

SECOND REPORT ON
ILLEGAL MINING OF
IRON AND MANGANESE ORES
IN THE STATE OF ODISHA

OCTOBER, 2013

VOLUME: II

**Justice M. B. Shah
Commission of Enquiry
for
Illegal Mining of Iron Ore & Manganese**

I N D E X

Volume: II

Individual cases of illegal mining or without lawful authority

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M/s. Aryan Mining & Trading Corporation Pvt. Ltd.

The lessee, M/s. Aryan Mining & Trading Corporation Pvt. Ltd., holds two leases, namely, **Narayanposi Iron & Manganese Mines** and **Mahulsukha Manganese Mines**.

[A]

**Brief Summary of the first lease,
namely, Narayanposi Iron & Manganese Mines**

At the outset, it is stated that the findings recorded in this Chapter are based upon the information supplied by the various Departments of the State and Central Governments, lessee, MoEF, IBM, etc. It is for the competent authority to issue appropriate notices to the concerned party/lessee for taking action in accordance with law.

Pursuant to the notices issued by the Commission in August, 2011 and February, 2013, voluminous records have been submitted by the lessee and the same have been taken into consideration. The lessee was heard through its Ld. Counsel at Bhubaneswar during the hearing held in February, 2013 and thereafter, at Ahmedabad in March, 2013.

Further, the submission (received on 12.04.2013) made by Ld. Counsel, Shri Naveen Kumar / Smriti Mishra before the Commission, has been taken into account, while making the following observations for needful action.

The mining lease for manganese ore to an extent of 3,125.04 acres has been granted in favour of M/s. Aryan Mining & Trading Corporation Pvt. Ltd. (AMTC) in five blocks (i.e. A to E). The details thereof are as under:-

Block A	:	NADIDIH KALTA	:	811.40 acres;
Block B	:	KOIRA KASIRA	:	853.24 acres;
Block C	:	DEOGHAT	:	100.00 acres;
Block D	:	DOMUHANI	:	397.50 acres; and
Block E	:	NANDGIRA	:	962.90 acres
TOTAL			:	3,125.04 acres

In this regard, an indenture was made on 03.02.1945 between the Diwan of Bonai on behalf of the Bonai Darbar ("lessor" on one part) and M/s. Aryan Mining & Trading Corporation Pvt. Ltd. ("lessee" on other part). The lease was granted for a period of 30 years which was subsequently restricted to a period of 20 years (i.e. upto 02.02.1965) for bringing the uniformity under MM(DR), Act, 1957. The execution of lease deed was admitted by Mr. Ram Shankar Yagnik, Manager of M/s. Aryan Mining & Trading Corporation Pvt. Ltd.

I. First Renewal (03.02.1965 to 02.02.1985):--

The first renewal of mining lease was executed by signing an indenture on 04.01.1971 between the Governor of Orissa and M/s. Aryan Mining & Trading Corporation Pvt. Ltd. for manganese ore with retrospective effect from 03.02.1965 for a period of 20 years over an extent of 863.03 acres or 349.262 ha. This area comprised of 59.22 acres tenant land and 803.81 acres water land.

II. Second Renewal (03.02.1985 to 02.02.2005):--

Land Scheme

(i)	Koira Village	162.05 arces;
(ii)	Kasira Village	473.37 acres; and
(iii)	Reserved Forest	<u>227.61 acres</u>
		863.03 acres

OR

349.254 ha.

The lease was renewed second time and an indenture was made on 15.01.1986 between the Governor of Orissa and the lessee for iron and manganese ores for a period of 20 years w.e.f. 03.02.1985 to 02.02.2005 for 863.03 acres (349.254 ha.).

It is not known how the **iron ore** has been included in the lease. The lessee has not submitted any document/detail, in this regard, which is required to be verified.

The first grant of lease was for a period of 30 years which was subsequently reduced to 20 years i.e. upto 02.02.1965.

The first renewal was granted on 04.01.1971 with retrospective effect from 03.02.1965. This was in breach of law providing deemed expiry of lease and deemed rejection of renewal as per the then Rule 24 of MCR, 1960.

The lease did not exist on 04.01.1971 and therefore renewal was bad in law. Whatever mining was done after 02.02.1965 was and is illegal, apart from other illegalities.

Details of date of tendering Form “F” for renewal are also not given. As such, whatever it was submitted before one year of date of expiry of lease at the time of first renewal, is also not known.

The total leased area of 349.254 consists of forest and non – forest land. The details thereof are as under:–

- (i) 92.113 ha. reserve forest;
 - (ii) 70.101 ha. revenue forest; and
 - (iii) 96.980 ha. Section 4 notified forest land
- 259.194 ha. Total forest land**

The remaining area consists of non forest land:-

- (i) 58.049 ha. non-forest Govt. land; and
 - (ii) 32.023 ha. non-forest tenant land
- 90.072 ha. Total non-forest land**

The lease was renewed and the deed was executed for the 2nd renewal without having obtained any prior approval under the F.C. Act, 1980, though the State Government has been properly informed by the MoEF in the year 1982 to take prior approval under the F.C. Act, 1980 during the renewal of mining lease.

The MoEF has given Temporary Working Permission (TWP) and also issued order for diversion of forest land by overlooking the flagrant violation of Condition No.5 of the approval dated 29.06.2001 under F.C. Act, 1980. Condition No.5 of the said approval dated 29.06.2001 reads as under:-

“The user agency will get the virgin area of 184.591 ha. fenced and protected at the project cost under

the supervision of the Forest Department and this area will remain under the control of Forest Department and shall not be leased out to any one for mining till the expiry of the lease of this project.”

The lessee has not complied with the aforesaid condition.

Not only this, the lessee continued mining operation beyond the TWP period i.e. from 13.08.2005 to 15.11.2007.

Hence, all the production carried out from 03.02.1985 to 29.06.2001 (FC clearance was obtained first time by order dated 29.06.2001) was patently illegal and without lawful authority, as FC approval was not obtained.

III. Lease running under Deemed Extension:--

The lease has been running under deemed extension since 03.02.2005 onwards.

It has been observed from the production data given by the Deputy Director (Mines) that the production was continued since the year 1994-95 and even before, though the area in question was a forest land where the lease was operated. The lessee has committed serious violations of Rule 24A(6) (running mine without statutory clearance during deemed extension) of the MCR, 1960; the provisions

of the F.C. Act, 1980 and the order dated 12.12.1996 of the Hon'ble Supreme Court. An approximate quantity of 2,96,024 MT has been extracted illegally during the period when there was no approval under the F.C. Act, 1980. The quantity extracted from 03.02.1985 to 1993-94 should be added in the above quantity.

As per Condition No.2 of the approval dated 29.06.2001 of MoEF, under FCA, a penal compensatory afforestation was levied for 120 ha. of degraded forest land identified in Amrudhi Reserve Forest of Bonai Forest Division (twice in extent to the area worth in violation of F.C. Act, 1980). It is apparent that imposition of penalty, as penal compensatory afforestation, is patently illegal, arbitrary and without any provision under the F.C. Act, 1980.

Further, a virgin area of 184.591 ha. was directed as per Condition No.5 of the approval quoted above, for fencing protection at the project cost and remain under the control of Forest Department. The area shall not be leased out to anyone for mining, till the expiry of the lease of this project. But, it is noted here that the same area has been further diverted vide order dated 15.11.2007 of MoEF.

IV. Environmental Clearance (EC):--

The first EC was obtained for 6.00 Lakh Ton Per Annum (TPA) for iron ore and 7,800 TPA for manganese ore.

This has been enhanced in second EC dated 21.02.2011 from 0.60 Million TPA to 3.00 Million TPA for iron ore and 0.0078 MTPA to 0.036 MTPA for manganese ore which is without any justifiable ground.

A quantity of **33,44,559 MT** has been extracted in excess of aforesaid first EC capping limits unlawfully and without any authority. Hence, the extraction of ore, in violation of F.C. Act and in violation of conditions of EC, is illegal, unlawful and without authority and, hence, attracts the provisions of Section 21(5) of the MM(DR) Act, 1957. Therefore, action should be taken accordingly.

