during the course of inspection of CCF (C) Bangalore on 23-1-2009, while inspecting the mining lease area of 39.50 ha. Belongs to M/s. Obulapuram Mining Company (P) Ltd. The boundary pillars at Survey station No.3 and certain intermediate pillars were found to be damaged due to falling boulders from the top. Based on the notice issued from him on 28-1-2009 to three user agencies i.e. M/s. Obulapuram Mining Company (P) Ltd., M/s. Bellary Iron Ore (P) Ltd and M/s. Y.Mahabaleswarappa and sons to repair damaged caused to pillars in their respective lease boundary, the user agencies have complied with the need certified certain pillars. Which were damaged and repainted them.
3. The CCF, Anantapur has further reported that on the point of no pillars being maintained in the common boundary, the DFO has submitted that mining activity is carried out uninterruptedly by doing blasting operations. The user agencies demarcate the common boundary area by digging vertical holes upto 20 mtrs below the ground and filled up with the fresh lime mortar as per the terms of the Director General of Mine Safety, GOI. Above the ground the demarcation is being done with Iron rod. The maintenance of boundary pillars around the mining lease area and also along the common boundary is a continuous process which is being undertaken from time to time regularly. Further he has also submitted that based on the instructions issued, the user agencies complied with the instructions by constructing cement concrete pillars and Iron rods pegged at regular interval in the common, lease boundary between the lease holders. The boundary of 5 leases were adequately demarcated on the ground as per the lease granted and with reference to the approved lease sketch.
4. The CCF, Anantapur has also stated that the safety zones are clearly demarcated on the ground with barbed wire fencing as per the specifications and conditions imposed by the GOI. As per the conditions laid, Bellary Iron Ore (P) Limited, Bellary and Y.Mahabaleswarappa & Sons, Bellary have raised plantations in the safety zone area. These plantations are 10 years old. The Safety Zone area is also clearly demarcated on the ground in case of 39.50 ha of area of Obulapuram mining company along its Eastern lease boundary. This lease was granted during 2007. The user agency has raised plantation in the safety zone area during 2008 which is under maintenance. Apart from the above, there is no safety zone area demarcated and maintained in the common boundaries in between the mining leases area, including 6.5 ha of Anantapur Mining Corporation since the mining operations are permitted by Director General of Mining Safety, Government of India in common boundary area
5. The CCF, Anantapur has also reported that no violation was occurred or committed by any of the leases contravention of Forest(C) Act, 1980 or violation of conditions imposed by GOI, State Govt. and DFO, Anantapur for carrying out mining activities in their respective mining lease area.

6. Further the Prl. CCF, in his letter 3rd cited has also reported that based on various Sketches/maps and the original mining leases granted in H.Siddapuram and Obulapuram Villages there is no area uncovered under section (2) of Forest (Conservation) Act in the above (5) mining leases which are adjacent to each other having a compact block, without any un allotted forest area and thus there is no violation by any of the leases under the provision of Forest© Act.
7. The Prl.CCF. has further stated that the Hon'ble High Court in their common judgment dt.15-12-2008 in WA 1540/08 and WP No.645 of 2008 filed by M/s.Obulapuram Mining Company Pvt. Limited and M/s. Bellary Iron Ores Pvt.Limited, has made certain observation in paras 51,56,65,67,75 and 78 regarding survey and demarcation of the mining lease areas and resolving boundary disputes. A copy of the High Court order dt. 15-12-2008 is also herewith enclosed for reference.
8. In view of the above, and as stated by the field officers that at present all the 5 leases are adequately demarcated on the ground by constructing cement concrete pillars, intermediate pillars and common boundary pillars by pegging iron rods at regular intervals with lime mortar and the redefined village boundary is clearly demarcated by pegging flagged iron rods at regular intervals in its entire length and none of the leases have encroached any fresh RF adjoining to their iron ore mining lease area, nor they were allowed to carry out mining operations outside their mining lease boundary limit within R.F., I am direct to request your to review the orders issued in the letter 2nd cited and re-consider to revoke the orders.
9. copies of references 3rd cited along with reports of Chief Conservator of Forests, Anantapur and DFO, Anantapur along with relevant maps are herewith furnished.

Yours faithfully,

Sd/-

For Special Chief Secretary to Government.

Copy to:

The Chief Conservator of Forests (Central),
GOI,Mo.Ef, Regional Office, Koramanga, Bangalore (w.e.)
The Principal Chief Conservator of Forests, Hyderabad.

NO.11-244/2008-FC
Government of India
Ministry of Environment & Forests
(Forest Conservation Division)

Paryavaran Bhavan, Cgo Complex, Lodhi Road, New Delhi,

Date 1st May, 2009

To,

The Principal Secretary (Forests),
Government of Andhra Pradesh,
Hyderabad.

Subject: Violation of Forest (Conservation) Act, 1980 by the DFO Anantapur in connivance
with M/s. Obulapuram Mining Company(P)Ltd.

Sir,

I am to refer to this Ministry's even number dated 22.4.2009 and Andhra Pradesh Government's letter No.8157/FOR 1(1)2008-09 dated 28.4.09 and to convey that the temporary suspension of approval under the FC Act in respect of the 5 mines indicated in our letter dated 22.4.2009 be kept in abeyance till further orders.

I am further directed to convey that the Regional Chief Conservator of Forest, Bangalore shall examine the reports of the A.P Government sent to them by the State Government via above mentioned letter dated 28.4.2009, inspect the site and submit the report within 30 days for taking final view.

Yours faithfully,

Sd/-

(B.K.Singh)

Sr.Assistant Inspector General of Forests

Copy to:

1. The Principal Chief Conservator of Forests, Government of Andhra Pradesh, Hyderabad
2. The Chief Conservator of Forests (Central) Regional Office, Bangalore for necessary Action.
3. Nodal Officer, O/o the PCCF, Government of Andhra Pradesh, Hyderabad.
4. Director General, survey of India, Dehraddun.
5. The User Agency for information compliance.
6. Monitoring Cell, FC Division, MoEF, New Delhi.
7. Guard File.

P.No 11-244/2008-FC
GOVERNMENT INDIA
MINISTRY OF ENVIRONMENT & FORESTS
(FC- Division)

Parayavaran Bhawan.
CGO Complex, Lodi Road.
New Delhi-110003
Dated:8th July.2009

To

The Principal Secretary to the Government.
Forest. Ecology and Environment Department.
Hyderabad. Andhra Pradesh.

Sub: Violation of Forest (Conservation) Act.1980 by the DFO. Anantapur in connivance with M/S Obulapuram Mining Company (P) Ltd.

Sir,

I am directed to refer to this Ministry's Letters of even no dated 22nd April 2009, 13th May 2009 and 24th June 2009 regarding the survey of the five mining areas to be got completed by the Survey of India and to say that the field survey by the Survey of India should be done by the 16th July. 2009. We have been informed by Director APGDC. Survey of India, Hyderabad that work preparatory to field work have already been completed by them. They may kindly be advised to begin the field work at the earliest preferably tomorrow i.e 9th July 2009 . It is requested that the State Government may kindly provide all necessary assistance and security to the field team of the Survey party of the APGDC, Survey of India, Hyderabad as already requested by us earlier. Further if required by the survey team to stop the mining / excavation work during their field survey, the State Government may kindly direct all the concerned mines to stop the work.

Further keeping in view various factors pertaining to the matter, it is regretted that it is not possible for the Central Government to agree to the proposals of the State Government of Andhra Pradesh as contained in the letter no 8517/FORI(10/2008-9 dated 27.06.2009 from the Special Chief Secretary EFS & T Department of Andhra Pradesh.

This may be treated as urgent.

Yours faithfully.

Sd/

(B.K. Singh)

Sr. Assistant Inspector General of Forests

Copy to

1. The Principal Chief Conservator of Forests, Hyderabad, Andhra Pradesh .
2. The Chief Conservator of Forests (Central). Regional Office, Bangalore- for necessary action.
3. Nodal Officer. O/o the PCCF, Hyderabad, Andhra Pradesh .
4. Director General, Survey of India. Deharadun.
5. Director APGDC. Survey of India. Hyderabad with the request that the field survey as requested above shall be got completed on priority by 16th July.2009.
6. The User Agency for information and compliance.
7. Monitoring Cell. Fc Division. MO F. New Delhi.
8. Guard file.

CENTRAL EMPOWERED COMMITTEE

REPORT OF THE CEC IN IA NO.2 OF 2009 IN W.P.(C) No.201 of 2009 filed by shri Tapal Ganesh of district Bellary, Karnataka regarding alleged illegal mining by Obulapuram Mining Company (Pvt) Ltd. (M/s OMC) in violation of the Forest (conservation) Act, 1980.