V. Use of water:--

The lease area forms the part of catchments of the Karo River. There is a perennial rivulet passing towards the middle east of the leased area. The water requirement of the lessee is estimated as 10 Cubic Meter per day which is met out with Bhutuda Nala.

VI. Violation of Rule 37 of MCR, 1960:--

For this purpose, it would be necessary to refer to and reproduce the relevant part of the **enquiry report of the Committee constituted vide Notification by Steel & Mines Department, Government of Orissa which reads as under:-**

“The committee visited the Narayanposhi mines of the Lessee M/s. Aryan Mining & Trading Corporation Pvt. Ltd. on 5th August, 2011 and some of the relevant observations are as below:-

- 1. The lessee holds a mining lease for iron ore and manganese over an area of 349.254 Hectares in village Narayanposhi and 399.838 Hectares (340.332 Hectares forest land in Mahulsukha / Koirā villages for manganese ore) in District Sundergarh.*
- 2. The lease has been granted by the Government in the name of Aryan Mining & Trading Corporation Pvt. Ltd.*
- 3. The chartered Accountant Committee Member has collected certain data showing acquisition of the lessee company M/s. Aryan Mining & Trading Corporation Pvt. Ltd. by M/s. Stemcor Holdings Ltd, UK. The said member has submitted a confidential letter to the Commissioner-cum-Secretary, Steel & Mines Department, Govt. of Odisha vide letter dated 22nd August, 2011.*

4. *The Rule 37 of MCR, 1960 prohibits the lessee, without the previous contemplated permission / consent–*

? Assign, sub-let, mortgage, or in any other manner, transfer the mining lease, or any right, title or interest therein; or

? Enter into or make any (bonafide) arrangement, contract or understanding whereby the lessee will or may be directly financed to a substantial extent by, or under which the lessee's operations or undertakings will or may be substantially controlled by any person or body of persons other than the lessee;

5. *The following declaration by Stemcor Holdings Limited, UK in its Report & Accounts for the year 2008 at **page 12**.*

'The Group made two large acquisitions during the year, Aryan Mining and Trading Corporation Pvt. Ltd. (AMTC), a manganese and iron ore mine where 10% shareholding was increased to over 50%.....The consideration for ... acquisition was £ 10.9m....'

6. *The following declaration by Stemcor Holdings Limited, UK in its Report & Accounts for the year 2008 at **page 1**.*

'We completed the acquisition of Aryan Mining and Trading Corporation Private Limited in India'.

7. The mining rights and some plant of AMTC appear as assets in the Balance Sheet of Stemcor Holdings limited at a valuation of £25m. The 2008 Report and Accounts of Stemcor Holdings Ltd, UK at **page 18** reads as below:-

'The most obvious change to our balance sheet in 2008 were the increases in tangible fixed assets arising from our acquisition of ... a majority stake in AMTC.....'

8. Information, by way of extract from report and accounts of Stemcor Holdings Ltd at page 48, Aryan Mining and Trading Corporation as one of the principal subsidiary undertakings of Stemcor Holdings Ltd.

9. Stemcor Holdings Ltd assumed management control of AMTC on 20th October, 2008. The 2008 Report and Accounts of Stemcor Holdings Ltd, UK at **page 50** reads as below-

'On 20th October, 2008 the Group acquired a further 40% of the issued share capital taking its total holding to 50% and assumed management control of AMTC.....'

10. The Aryan Mining as Stemcor Holdings Limited Group's Iron Ore Mine in Orissa. The 2009 Report and Accounts of Stemcor Holdings Ltd, UK at **page 15** reads as below-

'This year's result also included the first full year's contribution from Aryan Mining, the Group's Iron Ore Mine in Orissa'.

11. *In the above effect, there is prima facie evidence in respect of violation of Rule 37 of the Mineral Concession Rules, 1960 by the lessee. Hence, action should be initiated under Rule 37(3) of MCR, 1960 to determine the both the leases.*

(P. C. PATRA)	(U. N. NAYAK)	(K. C. SAHOO)	(ARUN KUMAR VERMA)	(MANORANJA N NAIK)
DDM, Directorate of Mines, Orissa, Bhuba- neswar.	Finance Consultant, OMC Ltd.	FA-cum- Dy Secy. To Govt., Steel & Mines Deptt., Orissa	Chartered Accountant	Asst. Commissioner (Enforcement), Commercial Taxes, BBSR"

The aforesaid report was prepared and submitted by the officials, as stated above, to the State Government. The copy of this report has been obtained by the Commission from the State Government.

The aforesaid report reveals that there is apparent violation of **Rule 37** of MCR, 1960.

The lessee is operating mining through contract in violation of **Para 17 of Part VII of lease deed agreement.**

The details of the contractors, who carried out mining operations, have been given in the **first report** for the State of Odisha.

Further, the violation of the provisions of the MC(DR), 1988 and encroachment by the lessee are also given in the **first report** for the State of Odisha and, therefore, the same should be read as part and parcel of this summary.

It is noted that a slurry pipeline in the forest land for the length up to 200 kilometers has been laid to transport the ore to Brahmin Rivers Pvt. Ltd. Plant, without obtaining statutory clearances under various Acts, including Forest (Conservation) Act, 1980. No substantial action has been taken, in this regard.

The responsibility should be fixed against the District Collector, Deputy Director (Mines), District Forest Officer and Environmental Officer (Odisha State Pollution Control Board – “OSPCB”) for not taking actions to stop mining and allowing illegal production and dispatch for their commission, omission and misconduct.

The production and mining operations should be considered as illegal in the period where there was no statutory approval (EC/FC and others). The market value should be recovered from the lessee together with applicable exemplary penalty.

The production per year and working area in forest land has been increased subsequently, since the lease was acquired by M/s. Stemcor Holdings Ltd., U.K.

The State Government had constituted the Committee to look into the matter of violation under Rule 37 of MCR, 1960. The Committee, after having field inspection and going through records, had submitted the report. The relevant part thereof is quoted above.

VII. Violation of Section 5 of MM(DR) Act and Rule 22 of MCR, 1960:--

It is apparent that acquisition of a mining lease, within the territory of the Union of India by a foreign company, is also a blatant violation of Section 5 of MM(DR) Act, 1957 and Rule 22 of MCR, 1960. The relevant parts of the said provisions are reproduced hereunder.

Section 5 of MM(DR) Act, 1957, *inter-alia*, reads as under:--

“5. Restrictions on the grant of prospecting licences or mining leases

*[(1) A State Government shall not grant a
[reconnaissance permit, prospecting*

licence or mining lease] to any person unless such person –

- (a) is an Indian national, or a company as defined in sub-section (1) of Section 3 of the Companies Act, 1956 (1 of 1956); and*
- (b) satisfies such conditions as may be prescribed:*

Provided that in respect of any mineral specified in the First Schedule, no [reconnaissance permit, prospecting licence or mining lease] shall be granted except with the previous approval of the Central Government.

Explanation –

For the purposes of this sub-section, a person shall be deemed to be an Indian national, –

- (a) in the case of a firm or other association of individuals, only if all the members of the firm or members of the association are citizens of India; and*
- (b) in the case of an individual, only if he is a citizen of India;]*
... ..”

Rule 22 of MCR, 1960, *inter-alia*, reads as under:--

“22. Application for grant of mining leases–

- (1) *An application for the grant of a mining lease in respect of land in which the minerals vest in the Government shall be made to the State Government in Form I through such officer or authority as the State Government may specify in this behalf.*

Sub-rule (2) was omitted by G.S.R. 703, dated 30th March, 1968.

- (3) (i) *Every application for the grant of renewal of a mining lease shall be accompanied by–*

- (a) *a non-refundable fee of two thousand and five hundred rupees;*

Sub-clauses (b) and (c) were omitted by G.S.R. 86 (E), dated 10th February, 1987.

- (d) *a valid clearance certificate, in the form prescribed by the State Government of payment of mining dues, such as royalty or dead rent and surface rent payable under the Act or the rules made thereunder, from that Government or any officer authority authorised by that Government in this behalf:*

Provided that in case the applicant is a partnership firm or a private limited company, such certificate shall be furnished by all partners of the partnership firm or, as the case may be, all members of the private limited company:

Provided that where any injunction has been issued by court of law or any other competent authority staying the recovery of any such mining dues or income-tax, non-payment thereof shall not be treated as a disqualification for the purpose of granting or renewing the said mining lease:

Provided that where a person has furnished an affidavit to the satisfaction of the State Government stating that he does not hold and has not held a mining lease, it shall not be necessary for him to produce the said valid clearance certificate:

Provided that a properly sworn affidavit stating that no dues are outstanding shall suffice subject to the condition that the certificate required as above shall be furnished within ninety days of the date of application and the application shall become invalid if the party fails to file the certificate within the said ninety days:

Provided further that the grant of clearance certificate under sub-clause (d) shall not discharge the holder of such certificate from the liability to pay the mining dues which may subsequently be found to be payable by him under the Act or rules made thereunder.

Sub-clause (e) was omitted by G.S.R. 724 (E), dated 27th September, 1994.

- (f) *an affidavit stating that the applicant has—*
 - (i) *filed up-to-date income-tax returns;*
 - (ii) *paid the income-tax assessed on him; and*
 - (iii) *paid the income-tax on the basis of self-assessment as provided in the Income Tax Act, 1961;*

- (g) *an affidavit showing particulars of area mineral-wise in the state, which the applicant or any person jointly with him-*
 - (i) *already holds under a mining lease;*
 - (ii) *has already applied for but not granted;*
 - (iii) *being applied for simultaneously;*
 -

It is to state that the acquisition of the Company (AMTC) and consequently, both the leases, by M/s. Stemcor Holdings Ltd., U.K. during the deemed extension period, is a flagrant violation and misuse of Rule 24(A) (6) of MCR, 1960 because this matter has not been brought before the State Government (once the Form J is filed one year before, the lessee needs not to come to State Government and the lease will be running for independent period).

The majority of the leased area, as stated above, is the forest land in both the leases. The diversion of forest land has been accorded in favour of AMTC as a user agency but by acquisition by the M/s. Stemcor Holdings Ltd., U.K., there is patently violation of the provisions of F.C. Act, 1980. It is not

possible to reconcile as to how the forest land was acquired by a foreign national.

VIII. Further contemplated transfer of lease area:--

Presently, in many National daily papers, it has been reported that M/s. Stemcor Holdings Ltd., U.K. may auction its Indian assets. An article published by PTI on **July 29, 2013** is reproduced as under:-

“With race for buying Stemcor's \$ 800-million Indian assets hotting up, the British steel company may go the auction way to choose a buyer from a host of interested entities including Tata Steel, JSW Steel and Jindal Power and Ispat, to ensure better value, sources said.

“Stemcor had approached almost all Indian steel makers for selling its assets in India that include a pellet plant and an operating mine, both located in Odisha. As the offer has got a good response, it is mulling auctioning these assets so to ensure the best returns,” a source said.

When contacted, Stemcor India's Managing Director Matthew Stock, who is in London now, declined to comment.

A local representative of the company also side-stepped questions saying, “Goldman Sachs is advising us on this. It won't be appropriate for us to talk.”

Stemcor has the majority stake in Aryan Mining and Trading Corporation (AMTC), which has 100 million tonnes of iron ore reserves with the licence to mine 3 million tonnes per annum.

Stemcor also has a 10 per cent stake in Mideast Integrated Steel (MISL) in Odisha. MISL has an iron ore mine with a current output of four million tonnes per year.

The company has a subsidiary, Brahmani River Pellets Ltd (BRPL), which has a four million tonne per annum beneficiation plant at Barbil, Odisha, and a pellet plant complex at Jajpur, connected by a 220 km underground slurry pipeline.

“Goldman Sachs is advising Stemcor to sell its assets in India. It may wait for sometime to bring the assets under the hammer, but definitely within August as it has to submit its debt restructuring plan to its lenders before the end of next month,” another source said.

As a result of the slowdown in the global steel industry, Stemcor has reportedly run into trouble and is in talks with banks after defaulting on more than \$ 1 billion of loans. Last week, it had presented a recovery plan that proposed shrinking the business. It has to present a full debt restructuring plan to lenders by August-end.

The Indian assets, estimated to be worth \$ 800 million, will certainly boost the captive supply of an acquirer at a time when almost all of them are expanding capacities. The assets will also help them to ensure long-term supply as well as value addition capabilities.”

It is worth to state here that **does the lessor (State of Orissa) know about what it is happening in its back and if so, why an action has not been initiated till date on a letter 22.08.2011 of Shri Arun Kumar Verma, Chartered Accountant to Commissioner-Cum-Secretary, Steel and Mines Department, Orissa?**

On the basis of the aforesaid report, action should be taken under Section 19 of the MM(DR) Act, 1957 which reads as under:-

“19. Prospecting licences and mining leases to be void if in contravention of Act.

Any [reconnaissance permit, prospecting licence or mining lease] granted, renewed or acquired in contravention of the provisions of this Act or any rules or orders made thereunder shall be void and of no effect.

Explanation: *Where a person has acquired more than one [reconnaissance permit, prospecting licence or mining lease] and the aggregate area covered by such [permits, licences or leases], as the case may be, exceeds the maximum area permissible under section 6, only that [reconnaissance permit, prospecting licence or mining lease] the acquisition of which has resulted in such maximum area being exceeded shall be deemed to be void.”*

IX. Recommendation:--

As discussed above, there are clear violations of:–

- (a)** Section 5 of MM(DR) Act, 1957;
- (b)** Rules 22 & 37 of MCR, 1960.
- (c)** provisions of Forest (Conservation) Act, 1980;
- (d)** conditions stated in EC under EIA Notification;
- (e)** Rule 10 of MCDR, 1988; and
- (f)** Others, as discussed in this Chapter.

Hence, action should be taken, as stated hereinabove.

[B]

**Brief summary of the second lease,
namely, Mahulsukha Manganese Mines**

A detailed submission has been made by the authorized signatory for the lessee, M/s. Aryan Mining & Trading Corporation Pvt. Ltd. (AMTC) on 03.04.2013 and the same is taken on account, while making the following observations for further needful action.

As per the submission made on behalf of the lessee, an area of 345.306 ha. has been granted in favour of AMTC for a period of 20 years with effect from 03.02.1945 to 02.02.1965 in the limits of Mahalsukha and Koira villages of Sundargarh District (Annexure: H of the reply to the notice). It seems that the lessee has not submitted complete information.

As per the Memo No.6866 MG.BBSR, dated 29.09.1970 of State Government, the lease was granted for 3123.01 acres in five blocks (i.e. A to E). The details thereof are as under:-

Block A	: 818.73 acres;
Block B	: 863.03 acres;
Block C	: 102.80 acres;
Block D	: 350.45 acres; and
Block E	: 988.00 acres
TOTAL	: 3,123.01 acres

The details of execution of the lease deed for Blocks A, B, C and D have not been submitted by the lessee. Likewise, the complete details for second renewal have also not been submitted by the lessee.

I. First renewal for only 399.838 ha. of land:--

Be it as that may be, the lease had been renewed for 399.838 ha. It is observed that the mining lease for Block E of Mahalsukha Manganese Mines admeasuring 988.00 acres (395.20 ha.) [399.83 ha. as per Memo dated 16.11.1985] has only been renewed. By observing the area of both the leases of the lessee, it seems that Blocks B and E have been retained by the lessee and continuing as leases.

The details of remaining areas (Blocks A, C and D) should be found out by the Government. Also if the areas were disturbed, it should be rehabilitated and reclaimed at the cost of lessee by fully sanctioning the closer plan from a competent authority.

II. Second renewal:--

Subsequently, the second renewal was granted vide Memo No.12417 MG.BBSR, dated 16.11.1986 for a period of 20 years, i.e. from 03.02.1985 to

02.02.2005 and the lease deed was executed on 15.01.1986 for 399.838 ha.