This IA has been filed by Shri Tapal Ganesh of Bellary District, Karnataka with the following prayers:

- a) Direct the Respondent Ministry of Environment & Forest not to give effect to the order dated 1.5.2009 which has been passed in clear violation of the Forest (Conservation) Act, 1980, in the interest of justice.
 - b) Direct the Central Empowered Committee to look into the issue of illegal mining and encroachment of forest land in the areas covered by the order dated 22.4.2009 and supervise the implementation of the order dated 22.4.2009 by the Respondent Ministry of Environment and Forests and the Government of Andhra Pradesh.
 - c) In the alternative, direct the Respondent Ministry of Environment and Forests to ensure the implementation of the order dated 22.4.2009 by stopping mining by all five mining lessees and to ensure that Survey of India completes the survey within six weeks as recorded in the order dated 1.5.2009 of this Hon'ble Court, and
 - d) Pass any order or orders as this Hon'ble Court may deem fit and proper in the facts and circumstances of this case".
2. This Report is being filed by the CEC pursuant to this Hon'ble Court's order dated 24.8.2009 after examining the matter during the meeting in this regard convened by the CEC on 5-10-2009

OBSERVATIONS AND RECOMMENDATIONS:

3. Bellary Reserved Forest has been constituted with effect from Ist July, 1890 vide Notification dated 12-5-1890 issued under section 16 of the Madras Forest Act, 1882 (Annexure-R-1) and includes survey numbers in the 10 villages located in the State of Andhra Pradesh and Karnataka. The inter-state boundary of the States of Andhra Pradesh and Karnataka passes through this Reserve Forest, almost in the middle, from South-West to East. In Andhra Pradesh the Reserved Forest includes the border villages of Obulapauram and H.Siddapuram of District Anantapur. The shrine of Suglamma (Sugla Devi), with an extent of 16 square yards in front of it, is excluded and retained as an enclosure within the Bellary Reserved Forest with right of way over a footpath two yards in width and for a distance of about 2 miles from Obulapuram.
4. In villages H. Siddapuram and Obulapuram the following six iron ore mining leases exist in the Reserved Forest area;

Sl. No.	Name of Lessee	Area (in Hectares)	Remarks
1	Bellary Iron Ore Pvt. Ltd. (M/s BIOP)	27.12	Mining lease renewed from 19.05.1998 upto 18.05.2018
2	M/s Y.M. & Son	20.24	Mining lease renewed from 12.11.1999 up to 11.11.2019
3	Obulapuram Mining Company Pvt. Ltd (M/s OMC)	25.98	i) Transferred from M/s G. Ramamohan Reddy on 19.02.2002 ii) Mining leases renewed from 19.07.2005 up to 25.04.2017 iii) The original mining lease area was 547.62 acres spread in three blocks (Block A – 477.67 acre, Block B – 45.65 acres & Block C- 24.30 acres). The renewal has been done for 64.40 acres (25.98 ha) out of the area of Block A. G. Ramamohan Reddy on 18.02.2002.
4	Obulapuram Mining Company Pvt. Ltd. (M/s OMC)	39.50	Mining lease granted with effect from 05.10.2006 for 20 years.
5.	M/s Anantapur Mining Corporation	6.50	Mining lease renewed from 19.08.2003 upto 18.08.2013
6.	Obulapuram Mining Company Pvt. Ltd (M/s OMC)	68.52	Mining lease granted for 20 years vide Government order dated 18.06.2007

The sketch maps of all these six mines, as provided by the State of Andhra Pradesh to the CEC, are collectively enclosed at Annexure r-2 (Colly) to this Report. These also include the sketch map of the mining lease originally granted to M/s. Y.M. & Sons wherein the location of the said mine is vis – a – vis GTS station fixed by the Survey of Inida is shown.

- The main issue raised in the present IA is that M/s Obulapuram Mining Company Private Ltd. (M/s OMC) is owned by influential and politically powerful persons. Its Managing Director, Mr. Janardhan Reddy is a Cabinet Minister in Karnataka Government and who is also involved in business partnership with the son of the then Chief Minister, Andhra Pradesh. The OMC has encroached in mineral rich areas outside their mining leases and is carrying out large scale illegal mining in unallotted Reserved Forest areas. The temple of Goddess Suggamma Devi, located on the top of the hillock, together with the GTS Station, fixed there by the Survey of India, have been destroyed. The OMC is a habitual Encroacher in the forest areas and has also encroached in the forest areas of the adjoining mining

lease (M/s BIOP, owned by the Applicant's father). The OMC have also, after destroying the boundary pillars, encroached on the forest land located between the State of Andhra Pradesh and Karnataka. The Survey of India which is the Apex expert body for conducting survey should, after relocating the GTS Station destroyed by M./s OMC, determine and demarcate the boundaries of all the approved mining leases. Till then, no mining should be permitted. The Survey of India should also identify the unallotted forest areas wherein illegal mining has been carried out by M/s OMC.

6. The CEC had earlier received a complaint dated 6th February, 2009 from the Applicant in this regard (refer Annexure A-4 of the IA) and which was forwarded to the MoEF on 23.2.2009 (refer Annexure A 5 of the IA) MoEF, after considering the Report of its Regional Office, views/advice of the CEC, and the recommendation of the Forest Advisory Committee (constituted under Section 3 of the FC Act) vide its letter dated 22nd April, 2009 (ANNEXURE – R- 3) suspended the approvals granted under the FC act for all the above said mining leases except the mining lease of M/s OMC (having an area of 68.53 hectares). It was also decided that (a) the demarcation of these mines should be done on the ground by the Survey of India and (b) action should be initiated against the officials for allowing the mining without proper demarcation on the ground.
7. The State of Andhra Pradesh vide its letter dated 28.4.2009 (ANNEXURE-R-4) informed the MoEF that all the five mining leases have adequately been demarcated on the ground and that none of the lessees have encroached any fresh Reserved Forest adjoining to their mining leases area. It was also stated that the mining lessee have not been allowed to carry out mining operations outside their mining lease boundary limit within the Reserved Forest. Thereafter, the MoEF vide its letter dated 1.5.2009 (ANNEXURE-R-5) conveyed its decision to keep its earlier order dated 22.4.2009 in abeyance.
8. Pursuant to the decision taken by the MoEF, the Regional Office of the MoEF after carrying out the site inspection of the mining lease areas filed a Report dated 1st August, 2009 (ANNEXURE-R-6) In the said Report, the Regional Office of the MoEF has made the following observations against the Report dated 28.4.2009 of the State of Andhra Pradesh:
 - (i) the present demarcation of the boundaries of the mining leases have been done on the basis of the interpretation of the mining lease sketches with reference to the 1896 Forest Map, the boundaries indicated in the lease sketches and some related old lease sketches;
 - (ii) the inter village boundary between villages H. Siddapuram and Obulapuram has been re-fixed relying mainly on the length and direction of the inter-village line of the old Forest Map of 1896 and using the scale shown on the map. The re-fixed inter village boundary line has got shifted towards west of the old boundary line. The distance between the GTS Station does not match with the position as shown in the 1896 Forest Map;
 - (iii) the re-fixed inter village boundary line appears to be inconsistent with the junction point of villages Obulapuram and H. Siddapuram of Andhra Pradesh and villages Halakundi and Vonnahalli of Karnataka State, GTS co-ordinates; etc.
 - (iv) the position of the inter-village boundary needs to be re-checked and the boundaries of the mining leases should be fixed accordingly. The northern boundary of M/S OMC should be shifted to the Bottom of the hill towards south as per the position on the map; and

- (vi) the contention of the State Government that all the five mining leases are adjacent to each other having compact block without any unallotted forest area and that there is no violation of the FC ACT can be agreed to if)a) the bearings shown on the sketch of M/s OMC are revised to match the sketch provided;)b) revised sketch is issued for the mining lease of M/S Y.M. & Sons without leaving any portion of Siddapuram village in the eastern side and restricting to Siddapuram village; and © revised sketch is prepared for the mining lease of M/S BIOP including left out area in the north east corner.

It is clear from the above that the Regional office of the MoEF has found serious defects and inconsistencies in the mining lease boundaries as determined and fixed by the State of Andhra Pradesh.