The total leased area of 399.838 ha. consists of forest and non-forest land. The details thereof are as under:-

- (i) 339.17 ha. revenue forest land;
 - (ii) 1.315 ha. notified forest land
-
- 340.332 ha. Total forest land**

The remaining area consists of non-forest land:-

- (i) 55.81 ha. non-forest Government land;
 - (ii) 03.694 ha. non-forest tenant land
-
- 59.504 ha. Total non-forest land**

The second renewal and execution of lease deed from 03.02.1985 for a period of 20 years has been done illegally without having prior approval under the Forest (Conservation) Act, 1980. Therefore, action should be taken as per the provisions of the said Act.

Thereafter, since 03.02.2005, the lease has been running under the deemed extension.

It is highlighted that this mining lease has been acquired by M/s. Stemcor Holdings Ltd., U.K. since the year 2007-08 onwards.

The leased land is mostly forest land and is in illegal possession of the third party in violation of the provisions of the MM(DR) Act, 1957; the FCA, 1980 and the MCR, 1960, as discussed earlier for the first lease of iron and manganese ores (at Narayanposhi) of the same lessee. The observations made, in this regard for that lease, are equally applicable and part and parcel of this lease also.

III. Environmental Clearance (EC):-

The lessee has taken Temporary Working Permission (TWP) under the FCA, 1980 twice from 13.07.1998 to 12.07.1999 (one year) and 16.02.2005 to 15.08.2005. But there is no EC during the said period.

On perusal of production (Table), the lessee was supposed to obtain EC from the year 1996-97 under the EIA Notification, 1994. The said production table is as under:-

Production data of the manganese lease

Year	Production of Manganese Ore (MT)
1993-94	14,687.223
1994-95	11,202.329
1995-96	11,795.752
1996-97	19,539.040
1997-98	23,785.255
1998-99	25,632.835
1999-2000	23,299.430
2000-01	21,823.090
2001-02	25,066.400
2002-03	19,535.320
2003-04	13,884.363
2004-05	15,256.470
2005-06	10,725.506
2006-07	7,053.391
2007-08	9,244.825
2008-09	12,542.013
2009-10	22,827.993
2010-11	33,614.251
2011-12	17,118.431
2012-13 (upto Jan. 2013)	10,559.867

The aforesaid production table reveals that in the year 1993-94 which is considered to be the base year for obtaining EC, the extracted production was 14,687.223 MT. Upto the year 1995-96, the

production was within the limit (i.e. production for the base year). However, from the year 1996-97, the production has been increased beyond the base year. Therefore, the lessee was required to obtain EC under EIA Notification, 1994.

Despite this, without verifying the record and considering the production for the year 1993-94, vide letter No.J-15012/9/99, dated 08.06.1999, Dr. P. Ahujarai, Joint Director, MoEF, has *inter-alia* stated as under:-

“You have indicated that the project will not involve expansion in terms of increase in area or production capacity and modernization. However, there is no information available for production from the mine, capacity as consented by the State Pollution Control Board, such area was broken before and after 27.01.94. IBM approval to proposals submitted and consent to commission from the State Pollution Control Board. In view of this, we show inability to advise you further in the matter.

However, following may be noted.

The renewal of mining proposals without any expansion (in terms of increase in mining lease area or production capacity) and modernization do not require environmental clearance under the provisions of the Environmental Impact Assessment Notification of 27.01.94 as amended on 04.05.94 and 10.04.97.

Since renewal of mines are due on 03.02.2005 in case of Mahalsukha manganese mine and 15.01.2006 in Narayanposhi Iron and Manganese mine, it is too early to consider these cases at this stage. Proposals maybe submitted to the Minister for consideration one year prior to renewal of mining lease. However, the project authorities should obtain forestry clearance under the Forest (Conservation) Act, 1980 in case of Narayanposhi mine.

You may inform the project authorities.”

From the above, it is clear that lessee has not submitted factual information to the MoEF and at the same time, Jt. Director had not taken any trouble to collect information and stated above. By issuing such letter in the year 1999, it has sent a wrong signal to the lessees in the State. Because undisputedly, the production has been increased from the year 1996-97 onwards and it amounts to expansion in terms of production capacity.

It is to be stated that as per the aforesaid letter dated 08.06.1999 of the MoEF, it has been made clear that when there is increase in production capacity, the approval under the EIA Notification dated 27.01.1994 which is amended on 04.05.1994 and 10.04.1997, is required and mandatory.

The unlawful production without EC is reported by this Commission in its **First Report** for the State of Odisha. Therefore, action should be taken to recover the amount for unlawful production.

The Joint Director had issued such letter without verifying the facts which amounts to undue favour to the lessee for both the aforesaid leases. Therefore, action can also be initiated against her under the conduct Rules.

IV. Lessee was directed to obtain EC, vide order dated 04.04.2000:--

The lessee has obtained approval under the FCA, 1980 vide order dated 04.04.2000 of MoEF for 227.00 ha. subject to Condition XII amongst others. The said condition reads as under:-

“The approval under the Forest (Conservation) Act, 1980 is subject to the clearance under the Environmental Protection Act, 1986.”

The lessee did not bother to obtain EC till 05.04.2007, despite the aforesaid condition.

Hence, the approval under the FCA is void, as it was subject to complying with the aforesaid condition of obtaining EC.

Further, lease was renewed in the year 1986. From that date, the lessee was required to obtain Forest Clearance under FCA, 1980. Hence, lessee has extracted manganese ore without obtaining valid FC as well as without obtaining EC, till 05.04.2007. Therefore; 2,05,601.00 MT production of manganese ore for the said period (i.e. 1993-94 to 2006-07) is illegal. Still however, exact production should be calculated accordingly. Such illegal production attracts the provisions of Section 21(5) of the MM(DR) Act, 1957. Hence, action should be taken to recover the amount equivalent to market price with penalty.

Action should also be taken against the concerned officials of Mines, Revenue and Forest Departments for their omissions, commissions and misconduct.

It is to be stated that imposition of penal compensatory afforestation which is not as per the provisions of the FCA, 1980, cannot compensate equally against the illegal act of extraction of huge production without any lawful authority.

V. Recommendation:--

- (a) The lessee is operating the lease through the contractors such as Bakshish Singh and others in violation of **Para 17 Part-VII** of the lease deed agreement.

It appears that this mining lease has been acquired by M/s. Stemcor Holdings Ltd., U.K. since the year 2007-08 onwards in violation of Rule 37 of MCR, 1960.

- (b) As regards the encroachment, after careful examination and submissions made on behalf of the lessee, it has already been reported by the Commission in the **First Report** for the State of Odisha and the same is read as part and parcel of the observations made herein.
- (c) The violations under Rule 10 of the MCDR, 1988 for this lease is also reported in the said **First Report**.
- (d) So called grant of lease in the first instance and subsequent renewals, all need to be inquired into by independent agency to find out, if the grant and renewal of lease was regular and legal.

Hence, it is recommended to hand over both the aforesaid cases (Narayanposi Iron & Manganese Mines and Mahalsukha Manganese Mines) to Central Bureau of Investigation, as per law.

M/s. Kalinga Mining Corporation

M/s. Kalinga Mining Corporation is holding five leases, namely,

- (i) Jurudi Manganese Ore Mines (54.754 ha.);
- (ii) Jurudi Iron Ore Mines (12.691 ha.);
- (iii) Jurudi Iron Ore Mines (73.228 ha.);
- (iv) Jurudi Iron Ore Mines (27.17 ha.); and
- (v) Jurudi Manganese Ore Mines (39.173 ha.).

At the outset, it is stated that the findings recorded in this Chapter are based upon the information supplied by the various Departments of the State and Central Governments, lessee, MoEF, IBM, etc. It is for the competent authority to issue appropriate notices to the concerned party/lessee for taking action in accordance with law.

Pursuant to the notices issued by the Commission in August, 2011 and February, 2013, voluminous records have been submitted by the lessee. The lessee has also submitted reply to other correspondences. All the records submitted by the lessee have been taken into consideration. The lessee was heard through its Ld. Counsel at Bhubaneswar during the hearing held in February, 2013 and, thereafter, at Ahmedabad in the month of April, 2013.

1. M/s. Kalinga Mining Corporation holds five leases. The State Government has granted and executed following lease deeds in the different parts of the lease-hold area of 225.005 ha.

Sr. No.	M. L. Area	Mineral	Location
1.	135.569 ha.	Iron Ore	Jalahuri & Khandbandh
2.	54.754 ha.	Manganese	Jalahuri & Khandbandh
3.	36.456 ha.	Manganese	Jalahuri & Joruri
4.	12.691 ha.	Iron Ore	Jalahuri & Khandbandh
5.	27.170 ha.	Iron Ore	Jalahuri

2. On behalf of the lessee, Ld. Counsel, Mr. Naveen Kumar appeared twice. On 12.04.2013, it was pointed out to him that:--

- (i) There was difference in production figures of iron ore and manganese ore as per the report of the DMG and that of lessee.
- (ii) At the time of renewal of the lease, FC approval was given on 02.05.2005 for an area **only** admeasuring 6.006 ha. for diversion of forest area, in 73.228 ha. and not in 12.691 ha. lease area. As such, there is the difference in the FC approval for lease area of all the five leases.

- (iii)** Recovery notice was issued by DDM for excess production and prosecution has been lodged by the Collector, in the Court of JMFC.

3. Summary of the facts which are discussed hereinafter:--

- (i)** The lessee has transferred the lease to two companies, namely, --
 - (a)** Admittedly, M/s. Arvind Construction Co. Pvt. Ltd., against whom a Writ Petition was filed before the Hon'ble High Court of Odisha, continuously operated mines for more than 19 years and was not returning the possession of the mines. Writ Petition was required to be filed. Entire mining operations were carried out by M/s. Arvind Construction Co. Pvt. Ltd. during that time.
 - (b)** Subsequently, it was given to Orwin Engineering Company, which is a sister concern of M/s. Triveni Earthmovers Pvt. Ltd.

The transfer of the mining operation is in breach of Rule 37 of the MCR, 1960 and in violation of para 17 of the Lease Deed Agreement of all the leases.

Necessary actions should be taken as discussed in this Chapter. Further, action should also be taken against these raising contractors for operating the leases in violation of FC and EC.

- (ii)** A parent mining lease of manganese was granted on 22.06.1953 in Jorudi area of Keonjhar District over an area of 225.005 ha. in favour of M/s. Kalinga Mining Corporation Ltd.
- (iii)** This parent lease area has now been held by the lessee in the form and style of five leases, namely,
 - (a)** a mining lease of manganese over an area of 54.754 ha.;
 - (b)** a mining lease for manganese over an area of 39.456 ha.;
 - (c)** a mining lease of 12.69 ha. for iron ore;
 - (d)** a mining lease of 27.17 ha. for iron ore; and
 - (e)** a mining lease of 73.228 ha. for iron ore.

The lease period of four of the above mining leases i.e. (a) to (d) expired on 21.06.1993. Further, the grace period of one year lease as per the then Rule 24A (6) of the

MCR, 1960 also expired on 21.06.1994. Hence, all the four leases ceased to exist from that date for want of approval under the then Rule 24A (7) of the MCR, 1960 from the Government of India.

- (iv)** The State Government vide its letter dated 16.08.1994 issued working permission for these mining leases i.e. (a) to (d) for three months' period from the date of issue of the letter. However, there is no approval/order or existing law for the interregnum period between 21.06.1994 to 16.08.1994.
- (v)** It is to state that the said letter of the State Government dated "16.08.1994" is without power, authority and competence of the State Government. Hence, all four leases i.e. (a) to (d) above ceased to exist from 22.06.1994.

The lease period of the mining lease (i.e.) of 73.228 ha. (135.569 ha. first lease) of iron ore expired on 31.03.1997. An undue favour was extended to the lessee during fixing the lease period while inclusion of iron ore and grant of first lease, as explained in this Chapter. The lease (73.228 ha.) consists of 30.38 ha. revenue forest and 26.798 ha. DLC land.

- (vi)** There is no FC approval for this lease under FCA, 1980 from 31.03.1997 for the revenue forest and from August, 1998 for DLC forest land till 19.03.2008. In between a Temporary Working Permission was granted for one year from 13.05.2005 to 12.01.2006. Hence, except the period under TWP the production from 31.03.1997 to 19.03.2008 was without authority and illegal and it attracts the provisions of Section 21(5) of the MMDR Act, 1957.

Necessary actions should be taken to recover market value of mineral so raised along with other penal actions for the production discussed in this Chapter.

- (vii)** Similar actions should also be taken for other lessees for illegal production as discussed in this Chapter (for remaining (a), (c) and (d) leases). The illegal production for these mines are as under:--

- (a)** Mining lease of iron ore for an area admeasuring 54.754 ha. – 972865 MT;
- (c)** Mining lease of area admeasuring 12.69 ha. – 961176 MT; and
- (d)** Mining lease of area admeasuring 27.17 ha. – 93374 MT.

- (viii) There is proxy production shown for the lease of 12.69 ha. of iron ore. Further investigation should be carried out in this regard and action should be taken accordingly.
- (ix) Further, there is illegal mining in the form of removal of iron ore from the lease area of 54.756 ha. of manganese. The action should be taken for this illegal removal of iron ore, as discussed in this Chapter.
- (x) A mining plan/scheme has been sanctioned by IBM for iron ore for the lease area of 54.754 ha. In the said lease, mining of iron ore is included. Hence, the sanction of mining plan/scheme by the IBM is unlawful. Iron ore is removed from the lease.

For this omission and sanctioning a mining plan/scheme for a mineral which is not a part of lease, action should be taken against the Regional Controller.

On the other hand, no mining plan/scheme was approved and yet, iron ore was extracted in the lease area of 12.69 ha. Hence, action should be taken against the lessee, IBM and DDM.

- (xi) Action should be taken against the officers and lessee under Sections 3A and 3B of the FC Act, 1980 for violation of the said Act.
- (xii) Prosecution proceedings also should be initiated against the lessee and contractor under Section 19 of the Environment Protection Act, 1986.
- (xiii) The MoEF has given EC approval for iron ore for the leased area of 54.754 ha. whereas iron ore is not included in the said lease. Further, there is no mention of 12.69 ha. lease for its inclusion in this EC. Hence, the EC is accorded on incorrect facts. Action should be taken as per the Rules for withdrawal of EC.

4. Violation of Rule 37 of MCR, 1960:--

Before discussing the facts, it would be worthwhile to state that the lessee has transferred the lease area for mining operations to M/s. Arvind Construction Co. Pvt. Ltd. since 1991 till 2010. These facts are admitted in the Writ Petition which was filed before the Hon'ble High Court of Odisha, as the transferee was not returning the possession of the mined area. This would apparently amount to violation of Rule 37 of MCR, 1960.

The joint team, which was constituted of officials of various Departments, submitted report that there is violation of Rule 37 of the MCR, 1960 in all leases. For this purpose, reliance is placed on the judgment and order rendered by the High Court of Orissa in the case of **M/s. Kalinga Mining Corporation (Appellant) V/s. M/s. Arvind Construction Company Private Limited.**

For deciding -- whether there is violation of Rule 37, it would be relevant to quote relevant facts and contentions of transferee (Respondent No.1), stated in the aforesaid judgment which are as under:-

“The Appellant (Kalinga Mining Corporation) is a partnership firm carrying on business of mining operations. It obtained three mining lease from the Government of Orissa for mining of specific ore and executed mining lease agreements dated 22.6.1973, 22.6.1973 and 11.12.1990. As the Appellant found difficulties to execute the mining activities, it entered into an agency agreement dated 14.3.1991 with Respondent No.1 and executed irrevocable power of attorney dated 25.3.1991 giving Respondent No.1 the authority to execute the mining work for and on their behalf. Respondent No.1 thereafter used its own resource, personnel and continued the agency activity. The agency agreement was last extended for a period of 3 years with effect from 1.4.2003 stipulating virtually

*the same terms and conditions as in the original agency agreement. When the matter stood thus, the Respondent No.1 vide its letter dated 9.11.2005 submitted a proposal to extend the agency agreement beyond 31.3.2006, but the Appellant No.1 declined to **extend the agency agreement beyond 31.3.2006 on the plea that the Appellant-firm would carry out the mining activities itself after 31.3.2006.** Respondent No.1 felt that the agency agreement could not be terminated unilaterally by the Appellant and such agreement can be terminated only by the mutual consent of the parties. It therefore, invoked the arbitration Clause XVII of the agency agreement, nominated Mr. Sanjib Jain as Arbitrator on its behalf and sent notice of the arbitrator to the Appellant. In response, the Appellant also appointed Mr. Rajat Kumar Rath of Cuttack as co-arbitrator”*

In the said case, it was submitted by the Respondent No.1 (Power of Attorney-holder) as under:-

“(i) That, as per Clause-xvi of the agency agreement dated 14.3.1991, the agency agreement was terminable only on mutual consent of both the parties in writing which pre-supposes that right of continuation of the agreement with the existing terms and conditions is automatic so long as both parties have not terminated the agreement by mutual consent and for that reason Respondent No.1 has right to continue the mining operation.