9. Earlier, the State of Andhra Pradesh through a High Level Committee has fixed the inter village boundary of villages H.Siddapuram and Obulapuram passing through the Reserved Forest. This has been done by interpreting the Direction and length of the boundary line as shown in the old forest Map of 1896. In the Revenue Maps of these villages, the inter village boundary has never been demarcated/shown for the area falling in the Reserved Forest. This was also confirmed by the officials of the State of Andhra Pradesh during the meeting convened by the CEC. Based on the inter villages boundary fixed by the High Level Committee, the mining leases boundaries of five of the above said mining leases have been demarcated and fixed by the DFO, Anantapur. A copy of the consolidated sketch map prepared by the DFO Anantapur and showing the boundaries of the five of the above said mining leases of M/S BIOP, M/S Y.M. and Sons, M/S OMC (two leases) and M/S Anantapur Mining Corporation is enclosed at Annexure-R-7 to this Report. Based on the above sketches of the mining leases, the State of Andhra Pradesh has taken the stand that all the five mining leases are in a compact block, there is no unallotted forest area lying between these mining leases and that M/S OMC is not involved in any illegal mining outside its mining lease areas.
10. The CEC after examining the matter is of the considered view that the demarcation of the boundaries of the five of the above mining leases and the conclusion reached by the State of Andhra Pradesh that M/s OMC is not involved in any illegal mining in the forest areas outside its mining lease areas suffers from the following serious defects and inconsistencies and is not at all in conformity with the approved mining leases:
- i) the length and bearings of the boundaries of each of the five mining leases are given along with the sketches of the approved mining leases and the mining lease boundaries were accordingly physically laid on the ground before the mining operations commenced. The boundaries of these mining leases should have been demarcated and laid on the ground as per the length and bearings of the boundaries of each of the mining leases. Instead, the boundaries of these mining leases have been determined on the basis of the interpretation of the inter-village boundary between H.Siddipuram and Obulapuram villages falling in the Reserved Forest. This is extraordinary particularly when (a) the above said inter-village boundary was never fixed in the past, (b) inter-village boundary has not been shown in the revenue maps at all and (c) the old Forest Map of 1896 used to interpret the inter – village boundaries also does not have details such as fixed reference points, bearings, length and direction of the boundary line etc. all of which are absolutely necessary to fix the boundary line.

- ii) perusal of the approved mining leases boundaries (refer Annexure R-2 of this Report) and the mining leases boundaries now determined (refer Annexure R-7 of this report) reveals that there are substantial differences and serious discrepancies in the mining lease boundaries determined and fixed now by the Andhra Pradesh Forest Department vis-a-vis the boundaries of the approved mining leases. For example, the approved mining lease area of M/s. BIOP is 27.12 ha. whereas as per the mining lease boundaries now determined it comes to 24.30 ha. The shape and direction of the Eastern side of its boundary as now determined is completely different that from that as per the approved mining lease. In respect of M/s. Y.M. & Sons, the shape and direction of the mining lease boundary now determined on the Northern side is at complete variance from the boundary as per the approved mining lease.
 - iii) about 3.79 ha. of the approved mining lease area of M/s Y.M. & Sons falls and overlaps in the two mining leases of M/s. OMC having areas 20.59 ha. and 39.50 ha. (refer Annexure R-7 of this report). This is simply not possible and clearly shows that the fixation of the boundaries of the mining leases has wrongly been done. If we were to presume that the boundaries of M/s. Y.M. & Sons have been correctly demarcated then in that case the location of both the mines of M/s OMC should have been further East than the location presently fixed (as the boundaries of the approved mining leases cannot overlap with each other).
 - iv) the length and bearings of the boundaries of the mining leases of M/s BIOP and M/s Y.M. & Sons now determined by the State of Andhra Pradesh do not tally at all with those as per the approved mining leases (Refer Annexure R 2 and R-7 of this report). For example, in respect of the mining leases of M/s. BIOP, the length of the boundary line on the Western side as per the approved mining lease is 732 meters whereas as per the boundary now determined by the Andhra Pradesh, Forest Department it comes to 699 meters. The length of the Southern boundary of the said mining lease, as per the approved mining lease is 287 meters whereas as per the boundaries now determined by the Andhra Pradesh Forest Department it comes to 262.31 meters. Similar is the case with regard to the length and bearings of the mining lease of M/s Y.M. & Sons; and
 - v) in the Notification dated 12.05.1890 constituting the Bellary Reserved Forest, the Shrine of Suglamma (Sugla-Devi) with an extent of 11 sq. yds. has been excluded and retained as an enclosure within the Reserved Forest (refer Annexure R-1 of this report). Since all the mining leases have been granted in the Reserved Forest area, the area of Shrine of Suglamma (Sugla-Devi) should have been outside the approved mining leases. As per the boundaries of the mining leases now determined by the Andhra Pradesh Forest Department, all the mining leases are in a compact block, adjoining to each other and there is no un-allotted area between them.
11. In other words, the boundaries of the mining leases now determined by the State of Andhra Pradesh are totally inconsistent and different in terms of the (i) area of the mining lease, (ii) shape of the mining leases (iii) length and bearings of the boundary line; and (iv) location of the mining leases of M/s OMC (25.98 ha). The boundaries of the mining leases granted to M/s. BIOP, M/s. Y.M. & Sons and M/s. OMC (25.98 ha.) (refer Annexure R-2 of this report) are of such a shape (the mining lease of M/s Y.M. & Sons has a triangular notch on the eastern site) that all these three mines just cannot form a compact block without leaving any un-allotted area lying in between them. The conclusion drawn by the State of Andhra Pradesh, based on the report of the DFO Anantapur, that these mining leases form a continuous block without any un-allotted forest area between them is totally erroneous. Such a conclusion has been drawn by (i) reducing the approved area of the mining lease granted

to M/s. BIOP, (ii) showing the mining lease are of M/s. Y.M. & Sons overlapping and falling in two mining lease areas of M/s OMC (iii) changing the shape, length and bearings of the boundaries of these two mining leases and (iv) wrongly fixing the location of the mining lease of M/s OMC (25.98ha) in such a way that the unallotted forest areas lying between the above three mining leases as well as part of the approved mining lease of M/s BIOP is included and shown to fall within the approved mining lease of M/s OMC. The location of the mining lease of M/s OMC (25.98 ha) now fixed by the Andhra Pradesh Forest Department is wrong and unacceptable. Their effort appears to have been to cover up the illegal mining done by M/s OMC in the unallotted forest areas outside the approved mining leases. This is simply not acceptable and vitiates the entire process of fixation of mining lease boundaries by the State of Andhra Pradesh.

12. The Regional Office of the Ministry of Environment and Forests has rightly made scathing observations (refer Annexure R-5 of this Report) against the State of Andhra Pradesh's Report dated 28.04.2009 wherein it has been concluded that the mining leases are adjacent to each other having a compact block, without any un-allotted forest area between them and there is no violation of the FC Act by any of the leases. Considering the shape of the mining leases, the CEC is of the view that without doubt there existed unallotted forest area between the three mining leases of M/s BIOP, M/s Y.M. & Sons and M/s OMC and wherein illegal mining has taken place.
13. The objectivity, fairness and impartiality which is expected from a State Government is shockingly lacking here and does not inspire confidence. In these circumstances, it is imperative that the boundaries of the mining leases are determined and fixed by an independent agency and till then all the mining operations in the area remain suspended. The CEC is separately advising the State of Andhra Pradesh and the MoEF to suspend that mining operations in the above said Six mining leases till the matter is considered and decided by this Hon'ble Court.
14. In the above background, it is recommended that –
 - (i) the boundaries of the six mining leases namely, M/s. BIOP, M/s. Y.M. & Sons, M/s. OMC (three mining leases) and M/s Anantapur Mining Corporation falling in villages H. Siddapuram and Obulapuram in District Anantapur should be demarcated on the ground as per the boundaries of the approved mining leases. This demarcation should be done in a time bound manner by a team consisting of senior representatives of the Survey of India, Ministry of Environment & Forests, Andhra Pradesh Mines Department, Andhra Pradesh Forest Department and Andhra Pradesh Revenue Department (survey and land records). The above team should also demarcate, identify and determine the area falling outside the approved mining leases and wherein illegal mining operations have been carried out;
 - (ii) till the demarcation of the boundaries of mining leases is done, the mining activities, including the transportation of already mined material from all the six mining leases should remain suspended,
 - (iii) after the demarcation is done, the mining leases which are found to have carried out mining activities strictly within the approved mining leases and in accordance with the approved mining plans and the conditions on which the approvals have been granted under the MMRD Act and FC Act may be permitted to resume mining. The remaining mining lease holders should not be permitted to resume mining operations. For the mining done outside the approved mining leases, the concerned mining

lease holder should be imposed an exemplary cost equivalent to the normative market value of the iron ore extracted from the area outside his approved mining lease. And

- (iv) the location of the GTS Station fixed by the Survey of India and the Shrine of Sugamma (Sugla-Devi) (excluded and retained as enclosure within the Reserved Forest) should be determined and no mining should be permitted therein.