- (ii) That, pursuant to the agency agreement Respondent No. 1 has **made huge investment and the unilateral cancellation of the agency agreement by the Appellants** would put the Respondent No. 1 to irreparable loss and injury, which cannot be otherwise compensated.
- (iii) That, as per the agency agreement **the Respondent No. 1 is entitled to 90% of the profit** and the M/s. Kalinga Mining Corporation (in short, "M/s. KMC") **Appellant No.1 is entitled to 10% of the profit** which by itself indicates that balance of convenience is in favour of the Respondent No.1. Besides the above noted submissions, Mr. Kanungo advanced a further argument that the Appellant No.1 is not the same firm, which entered into the agency agreement with the Respondent No.1 and for that reason it has no locus standi to file this appeal. He pointed out that the **M/s. KMC having Registration No.71 of 1949 entered Into the agency agreement with Respondent No.1 and M/s. KMC having Registration No.595 of 2005 being a separate firm**, the present Appellant is not the lease holder of the mines in question."
- (a) From the facts stated before the Hon'ble High Court, it is clear that the lessee has entered into an irrevocable Power of Attorney dated 25.03.1991 for operating the mines or to

execute the mining work with M/s. Arvind Construction Company Private Limited without obtaining prior approval of Government under Rule 37 of MCR, 1960. The Power of Attorney holder carried out all mining activities in the ratio of 90:10 for Net Profits Sharing (Power of Attorney holder: Lessee).

The agreement which was executed on 25.03.1991 continued till 2009-10 and the mining was also under operation during this period of about 19 years, except the lease of area 39.456 Ha.

- (b) From the aforesaid facts admitted before the Hon'ble High Court of Orissa, it is apparent that M/s. Kalinga Mining Corporation admitted that it found difficulties in running mining activities. Therefore, it executed irrevocable Power of Attorney dated 25.03.1991 and transferred the execution of mining activities to M/s. Arvind Construction Company Pvt. Ltd.

M/s. KMC was to get 10% of profit, while the company which operated the mining was to get 90% of profit as share.

The constitution of Firm of KMC was also changed in the year 2005.

In this view of the matter, there can not be any doubt that KMC has transferred the rights of mining operations in violation of Rule 37 of MCR, 1960.

5. Raising contract with M/s. Orewin Engineering Company:--

- (i) On 07.12.2009, M/s. KMC has awarded another contract for excavation/raising of iron ore and associated rejects / spoils / spurious materials, segregation, sizing into iron ore lumps manually or/and by crusher to below 180 mm size, stacking thereof 10 – 180 mm. size ore, crushing of lump ore to 5 – 18 size & cleaning of quarry faces within the lease hold area 54.754 ha. and 73.22 ha., to M/s. Orewin Engineering Company, a sister company of M/s. Triveni Earthmovers Pvt. Ltd. All the mining operations are being operated in the name of M/s. Orewin Engineering Company but done by third party i.e. M/s. Triveni Earthmovers Pvt. Ltd. (TEMPL).

- (a) Minimum annual production was guaranteed of 7,00,000 MT of iron ore

and minimum payment was not less than Rs.475/- per MT.

(b) As per the Profit and Loss A/c. of M/s. Orewin Engineering Company for the year ended on 31.03.2009, it reveals that:-

- amount of **Rs.60,95,95,559/-** was paid to the sub-contractor (Thriveni Earthmovers Pvt. Ltd.); and
- Net profit to M/s. Orewin Engineering Company was **Rs.1,28,78,962.02.**

Further, as per the Balance Sheet for the year ended on 31.03.2009, it reveals that KMC got a sum of **Rs.1,53,94,066.07.**

(c) As per the Profit and Loss A/c. of M/s. Orewin Engineering Company for the year ended on 31.03.2010, it reveals that:-

- amount of **Rs.28,93,40,500/-** was paid to the sub-contractor (Thriveni Earthmovers Pvt. Ltd.); and
- Net profit to M/s. Orewin Engineering Company was **Rs.81,84,218.68.**

Further, as per the Balance Sheet for the year ended on 31.03.2010, it reveals that:-

- KMC got a sum of **Rs.6,39,966/-**.
- KMC was sundry creditor for a sum of **Rs.1,14,34,643/-**.

(d) As per the Profit and Loss Account of M/s. Orewin Engineering Company for the year ended on 31.03.2011, it reveals that:-

- amount of **Rs.36,65,71,697/-** was paid to the sub-contractor; and
- Net profit to M/s. Orewin Engineering Company was **Rs.1,00,44,792.67**.

Further, as per the Balance Sheet for the year ended on **31.03.2011**, it reveals that:-

- KMC was sundry debtor for a sum of **Rs.3,71,62,167/-**.
- KMC was sundry creditor for a sum of **Rs.14,86,019/-**.

(e) As per the Profit and Loss A/c. of M/s. Orewin Engineering Company for the year ended on 31.03.2012, it reveals that:-

- amount of **Rs.85,02,38,367/-** was paid to the sub-contractor; and
- Net loss to M/s. Orewin Engineering Company was **Rs.83,99,716.53.**

Further, as per the Balance Sheet for the year ended on **31.03.2012**, it reveals that:-

- Security Deposits in the name of KMC was for a sum of **Rs.10,00,000/-**.
- KMC was sundry creditor for a sum of **Rs.14,86,019/-**.

(ii) **Further, Thriveni Earthmovers Pvt. Ltd. has stated that the company has done mining contract work in KMC. The entire work contracted to OEC was sub-contracted to Thriveni Earth Movers Pvt. Ltd.** The contract with M/s. Orewin Engineering Company is entered for raising of 07 Lacs MT which is higher by 1,29,386 MTPA from the EC limit i.e. 5,70,614 tons per annum before obtaining the second EC.

The aforesaid facts leave no doubt that excavation and all mining work was carried out previously by M/s. Arvind Construction Pvt. Ltd. from the year 1991 to 2008-09. Thereafter, it was carried out by M/s. Orewin Engineering Company through subcontractor Thriveni Earthmovers Pvt. Ltd. This is apparently in violation of Rule 37 of MCR, 1960 and also in violation of the following terms and conditions of the lease deed.

The relevant para 17 of Part VII of the lease deed agreement (Form K) is as under:-

“17.1 The lessee / lessees shall not, without the previous consent in writing of the state government--

(a) assign, sublet, mortgage, or in any other manner transfer the mining lease, or any right, title or interest therein, or

(b) enter into or make any agreement, contract or understanding whereby the lessee / lessees will or may be directly or indirectly financed to a substantial extent by or under which the lessee's operations or undertakings will or may be substantially controlled

*by, any person or body of person
other than the lessee / lessees.*

*Provided that the State
Government shall not give its written
consent unless*

*(a) The lessee has furnished an
affidavit along with this
application for transfer of the
mining lease specifying therein the
amount that he has already taken
or proposes to take as
consideration from the transferee;*

*(b) The transfer of the mining lease is
to be made to a person of body
directly undertaking mining
operations;*

*Provided further that where the
mortgagee is an institution or a Bank or
a Corporation specified in Schedule V of
M.C. Rules it shall not be necessary for
the lessee to obtain any such consent of
the State Government.*

2.

3. *The State Government, may by order in
writing determine the lease at any time if
the lessee / lessees has / have in the
opinion of the State Government committed
a breach of any of the above provisions or
has have transferred the lease or any*

right, title or interest therein otherwise then in accordance with clause (2).