This Hon'ble Court may please consider the above Report and may please pass appropriate orders in the matter.

(M.K. Jiwrajka)
Member
Dated: 19.11.2009

MINISTRY OF ENVIRONMENT & FORESTS
NOTIFICATION
New Delhi, the 17th September, 2002

S.O. 1008 (E).— In exercise of the powers conferred by sub-section (3) of 3 of the Environment (Protection) Act, 1986 (29 of 1986) (hereinafter referred to as the said Act), the Central Government hereby constitutes an authority to be known as the Central Empowered Committee, (hereinafter referred to as the committee), consisting of the following members appointed in pursuance of the Hon'ble Supreme Court's orders dated the 9th May, 2002 and 9th September, 2002 in Writ Petitions (Civil) No. 202/95 and 171/96, for a period of five years with effect from the date of publication of this notification in the Official Gazette, for the purposes of monitoring and ensuring compliance of the orders of the Hon'ble Supreme Court covering the subject matter of forests and wildlife, and related issues arising out of the said orders:-

- | | | |
|-------|---|----------|
| (i) | Shri P.V. jayakrishnan,
[Presently Secretary to the Government of
India, Ministry of Environment & Forests] | Chairman |
| (ii) | Shri N.K.Joshi,
[Presently Additional Director General of
Forests, Ministry of Environment & Forests] | Member |
| (iii) | Shri Valmik Thapar, Ranthambore Foundation | Member |
| (iv) | Shri Mahendra Vyas, Advocate, Supreme
Court of India | Member |
| (v) | Shri M.K.Jiwrajka, Member Secretary
[Presently Inspector General of Forests,
Ministry of Environment & Forests] | |

2. The Committee shall exercise the following powers and perform the following functions :-

- a. Powers and functions conferred upon the Committee by the Hon'ble Supreme Court of India by its order dated the 9th May, 2002 in Writ Petitions (Civil) No. 202/95 and 171/96 in the case of T.N. Godavarman Thirumalpad Vs. Union of India and others and Environment Awareness Forum Vs. State of J&K and others, respectively, namely:-

- b. Powers under section 5 of the Said Act, for issuing directions and taking such measures in respect of any of matters referred to in sub-section (2) of section 3 of the said Act;
 - c. Powers to take resort to the provisions contained in sections 15 to 21 of the said Act;
 - d. Powers under section 4 of the said Act, for appointment of officers.
 - e. Powers to issue guidelines and or directions with regard to location, functioning and monitoring of the saw mills and other wood based industries and also regulate their numbers and also regulate their numbers and capacity for ensuring sustainability;
 - f. Functions and powers in respect of protection and, management of forests and wildlife including in respect of deforestation, encroachments, working plans, compensatory afforestation, plantations, regeneration, illegal felling, transportation of timber and timber products and other forest produce, mining in forest area, illegal diversion of forest lands for non-forest purpose and other matters relating to the implementation of the Forest (Conservation) Act, 1980, Indian Forest Act, 1927, Wildlife (Protection), Act 1972 and the rules, regulations and guidelines framed thereunder;
 - g. Powers to examine and deal with any issue referred to the Committee by the Hon'ble Supreme Court or the Central Government.
3. The members of the Committee are appointed in their personal capacity and shall not be removed without leave of the Hon'ble Supreme Court.
 4. Subject to the orders of the Hon'ble Supreme Court, the Committee shall function under the administrative control of the Central Government in the Ministry of Environment & Forests with headquarters at Delhi.
 5. The Ministry of Environment & Forests shall provide suitable and adequate office accommodation for the Committee. The expenditure incurred on the working of the Committee including salary or remuneration to the members and supporting staff, (to the extent not payable by the Government) may be met out of income accruing to the Special Investigation Team (SIT). Necessary procedure for this may be formulated by the Committee in consultation with the Special Investigation Team.
 6. The jurisdiction of the Committee shall extend to the whole of India.
 7. The Committee shall submit quarterly reports to the Hon'ble Supreme Court. It will be liberty to seek clarifications or modifications needed by it from the Hon'ble Court.

[No.13-21/98-SU-PT.II]

R.CHANDRA MOHAN, Jt. Secy.

THE ENVIRONMENT (PROTECTION) ACT, 1986

No. 29 OF 1986

[23rd May, 1986.]

An Act to provide for the protection and improvement of environment and for matters connected there with:

WHEREAS the decisions were taken at the United Nations Conference on the Human Environment held at Stockholm in June, 1972, in which India participated, to take appropriate steps for the protection and improvement of human environment;

AND WHEREAS it is considered necessary further to implement the decisions aforesaid in so far as they relate to the protection and improvement of environment and the prevention of hazards to human beings, other living creatures, plants and property;

BE it enacted by Parliament in the Thirty-seventh Year of the Republic of India as follows:-

5. POWER TO GIVE DIRECTIONS

Notwithstanding anything contained in any other law but subject to the provisions of this Act, the Central Government may, in the exercise of its powers and performance of its functions under this Act, issue directions in writing to any person, officer or any authority and such person, officer or authority shall be bound to comply with such directions.³

Explanation—For the avoidance of doubts, it is hereby declared that the power to issue directions under this section includes the power to direct—

- (a) the closure, prohibition or regulation of any industry, operation or process; or
- (b) stoppage or regulation of the supply of electricity or water or any other service.

Registered No.

ANANTAPUR DISTRICT GAZETTEE
EXTRA ORDINARY
PUBLISHED BY AUTHORITY

No. 21.

ANANTAPUR: MONDAY, JULY 12, 2004

NOTIFICATION

Under Rule 59(i) (a) & ii of M.C. Rules 1960 and also as per the powers delegated Governor of Andhra Pradesh vide G.O.Ms.No. 226, Inds, & Coms. (M.I) Department, dated 21- 03-2000 on behalf of the Governor of Andhra Pradesh here by declare that, the areas detailed in the ann will be available for re-grant under Mining Lease after expiry of 30 (thirty) days from the date of publication of notification in the Gazettee

ANNEXURE

Sl.No	Name of the previous Lessee	Location of the Name	Extent in	Minerals
<u>1</u>	Tapal Thimmappa	S.No. 1 & 2 of Malapanagudi Village D.Hirehal Mandal Rayadurg Villagae. Anantapur Dist	231.00	Iron Ore Red Oxide

నియామావళి 59 (1) (ii) పెద్ద తరహా ఖనిజ నియమావళి, 1960 ననుసరించి మరియు ఆంధ్రప్రదేశ్ గవర్నర్ ఓ.యం.యస్.నెం.226,ఇండస్ట్రీస్ మరియు కామర్స్ (యం.1) దీపాట్టమెంట్, తేదీ: 21-3-2000 ద్వారా ఈ కార్యాలయము సంక్రమింపబడిన అధికారముల ద్వారా గవర్నరు, ఆంధ్రప్రదేశ్ వారి తరుపున ఈ క్రింది అనుబంధములో పొందుపరిచిన ప్రదేశము ఈ ప్రకటన ఆంధ్రప్రదేశ్ గెజెట్ నందు ప్రచురించిన తేదీ నుండి 30 రోజుల తరువాత తిరిగి మంజూరు చేసుకొనుటకు లభ్యమగును.

R.T.I Act 2005
Rage No: (7)
Certified Copy

Sd/-
A.D.M & G
A.T.P

Excerpts of Note file recommending the application of M/s Obulapuram Mining Company to Govt. of India taking into account their project report for setting up Integrated Steel Plant.

Circulation note submitted:

35279/RC—1/01

It is submitted that the proposal deals with the grant of Mining Leases of Iron Ore for 27 Mining Lease Applications and 3 Prospecting License Applications in Sy.No.1 & 2 of Anantha Ragamma Konda of Siddapuram and Malapanagudi villages of Kalyanadurga Reserve Forest of D-Hirchal Mandal, Anantapur District. The details of applications are shown below:.

With reference to the objections raised by the Government of India on the Mining Lease applications filed for grant of Mining Leases for Iron Ore, the following remarks are submitted:

Out of all the 5 applications as seen from the merits and demerits such as experience, financial status etc., as laid down under section 11 (3) of Mines & Minerals (Regulation & Development) Act, 1957 the application of M/s Obulapuram Mining Company Pvt. Ltd., is emerging as meritorious application in terms of its experience, financial capability and as seen from the Project Report submitted by the company, they intend to set up integrated steel plant consisting of 2 x 1000 TPD Pellet Plant, 2 x 500TPD sponge Iron Plant, 25 Mega Watts captive power plant, 2 x 20 tonnes induction furnace, 20 tones continuous casting and 500 TPD rolling mill by utilizing Iron Ore available in this area with an investment of Rs.450 crores at Bellary.

As far as other applications.....

Therefore, the Government of India may be requested to consider the application of M/s Obulapuram Mining Company Pvt. Ltd., over an extent of 68.50 hecets and prior approval as required under section 5(1) may be obtained.

The connected record of enquiry is resubmitted herewith to the Government under single file system.

Sd/-
19-4-07'

Sd/-
19-4-07

Sd/
19-4-07

Sd/-
Director of Mines & Geology
Sd/-
DS (F) 19-4-7

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

MINES AND MINERALS - Mining Lease for Iron Ore over an extent of 68.50 Hectares in Sy.Nos.1 & 2 of Anthargangamma Konda of Siddapuram SL Malapanagudi Villages, D.Hirehal Mandai, Anantapur District in favour of M/s.Obulapuram Mining Company Private Limited, for a period of 20 years -Sanctioned - Orders - Issued.

INDUSTRIES AND COMMERCE [M-III] DEPARTMENT

G.O. Ms. No. 151,

Dated 18.06.2007.

Read the following;-

1. Govt. Memo. No, 18322/M.III(1)/2005, Dated 10-11-2005.
2. G.O. Ms. No. 07, EFS&T [For-I] Deptt., Dated 10.01.2007.
3. Govt., of India, Lr. No. 5/14/2007-M.IV, Dated. 25.05.2007.
4. From DMG, F.No. 35279/R4-1/2005, Dt. 03.11.2005, 11.01.2007 and 19.04.2007.

ORDER:-

In the reference 1st read above, Government have proposed for grant of Mining Lease for Iron Ore over an extent of 68,500 Hectares in Sy.Nos. 1 & 2 of Anthargangamma Konda Siddapuram & Malapanagudi Villages, D.Hirehal Mandal, Anantapur District in favour of M/s.Obulapuram Mining Company Private Limited, for a period of 20 years, subject to submission of Approved Mining Plan by the applicant within 6 months from the date of receipt of said memo, and also subject to prior approval of the Government of India under Section 5 (1) of Mines and Mineral [Development and Regulation] Act, 1957 and also subject to obtaining Forest Clearance etc,

2. In the reference 2nd read above, the EFS&T Department have accorded permission for diversion of to 68,500 Hectares of Forest Land in Bellary Reserve Forest of Katyandurga Range In Ananthapur Division, in favour of M/s.Obulapuram Mining Company Private Limited, for a period of 20 years, subject to certain conditions mentioned therein.
3. In the reference 3rd read above, the Government of India have conveyed their prior approval under Section 5 (1) of the Mines and Mineral [Development and Regulation] Act, 1957 for grant of Mining Lease for Iron Ore over an extent of 68.500 Hectares in Sy. Nos. 1 & 2 of Siddapuram & Maiapanagudi Villages, D.Hirehal Mandal, Anantapur District in favour of M/s,Obulapuram Mining Company Private Limited, for a period of 20 years.
4. In the reference 4th read above, the Director of Mines and Geology has sent proposals along with the Approved Mining Plan duly approved by the Indian Bureau of Mines for grant of Mining Lease for Iron Ore over an extent of 63,500 Hectares in Sy. Nos. 1 & 2 of Anthargangamma Konda Siddapuram & Malapanagudi Villages, D.Hirehal Mandal, Anantapur District in favour of M/s.Obulapuram Mining Company Private Limited, for a period of 20 years, subject to clearance from Forest Department

and also Consent for Establishment [CFE] from the A.P. Pollution Control Board and Environmental Clearance from Government of India under Environmental Impact Assessment as per S.O. 60(E), Dated 27.01.1994 and also subject to disposal of pending court cases,

5. After careful examination of the above proposal of the Director of Mines and Geology, Government hereby grant a Mining Lease for Iron Ore over an extent of 68.500 Hectares in Sy, Nos. 1 & 2 of Anthargangamma KonSai -Siddapuram & Malapanagudi Villages, D.Hirehal Mandal, Anantapur District in favour of M/s.Obulapuram Mining Company Private Limited, for a period of 20 years, duly condoning the delay for submission of Approved Mining Plan and subject to submission of Consent for Establishment [CFE] from the A.P. Pollution Control Board and Environmental Clearance from Government of India under environmental Impact Assessment as per S.O. 1533, Dated 14.09.2006 and also subject to outcome of court cases, if any; and further subject to the provisions of Mines and Minerals [D&R] Act, 1957 and the rules made thereunder in general, and also subject to the conditions in Form-K prescribed under the Mineral Concession Rules, 1960 and to the additional conditions specified in the Appendix to this order.
6. The rates of royalty, dead rent, surface rent and water charges shall be collectable as follows;

I. Rates of Royalty:

IRON ORE

(I) LUMPS

(ii) FINES

II. Dead Rent...

III. Surface rent, water charges and Cess....

7. The grantee should pay a deposit Rs. 10,000/- as prescribed under Rule 32 of the Mineral Concession Rules, 1960 before the lease is actually executed,
8. The grantee should execute the lease deed within the time limit specified in Rule 31 of Mineral Concession Rules, 1960.
9. The terms and conditions referred to in para-5 of this order are subject to such further modifications, additions and alterations as may be ordered before the lease deed is executed.
10. The Director of Mines and Geology is requested to take necessary further action for the execution of the lease deed after satisfying himself that the grantee fulfils all the required provisions of the amended Act and Rules. As soon as the deed is executed, the date of such execution should be reported to the Government.

Note:- The grant is liable for cancellation should it be found it was grossly inequitable or was made under a mistake of fact or owing to misrepresentation or fraud or in excess of authority.

[BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH]

**Y. SRILAKSHMI
SECRETARY TO GOVERNMENT**

To
M/s Obulapuram Mining Company Pvt., Limited,
Ennoble House, Raghavachari Road,
Bellary - 583 101,
Karnataka State [RPAD],
The Director of Mines and Geology, Hyderabad.[w.e:File &MP]

“A copy of this order is available on the Internet and can be accessed
at the address- “<http://apts.gov.in/apgos>”.

-// FORWARDED BY :: ORDER //-

SECTION OFFICER

Re.No.OMC (68.50ha)/2009/G3,

O/o The Divisional Forest Officer,
Dated:01.11.2009.
Anantapur.

NOTICE

Sub:- Diversion of Forest Land towards renewal of Mining Lease for Iron Ore in Bellary RF over an extent of 68.50 ha.-Violation of agreement conditions and conditions imposed by the Government of India/ Government of Andhra Pradesh – Report Submission – Reg.

M/s Obulapuram Mining Company (P) Limited. Bellary is informed on receiving the authentic information, I have inspected the Mining Lease area of M/s Obulapuram Mining Company (P) Limited. Bellary consisting of 68.50 ha situated in Malapahagudi and Siddapuram Villages, located in compartment Nos;698&699 on 09.10.2009. On personal verification, it is found that Mining Operations to a small scale—was conducted in the lease hold area by excavating the surface with shallow pits. The record reveals that M/s. Obulapuram Mining Company (P) Limited has taken permits to a tune of 27.00 lakhs tones which includes 24.00 lakhs tones of Lumps and 4 tones of Fines for transportation of the high grade mineral from the lease hold area as if it was mined in the said 68.50 ha of the lease hold area. Taking advantage of the concession of the Government Memo No: 7763/FOR-1 (i)/2007-2 Dt:25.09.2009 M/s. Obulapuram Mining Company (P) Limited obtained from the Government of Andhra Pradesh dispensing with the requirements of the Forest permits. You have only obtained bulk permit from Mines & Geology Department to appropriate the Iron Ore transported from adjoining mines from Karnataka in which you have partnership agreement.

When compared to the permits obtained for transportation of the minerals and the workings on the Mining Lease hold area both do not correlate since the exposed and excavated pits do not correspond to the Iron Ore permits utilized. It is impossible to produce such a huge quantity of Iron Ore after removing huge over burden/waste from the excavated pits or from the physical workings as it exists in the Lease hold Area. The Iron Ore deposit in the said lease hold area is not a primary deposit and it is a scattered deposit of very low grade Iron Ore. For excavating such huge quantity of Iron Ore of such good grade lot of excavation and beneficiation is needed no such excavation etc was done in the Mining Lease Area. The excavated pits are only two mts in depth. During the inspection time also it is noticed that Lorries are coming from Karnataka and passing through the wide roads illegally laid road in the subject lease area carrying high grade Iron Ore.

The permits obtained by M/s. Obulapuram Mining Company (P) Limited were fully utilized for transportation of the high grade Iron Ore mineral. It means a mineral was brought from some other area that is outside the lease hold area which is abetting the Interstate Boundary of Andhra Pradesh and Karnataka.