Provided that no such order shall be made without giving the lessee / lessees a reasonable opportunity of stating his / their case.”

Apparently, there is violation of Rule 37 of MCR, 1960, read with the lease agreement, and therefore, lease is required to be terminated and other actions, as discussed hereinafter, are also required to be taken.

6. Parent Lease:--

- (i) Initially, a mining lease for manganese ore was granted way back on 22.06.1953 in Jurudi area of District Keonjhar over an area of 225.005 ha.** The lease is hereinafter called as “**parent lease**”. In due course of time, the lessee has added iron ore in various different parts of this parent lease and also claims to have relinquished certain areas during renewals and having different leases recognized at different point of time. Though such provisions do find place in MCR, 1960 and in amendments therein, due to overlapping of both minerals in part or full, part inclusion of the area in bits and pieces

and formulation of new leases has made matter complex and gives an impression of misuse of the provisions provided for inclusion of additional minerals including change of lease period for one lease (73.228 ha.) by the same lessee.

(ii) To understand the matter in totality since inception and present status of various leases at the field, a joint team was constituted consisting of the officials of various departments who are well-versed with the subject matter. The team consisted of the following officers:--

- (a)** Mr. M. Biswas, Regional Controller of Mines, Indian Bureau of Mines, Government of India.
- (b)** Mr. S. K. Das, Jt. Director, Director of Mines, Govt. of Odisha.
- (c)** Mr. A. K. Jena, Divisional Forest Officer, Keonjhar, Govt. of Odisha.
- (d)** Mr. B. K. Nayak, Regional Officer, State Pollution Control Board, Govt. of Odisha.

The team has gone through the records in hand and inspected the areas on 18th and 19th

October, 2012. The representatives of lessee were present during the inspection.

The team has submitted a comprehensive report covering the past and present status of the leases, their organization and reorganization of leased area out of parent lease grant area (225.005 ha. of manganese) and others. A copy of the said report was handed over to Sr. Counsel who appeared on behalf of the lessee during hearing held at Bhubaneswar to submit their say on the report. The submissions made by the Ld. Counsel who had appeared on behalf of the lessee on 12.04.2013 have been taken into consideration along with the reports submitted by the joint team as well as the records in the files of the Government and other records to come to the following inferences.

7. Original Leases:--

(i) Manganese Ore:--

The parent mining lease was executed on 14.10.1958 for 20 years w.e.f. 22.06.1953 over an area of 225.005 ha. for Manganese ore (M.L. No.70) in favour of **M/s. Kalinga Mining**

Corporation, a Partnership firm. The lease period expired on 21.06.1973.

(ii) Iron Ore:--

Out of 225.005 ha. of already granted lease area for Manganese, for 135.569 ha., second lease deed was executed on the same day, i.e. dated 14.10.1958 for 20 years w.e.f. 01.04.1957 (M.L. No.173) for iron ore.

(iii) Lease should have been made co-terminus:--

It is noted here that, this lease of iron ore (135.569 ha.) should have been made co-terminus on the expiry of parent lease i.e. on 21.06.1973 since the lease had been carved out and overlap to the parent lease. The reasons for assigning a different period for this lease could not be ascertained from the available records. May be, because of undue favour extended to the lessee. This has resulted consequential benefits to lessee.

It is stated that in all other four leases, lease deeds were executed co-terminus with the lease period of parent lease. The same pattern has been followed for other leases of other lessees in the State but this (i.e. 135.569

ha.) is done in variance of the existing law and norms.

It is further stated that this mine (135.569 ha.) is having the best deposits of iron ore in the parent leased area. Due to this, the lease period has been extended by 04 years and reflected continuously in subsequent renewals. This has also resulted in escaping this lease from the provisions of the then Rule 24A of MCR, 1960. This would not have happened had the lease deed executed co-terminus with the parent lease period.

(iv) Iron Ore:--

Lease Deeds for 13.152 ha.
AND
27.316 ha.

On a later date i.e. on 24.08.1964, out of the said parent mining lease of 225.005 ha. for Manganese, another mining lease was executed for 40.468 ha. (M.L. No.245) in two non-contiguous blocks **(one over 13.152 ha. and another over 27.316 ha.)** for Iron Ore w.e.f. 22.06.1953 to 21.06.1973, making it co-terminus with the parent lease grant.

This execution of M.L. for iron ore on 24.08.1964, in non-contiguous blocks was in violation of the Section 6(1)(c) of the then prevailing MMDR Act, 1957.

Hence, at that point of time, 3 (three) leases were in existence:--

- (a) 225.005 ha. for Manganese;
- (b) 135.569 ha. for iron ore overlapping partly of manganese ore of parent lease; and
- (c) 40.468 ha. in two blocks (one block over 13.152 ha. and another over 27.316 ha.) for iron ore and manganese of parent lease.

Further division:--

Also, it is noted that at that point of time, after carving out 2 (two) leases of 135.569 ha. and 40.468 ha. for iron ore, the remaining area of 48.968 ha. (225.005 ha. - 135.569 ha. - 40.468 ha. = 48.968 ha.) got divided into 2 (two) non-contiguous block areas:--

- (d) one of 10.119 ha. (in the middle on the North); and

- (e) 38.849 ha. (on the South-East) for Manganese.

This was also in violation of the then Section 6(1)(c) of MM(DR) Act, 1957.

8. 1st renewal of the leases:--

- (i) At the time of first renewal, a mining lease over **54.754 ha. for Manganese** was executed on 15.06.1977 w.e.f. 22.06.1973 to 21.06.1993.

This renewed lease over 54.754 ha. also covers the lease area of 12.69 ha. for Iron ore (reduced area of 13.152 ha. i.e. one of the non-contiguous blocks of 40.468 ha. lease as stated above) and 42.064 ha. carved out from western side of the lease area of 135.569 ha., thus making it contiguous.

- (ii) Another M.L. of **39.456 ha. for Manganese** was renewed and executed on 15.06.1977 w.e.f. 22.06.1973 to 21.06.1993. This renewed lease of 39.456 ha. area consists of the remaining non-contiguous eastern block of 38.849 ha. as stated above. However, the extent of area is reassessed as 39.456 ha. instead of 38.849 ha.

- (iii) Lease of **135.569 ha. for iron** was renewed and executed on 11.12.1980 w.e.f. 01.04.1977 to 31.03.1997. After renewal of this lease, the renewed Manganese lease over 54.754 ha. overlaps with this lease to an extent of 42.064 ha.
- (iv) The mining lease over **12.69 ha. for Iron** was renewed and the renewal deed was executed on 15.06.1977 w.e.f. 22.06.1973 to 21.06.1993. This renewal was for one block of 13.152 ha. of the lease of 40.468 ha. for iron ore. However, the entire area was reduced to 12.69 ha. at the time of renewal. The leased area is DLC forest as seen from the lease map. It may be noted that this area also overlaps with the renewed lease of 54.754 ha. for Manganese.
- (v) The renewal of ML for **27.17 ha.** (reduced area of 27.316 ha. i.e. one of the non-contiguous blocks of 40.468 ha. lease as stated above) **for iron ore** was executed on 15.06.1977 w.e.f. 22.06.1973 to 21.06.1993.

An area of **10.119 ha.** to the Mid-East of the lease hold over 54.754 ha. was relinquished from parent lease of 225.005 ha.

during 1st renewal, **though no rehabilitation and reclamation is taken up.**

(vi) Therefore, further investigation is required:-

(a) why such an exceptional methodology was adopted to make the matter so complex?; and

(b) What was the motive behind it?

It should be investigated by an independent agency.

9. 2nd renewal and present status:--

(Lease period expired before the date of concept of “deemed extension” came into force i.e. on 27.09.1994).