I am of the prima-facie view that the mineral brought from Karnataka was transported through the mining lease hold area and was sold from Andhra Pradesh. The physical features of mine as exists today

do not corroborate, the origin of the mineral from Andhra Pradesh. More importantly if the material or Iron Ore if of that huge quantity if mined there should have been corresponding waste dumps.

Therefore we are here by called upon to explain the above illegality within 7 days from the date of receipt of this notice; in default the same will be informed to the Government of Andhra Pradesh for appropriate penal action including the withdrawal of the clearance granted under Section (2) of the Forest Conservation Act on approval from the Central Government.

Receipt of the reference should be acknowledged on the duplicate copy enclosed.

Sd/-

Kallol Biswas
Divisional Forest Officer.
Anantapur.

To,
M/s Obulapuram Mining Company (P) Limited, Bellary.
Copy to Forest Range Officer, Kalyandurg in triplicate with a request to serve the notice on the User Agency and resubmit the served copy along with dated acknowledgement of the User Agency
Copy to Sub-Divisional Forest Officer, Kalyandurg for information and necessary action
//t.c.b.o//

Superintendent

Rc.No.OMC (60.50Ha)/09/G3

O/o the Divisional Forest Officer
Dated 26-10-2009, Ananthapur

NOTICE

Sub: Diversion of Forest Land towards renewal of mining lease for Iron Ore in Bellary RF over an extent of 68.50 Ha—Violation of agreement conditions and conditions imposed by the Government of India / Government of Andhra Pradesh — Payment of Penalty amount of Rs.5,46,940/- — Orders issued — Regarding.

Ref: 1. FRO, Kalyanadurg, Rc. No.OMC/2009/Klg., dated 27-08-2009
2. DFO, Ananthapur Rc.No.OMC (68.50Ha)/09/G3, dated 05-09-09
3. M/S. OMC, Bellary Rc.No. Nil, dated 07-09-2009

With reference to the above M/s. Obulapuram Mining Company (P) Limited, Bellary is informed that during my field inspection undertaken on 09-10-2009 in Bellary RF. I found that a road was illegally laid within the reserve forest in compartment No.698 and also within the lease boundary limits of 68.50 ha area. While inspecting the area it is observed that this road has been laid illegally in addition to the road already laid as per the plan approved by the Government of India. The road now constructed without prior permission and in violation of the Forest (Conservation) Act and conditions imposed by the Government of India/Govt. of Andhra Pradesh and Divisional Forest Officer, Ananthapur after inspection of the site area I came to the conclusion that for transportation of Iron Ore it is convenient for you to use this road rather than the road laid by you as per the approved plan.

Further it is informed that in the reference 3rd cited, you are contended that you are unaware that the road which was laid within the reserve forest area from Gavisiddeswara temple road towards your mining lease of 68.50 Hect it is not possible for a contractor to carry out such an extensive work for laying the road within the reserve forest and within your lease area without your notice. Moreover the execution of work within the reserve forest in contravention of the conditions imposed by the Govt. of India. Govt. of A.P. and the Divisional Forest Officer, Ananthapur while sanctioning of the mining lease of 68.50 hect you are responsible for the offence committed by any of your authorized representative. Had it been so and realized by you and that your contractor had committed an offence for his illegal act you would have immediately informed the same to the local forest officials i.e., Forest Range Officer, Kalyanadurg or Divisional Forest Officer, Ananthapur. You have not done so the illegal act and violation of forest (Conservation) Act, within your lease area and also within the Reserve forest area in Anthara Gangamma Konda was noticed by the Forest Range Officer, Kalyanadurg and reported to me on 27-08-2009. During my inspection, I found that you are conveniently using this illegal road laid by you for transportation of Iron Ore from the adjacent to Mining leases located in Karnataka without prior permission or intimation. Therefore, the penalty imposed on you is justified. The payment shall be made by you within 7 days. You are hereby directed to stop the using of illegal laid road immediately. You are also directed to explain the reason why the mining operations in 68.50 Ha area should not be suspended for violation of conditions imposed by the Government of India.

Government of Andhra Pradesh and Divisional Forest Officer, Ananthapur as well as the provisions of Forest Conservation Act, 1980, you are requested to offer your explanation for the lapses going on in violation of Forest Conservation Act, 1980 as well as conditions imposed by the Government of India, while according the approval within 7 days from the date of receipt of this notice otherwise action will be taken as per rules in force.

Receipt of the notice should be acknowledged on the duplicated copy enclosed.

Sd. Kallol Biswas
Divisional Forest Officer
Ananthapur

To

M/s Obulapuram Mining Company Pvt. Ltd., Bellary

Copy to the Forest Range Officer, Kalyanadurgh, with a request to serve the notice on the user agency and submit the served copy along with dated acknowledgement of the user agency

Copy to the Sub-Divisional Forest Officer, Penukonda for information and necessary action.

YEDYURAPPA
CHIEF MINISTER



VIDHANA SOUDHA
BANGALORE - 560 001.

DATE: 09-02-2009

Dear Shri Kapil Sibalji,

You are aware that there is an inter-state boundary dispute between Karnataka and Andhra Pradesh in the border of Bellary district of Karnataka and Ananthapur district in Andhra Pradesh. The disputed boundary line passes across the reserve forest land and the available reference data is reserve forest map of 1896.

As a result of this there are allegations of mining companies in both Karnataka as well as Andhra Pradesh indulging in illegal mining activities in the area taking advantage of the dispute. There is an apprehension that has resulted in a huge revenue loss to the State and has raised a lot of heated discussions in the State assemblies of both the States. Although, this matter has been taken up with the Government of Andhra Pradesh, the required cooperation is not forthcoming.

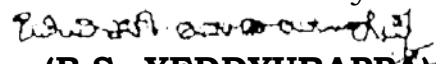
In a recent report on illegal mining, the Hon'ble Lokayukta of Karnataka has drawn the attention of the State Government to this dispute and advised to approach the Government of India for amicable settlement of the dispute.

I would therefore, request you to kindly direct the Director General, Survey of India, Dehradun, to take up a joint survey of the disputed boundary line between Bellary district of Karnataka and Ananthapur district of Andhra Pradesh. On the part of the State Government, I assure you that the officials in Karnataka will extend full cooperation to the Director General and the officials of the Andhra Pradesh Government. A letter in this regard has already been sent by the Principal Secretary, Revenue Department, Government of Karnataka to the Director General of Survey of India, a copy of which is enclosed.

I hope, this matter will receive your utmost concern.

With warm regards

Yours sincerely


(B.S. YEDDYURAPPA)



No rules for mining Deepa Kozhisseri

Deepa Kozhisseri

Taking stock: Stockyards store

Report on mining irregularities in Karnataka is out

A mining company in Andhra Pradesh has extended its area and operations into Bellary district in Karnataka, said an investigation of mining irregularities in Karnataka. Karnataka's tourism minister owns the company. The investigation, commissioned by the state government to the lokayukta, a one-member grievance cell, found irregularities at all stages, from granting licences to exports. The lokayukta's report has recommended that the state ban iron ore exports.

The report revealed mining was rampant on land for which permission was not granted.

Sometimes, revenue and forest officials did not check feasibility of the sites, but gave permission to mine. On several occasions, the sketch of the mining map shown to the department of mines and geology did not match with the site and overlapped forest areas.

Illegalities galore

"Officials of the mining and forest departments should visit areas to check if mining is going on as per the Indian Bureau of Mines's standards, but visits are made to collect bribes," said Santosh Hegde, the lokayukta. "In the 10 mines that we surveyed, more than 1,000 hectares (ha) of forestland were destroyed. Mining on more than 100 ha was illegal." There are numerous stockyards that store iron ore, without mandatory clearances, said the report released on December 18. The next stage involves transporting the iron ore.

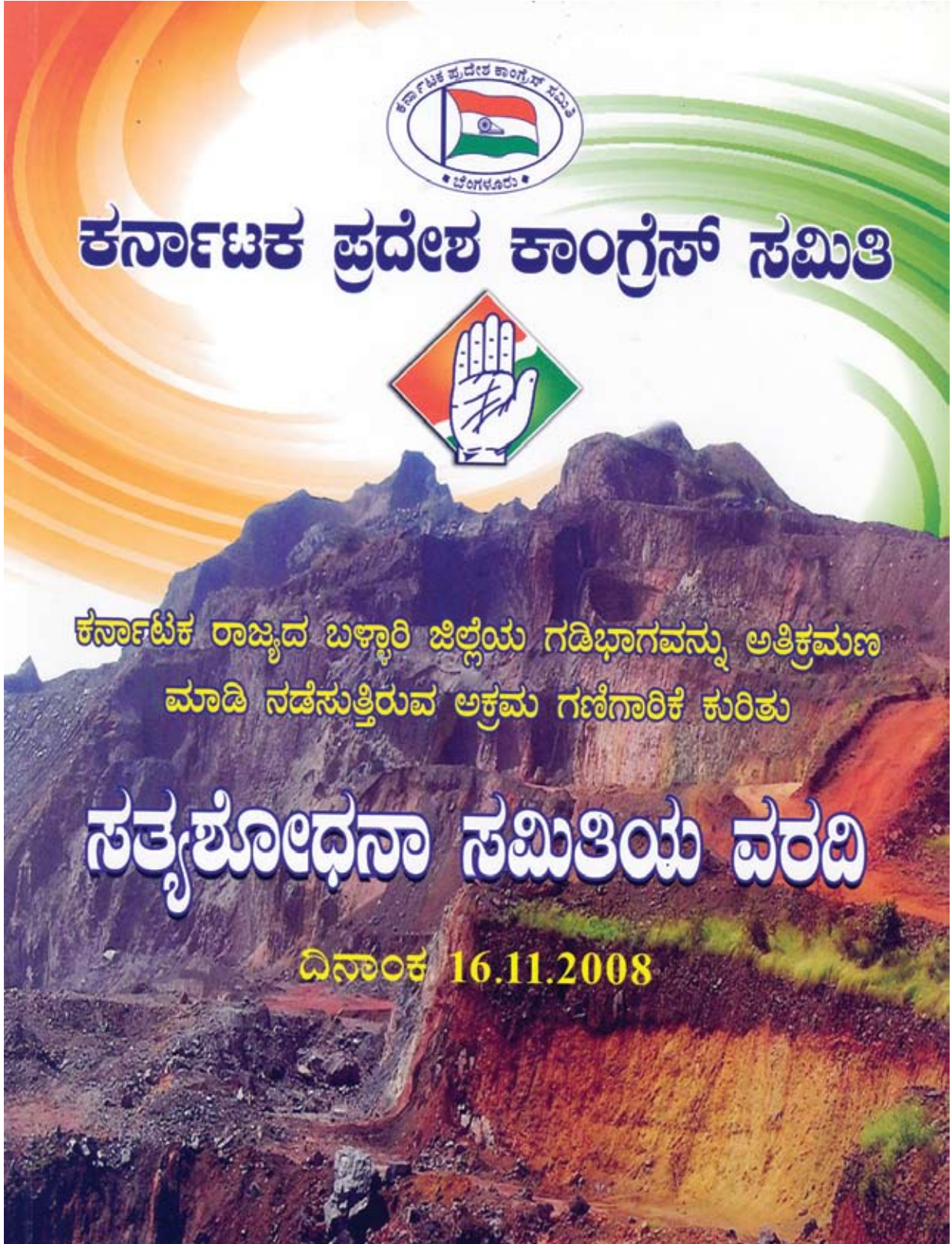
Unlimited carrying capacity

Overloading trucks is common. A truck licenced to carry 15-16 tonnes of iron ore invariably carries 20-25 tonnes. Double rear axle vehicles authorized to carry 20-25 tonnes carry 50 tonnes. "Overloading is illegal. No royalty is paid for the extra iron ore these lorries carry," Hegde said. Roads have suffered because of overloading. The Shiradhi ghat on the Hassan-Mangalore route is an example. It was repaired in June last year at a cost of Rs 100 crore. It is damaged now because of frequent movement of heavy trucks. Officials of forest and mines and mineral departments should check this activity during loading, believed the lokayukta, and transport officers and police, en route. "If ore is transported from the forest area, forest officials give the entire permit book to transporters, which does not restrict the number of trips a vehicle can make," Hegde said.

Rs 36,000 crore lost

The investigations also found that hillocks were flattened, waste dumped down hilltops, agriculture destroyed and water sources contaminated. In Sandur town in the district, mining dust had contaminated well water. Earlier, water flowed down the hillocks and fed the underground water system but now it picks up mining dust and forms puddles, the report said. Medicinal plants in Bellary too had disappeared. Irregularities were found in the de-reservation of 2670.5 sq km of forest area in Shimoga, Chikmagalur, Hassan, Kolar, Chitradurga and Mysore districts. Private players cashed in on reserve forests for mining, said Hegde. "People are the worst affected. They do not enjoy any advantages from mining in their region. A development cess should be levied on mining, which should be used for the development of the areas mined," said Hegde. Mysore Minerals Ltd (mml), a state unit, had suffered iron ore losses worth Rs 600-700 crore between 2000 and 2006. The company illegally subleased some of the best mineral bearing lands to private companies and entered into joint ventures where the partner company's balance sheet showed profits but mml did not get any dividend, said Hegde. He added that the state had suffered losses worth Rs 36,000 crore in three years because of illegal mining. "What is the point in exporting when you don't have profits?" asked Hegde. "I would suggest ban exports and even trading of iron ore within Karnataka." The report alleged that former chief minister Dharam Singh permitted transportation of iron ore from *patta* (leased) land on the pretext that it was float ore, which needed to be removed for agriculture. Hegde found the ore was extracted without permits from cultivable land. The report recommended action against eight ias officers, most of them on mml's board, and former director, mines and geology departments for allowing mining on *patta* lands.

*Cover Page of Fact Finding Committee
Published by Karnataka Pradesh Congress Committee*



GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

MINES AND MINERALS - Mining Lease for Iron Ore Over an extent of 39.401 Hectares In Sy.No 1/P of Obulapuram Village (Compartment No. 695 Bellary RF, Kalyandury Range), D. Hirehal Mandal, Anantipur District, in favour of M/s.Obulapuram Mining Corqpany Private, Limited, for a period of 20 years -Sanctioned - Orders - Issued.

INDUSTRIES AND COMMERCE (M-III) DEPARTMENT

G.O. Ms. No. 152,

Dated 18.06.2007.

Read the following:-

1. Govt. Memo. No. 11031/M.III(1)/2005-1, Dated 08-11-2005.
2. G.O. Ms. No. 117, EFS&T Deptt., Dated 07.10.2006.
3. Govt., of India, Lr.No. 5/153/2006-M.IV, Dated. 25.05.2007.
4. From DMG, F.No. 13173/R4-1/2005, Dt, 08.06.2005 & 13.10.2006

ORDER:-

In the reference 1st read above, Government have proposed for grant of Mining Lease for Iron Ore Over an extent of 39.50 Hectares in Sy.No 1/P of Obulapuram Village (Compartment No. 695 Bellary RF, Kalyandurg Range), D.Hirehal Mandal, Anantapur District, in favour of M/s.Obulapuram Mining Company Private Limited, for a period of 20 years, subject to submission of Approved Mining Plan by the applicant within 6 months from the date of receipt of said memo, and also subject to prior approval of the Government or India under Section 5(1) of Mines and Mineral [Development and Regulation] Act, 1957.

2. In the reference 2nd read above, the EFS&T Department have accorded permission for diversion of to 39.50 Hectares of Forest Land in Compartment No. 695 Bellary RF, Kalyandurg Range, D. Hirehal Mandal, Anantapur District, for mining of Iron Ore for a period of 20 years In favour of M/s Obulapuram Mining Company Private Limited, subject to certain conditions mentioned therein.

3. In the reference 3rd read above, the Government of India have conveyed their prior approval under Section 5(1) of the Mines and Mineral [Development and Regulation] Act, 1957 for grant of Mining Lease for Iron Ore Over an extent of 39.481 Hectares in Sy.No 1/P of Obulapuram Village (Compartment No.695 Bellary RF, Kalyandurg Range), D.Hirehal Mandal, Anantapur District, in favour of M/s.Obulapuram Mining Company Private Limited, for a period of 20 years.

4. In the reference 4th read above, the Director of Mines and Geology has sent proposals along with the Approved Mining Plan duly approved by the Indian Bureau of Mines for grant of Mining Lease for Iron Ore Over on extent of 39.500 Hectares in Sy.No 1/P, Compartment No. 695 Bellary RF, Kalyandurg Range, D.Hirehal Mandal, Anantapur District, in favour of M/s. Obulapuram Mining Company Private limited, for a period of 20 years, subject to condoning the delay for submission of Approved Mining Plan and also subject to the prior approval of Government of India under Section 5(1) of MM(D&R) Act, 1957 and also Consent for Establishment [CFE] from the A.P. Pollution

Control Board and Environmental Clearance from the Government of India under Environmental Impact Assessment as per S.O. 60(E), Dated 27.01.1994.

5. After careful examination of the above proposal of the Director of Mines and Geology, Government hereby grant a Mining Lease for Iron Ore Over an extent of 39.481 hectares in Sy.No.1/P of Obulapuram Village (Compartment No. 695 Bellary RF, Kalyandurg Range), D.Hirehal Mandal, Anantapur District, In favour of M/s.Obulapuram Mining Company Private Limited, for a period of 20 years, duly condoning the delay for submission of Approved Mining Plan and subject submission of Consent for Establishment [CFE] From the A.P. Pollution Control Board and Environmental Clearance from the Government of India under Environmental Impact Assessment as per S.O.1533, Dated 14.09.2006 and also subject to the provisions of Mines and Minerals [D&R] Act, 1957 and the rules made thereunder in general, and also subject to the conditions in Form-K prescribed under the Mineral Concession Rules, 1960 and to the additional conditions specified in the Appendix to this order.
6. The rates of royalty, dead rent, surface rent and water charges shall be collectable as follows:

I. Rates of Royalty:

IRON ORE ::

(I) LUMPS:-

(ii) FINES:-

II. Dead Rent....

III. Surface rent, water charges and Cess :: As fixed by the Government from time to time.

7. The grantee should pay a deposit Rs.10,000/- as prescribed under Rule 32 of the Mineral Concession Rules, 1960 before the lease is actually executed,
8. The grantee should execute the lease deed within the time limit specified In Rule 31 of Mineral Concession Rules, 1960.
9. The terms and conditions referred to in para-5 of this order are subject to such further modifications, additions and alterations as may be ordered before the lease deed is executed.
10. The Director of Mines and Geology is requested to take necessary further action for the execution of the lease deed after satisfying himself that the grantee fulfils all the required provisions of the amended Act and Rules. As soon as the deed is executed, the date of such execution should be reported to the Government.

Note:- The grant is liable for cancellation should it be found it was grossly inequitable or was made under a mistake of fact or owing to misrepresentation or fraud or in excess of authority.

[BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH]

**Y. SRILAKSHMI
SECRETARY TO GOVERNMENT**

To
M/s Obulapuram Mining Company Pvt., Limited,
Ennoble House, Raghavachari Road,
Bellary - 583 101,
Karnataka State [RPAD],
The Director of Mines and Geology, Hyderabad.[w.e:File &MP]

“A copy of this order is available on the Internet and can be accessed
at the address- “<http://apts.gov.in/apgos>”.

-// FORWARDED BY :: ORDER //-

SECTION OFFICER



AGREEMENT

This Agreement is made and entered into on this 18th day of September 2008 by and between M/s.OBULAPURAM MINING COMPANY PVT. LTD., having its registered office, at Ennoble House, Raghavachary Street, Bellary, represented by its Director, Sri. B.V.SREENIVASA REDDY, son of Sri.P.Venkat Reddy, aged about 39 years, residing at Srinagar colony, Sirugurappa Road, Bellary-583101, hereinafter referred to as “OMC”

AND

M/s RED GOLD ENTERPRISES, a Partnership Firm having its Registered Office at Flat No. F-1, Door No.8-2-120/86/3, Krishna Sindhu Residency, Road No.3, Banjara Hills, Hyderabad – 500034, represented by its partner SRI. V.RAMA SUBBA REDDY, son of (Late) V.Sura Reddy, aged about 64 years residing at H.NO.315/2RT, Ground Floor, P.S.Nagar, Hyderabad-500057, hereinafter referred to as “RED GOLD”.

The terms “OMC” and “RED GOLD” shall wherever the context so permit shall mean and include their respective heirs, legal representatives, assigns, successors in interest;

Whereas OMC is the holder of a MINING LEASE for the Iron Ore in Survey No's. 1&2 of Malpanagudi Village, D-Hirehal Mandal, Anantapur District in all measuring an extent of 68.5 Hectors of land from the Government of Andhra Pradesh Vide G.O. Ms. No.151, Dated 18th June 2007 and executed on dated 19th June 2007 for a period of 20 years.

Whereas RED GOLD has assisted and helped OMC in identifying the deposits of Iron Ore in the Lease Hold. RED GOLD has also assisted OMC in preparing the necessary documents for obtaining the licenses/ clearances/ permissions required under the respective Statutes from the concerned departments of the State and Central Governments;

Whereas RED GOLD with its expertise in the field of mining activities has provided the necessary technical assistance to OMC in exploration and development of Iron Ore deposit;

In view of above, both the parties agreed to enter into this agreement with the following terms and conditions.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

- 1) OMC shall maintain the mining lease granted on payment of returns and royalties to the concerned authorities and comply with the all the covenants of the Mining Lease Deed dated 19th June 2007 with the government of Andhra Pradesh. And also OMC shall comply with all statutory requirements stipulated by the Forest and Environment Departments.
- 2) OMC shall deploy all the machinery such as Drilling equipment, excavators, loaders, Tippers/dumpers, Crushers, screens etc., and the required man power to carry on mining operations, produce both marketable and sub grade Iron Ore, transport and stock the same at specified storage yard, at its cost.
- 3) Both the parties hereby define the Operating Costs as the cost incurred for removal of the over burden ore including drilling and blasting, loading and unloading, transportation to the stock yard, crushing, screening, sorting, stacking etc and payments towards Royalties and forest permits.
- 4) OMC or the said CONTRACTOR as the case may be, shall at their cost create all the infrastructure facilities like access roads, buildings, water, electricity, communication facilities and all other required facilities for smooth production and transportation.
- 5) OMC shall maintain separate books of account for this particular Agreement and such accounts/books and mine shall be made accessible to the RED GOLD.
- 6) OMC shall sell to RED GOLD 50% of Iron Ore i.e., both marketable and sub-grade produced from the mine. The price will be Operational Cost plus 5% thereon.
- 7) OMC shall comply all the applicable statutory requirements covered under Mines Act, MMDR Act, Explosives Act, Minimum Wages Act, Contract Labour (Regulation and Prohibition) Act, Workmen Compensation Act and the Rules and Regulations made there under and all such Rules and Regulations

and Notifications by Government of India and respective State governments issued from time to time.

- 8) OMC shall not surrender or transfer the Mining Lease and the interest therein to any other party without prior concurrence of RED GOLD.
- 9) OMC, if desirous of transferring Mining Lease due to reasons beyond its control, shall offer and transfer Mining Lease in favour of RED GOLD on the mutually agreed terms and conditions keeping in view of the then prevailing circumstances. In the event of RED GOLD not desirous of getting the Mining Lease transferred in its favour, OMC shall transfer Mining Lease in favour of other party as agreed by both the parties.
- 10) This Agreement shall be in force during the subsistence of the lease period and the subsequent renewals of lease thereof with effect from the date execution of this agreement.
- 11) RED GOLD is entitled to deploy its manpower to monitor the mining operations and verify the accounts maintained by OMC, but such manpower shall not interfere with the day to day mining activities and they can only report to their principals
- 12) All the disputes arising out of this Agreement between the parties shall be referred to arbitration in accordance with the provisions of the Arbitration and Conciliation Act 1996 and the Award passed by the Arbitration/arbitrators shall be final on both parties.
- 13) Any dispute or difference arising under this agreement shall be filed in the Courts of Law in Andhra Pradesh.
- 14) Non-performance on account of force majeure is valid for either party.
- 15) Notwithstanding anything contained in these presents/Agreement, all the liabilities of OMC under this agreement, or any other correspondence, shall always be subject to the terms and conditions of the Lease Deed (Form K), provisions of Section 4A of MMDR Act (Act 69 of 1957) and Rule 37 of MCR 1960 and the over all liability is limited to the sharing or material; on production, as covenanted above. OMC is not liable for any damages, losses, if any, and notional loss or profit etc.
- 16) Both the parties covenant that the valuation specified in this Agreement is only for the purpose of payment of Stamp Duty under the Indian Stamp Act and Registration Fee under the Registration Act.
- 17) Both parties covenant that any amendment, modification or alteration of any of the terms of this agreement shall be only by mutual written consent.

The estimated Market Value of this Agreement} Rs. 10,00,00,000/-

For the purpose of stamp duty and Registration}

IN WITNESS WHEREOF THE PARTIES HEREION HAVE SET AND SUBSCRIBED THEIR HANDS
AND SIGNATURE ON THE DAY MONTH AND YEAR HEREIN ABOVE WRITTEN

For Obulapuram Mining Co.(P) Ltd

DIRECTOR

OMC

For RED GOLD ENTERPRISES

Sd/-

PARTNER

RED GOLD

WITNESSES:

1. Sd/-

2.Sd/-