(i) The lessee claims to have filed second renewal application for five leases, namely,

(a) Jurudi Manganese Ore Mines (54.754 ha.);

(b) Jurudi Iron Ore Mines (12.691 ha.);

(c) Jurudi Iron Ore Mines (73.228 ha.);

(d) Jurudi Iron Ore Mines (27.17 ha.); and

(e) Jurudi Manganese Ore Mines (39.173 ha.)

each dated 20.06.1992

- (ii) Second renewal applications of four leases i.e. for the leased areas of 54.754 ha., 12.69 ha., 27.17 ha. and 39.456 ha. have been examined with respect to the then provisions of Rule 24A of the MCR, 1960.
- (iii) For the 2nd renewal, the Form J (leases of iron and manganese ores) should be filed 12 months before the date on which the lease is due to expire (Rule 24A(1) of the MCR, 1960) i.e. one year prior to 21.06.1993.

Further, Rule 24A (7) provides:--

*“the second or subsequent renewal of a mining lease in respect of any mineral, shall be granted by the State Government only **with the prior approval of the Central Government** and be subject to the provisions of sub-sections (3) of section 8”.*

Hence, second renewal would have been granted only with the approval of the Central Government.

Deemed extension not applicable

Further, Rule 24A(6) during this period was as under:--

*“If an application for renewal of a mining lease made within the time referred to in sub-rule (1) is not disposed of by the State Government before the date of expiry of the lease, the period of that lease shall be deemed to have been extended by a **further period of one year** or end with the date of receipt of the orders of the State Government thereon, whichever is shorter”.*

- (iv) For the aforesaid four Leases, lease period expired on **21.06.1993**. As the renewal application was not decided, the lease period stood extended for a period of one year i.e. upto **21.06.1994**. Thereafter, lessee has no right to continue in possession of the mines or to continue extraction of minerals beyond 21.06.1994.
- (v) However, Ld. Counsel produced on record a letter No.106F8/SM dated 16.08.1994 (the date of the letter is subject to verification from the original records) stating that the State Government allowed working of mine for three months' period in all those leases (04 leases).

Assuming that the letter is genuine, then also, it is without authority and jurisdiction

because the State Government has no such jurisdiction, as the Central Government's approval was necessary and it would amount to undue favour to lessee by the concerned officers and others.

- (vi) Hence, actions should be taken against officers who are responsible for grant of such working permission. The lessee should have obtained approval of the Central Government under the then sub-rule (7) of Rule 24A of MCR, 1960.
- (vii) Since the lease period expired for these four leases on 21.06.1993, and also deemed extension period of one year expired on 21.06.1994 all the four leases ceased to exist from 22.06.1994 onwards in letter, spirit and strict compliance of the then Rule 24A of MCR, 1960. It is apparent that from 21.06.1994, lessee was not entitled to continue in possession and operate the mines **because the provisions for deemed extension came into force only from 27.09.1994.**

Hence, the leases have been operated without lawful authority and therefore all the production resulted from this date (22.06.1994) onwards is unlawful.

10. Forest Clearance:--

- (i) It is also stated here that the approval under FC Act, 1980 for 6.008 ha. of forest land on April 29, 2005 is for non-existing lease, if seen in strict compliance of law (the then Rule 24A). Hence, this approval under FCA is also erroneous and non-est under the law.
- (ii) Anyway, condition (2) of the MoEF letter dated 29.04.2005 will have no impact on the then prevailing facts and circumstances because lease was neither granted nor renewed at the relevant time. Condition No.2 reads as under:-

“The period of permission granted under the Forest (Conservation) Act, 1980 shall be co-terminus with the period of current mining lease granted under MMRD Act.”
- (iii) Moreover, the said approval under FC Act has been claimed by lessee to be applicable for two different mines i.e. **54.754 ha. of manganese ore and 12.691 ha. of iron ore, which is found non tenable, unfounded and incorrect.**

11. Lease-wise brief note:--

I. Jurudi Manganese Ore Mines (54.754 ha.):--

- (i)** The 1st RML was granted and executed w.e.f. 22.06.1973 to 21.06.1993 in respect of the area over 54.754 ha. for manganese ore out of the parent lease area of 225.005 ha. This 54.754 ha. overlaps with the first renewed ML area of 12.69 ha. for Iron ore. This implies that during the 1st renewal period, the lease of 12.69 ha. was for both Iron ore and Manganese ore.
- (ii)** The area of the lease consists of:--
 - (a)** 6.313 ha. of Revenue Forest;
 - (b)** 45.17 ha. of DLC;
 - (c)** 0.947 ha. non-forest land; and
 - (d)** 2.327 ha. of non-forest tenant land.
- (iii)** The 2nd renewal application is reportedly filed on 20.06.1992; but not yet disposed off by the State Govt. As per the then provisions of Rule 24A of the MCR, 1960, the lease ceased to exist from 22.06.1994 and all subsequent working and extraction of ore from the lease is without lawful authority and illegal. It attracts Section 21(5) of MM(DR) Act, 1957. The lessee,

however, has since then been carrying out mining operations in the leasehold area.

Additionally, iron ore was/is also being recovered by the lessee from this leasehold area (other than 12.69 ha.) as submitted by the Joint Committee although the lease is for manganese ore only and iron ore has not been included in the lease deed so far. The mine is in operation, which is evident from the production data as submitted by the lessee.

- (iv) Further, during the course of investigation, it was ascertained that an area of 8.69 ha. in Mouza : Jalahuri, Khata No.35, Plot No.2/P was deemed forest area which was not detected earlier. Thus, the deemed forest area will be 45.167 ha. instead of 36.477 ha.

Out of 8.69 ha. of area which became deemed forest in August 1998, mining has been carried out over 4.894 ha. which is a violation under the Forest (Conservation) Act, 1980.

- (v) Further, the safety zone has been disturbed for the purpose of over burden dump and fines between the pillar No.E to E5 over a length of 440 meters and width of 7.5 meters, and from

the pillar No.I to H2 over a length of 14 mtrs. with width of 4 mtrs. In between the pillar No.H2 to H1, the safety zone has been broken in two places:--

- (a)** over the length of 80 meters and with width of 4 meters; and
- (b)** over the length of 50 meters and with width of 7.5 meters.

Another patch of 10 meters with width of 7.5 meters in between the pillar No.F7 to G has been broken. Total area damaged is 3751 Sq. meters.

- (vi)** The lease period including one year deemed extension expired on 21.06.1994. The lease is ceased to exist in the strict compliance of the then Rule 24A of the MCR, 1960.

In any case, presuming that the lessee was entitled to continue yet for 6.313 ha. which is revenue forest, lessee was required to obtain FC approval from 21.06.1993 and for the DLC area admeasuring 45.17 ha., lessee was required to obtain from August, 1998.

No such approval is obtained. Therefore, all the production in this period is without any

authority and illegal. **Hence, it attracts the provisions of Section 21(5) of MM(DR) Act for necessary action accordingly.**

(vii) On perusal of the approval granted under F.C. Act, 1980 vide letter dated 29.04.2005 of MoEF for iron and manganese ores mine is factually incorrect, since the leases of manganese for 54.754 ha. and 12.691 ha. iron ore have not been amalgamated as per the copy of letter submitted by the lessee vide No. 60-V-86/05/16544/Mines dated 22.10.2005 (from Deputy Director (Mines) to the Collector, Keonjhar). Both the leases have not been amalgamated till date. Hence, approval under FCA as well as under EIA Notification for iron ore and manganese ore mines together for the said area is factually and legally incorrect. Not only this, those approvals are given for non-existing leases since 02.06.1994 under the Rule 24A of MCR, 1960.

(viii) It is further noted that the illegal working in DLC forest without FC approval towards the south-east part of this lease is noticed and found extended encroachment by the adjoining lease. Hence, there is violation of FCA, 1980 and also the State Forest/Revenue Acts.

The damages including extraction of mineral in this area may be calculated by an independent agency and the loss be recovered from the lessee with applicable penalty together.

Further, action can be taken for prosecution under Sections 3A & 3B of FCA, 1980.

- (ix) Further, the joint committee of officials has submitted that about 13.052 ha. leased land has been broken-up for various mining activities in violation of FCA, 1980 **after August 1998**. The iron ore has been extracted from this leased area though the ore is not included in this lease.
- (x) Permission for iron ore is not included in this lease, yet. The mining plan / mining scheme has been approved by the IBM of this leased area for both iron ore and manganese. Hence, it is an erroneous approval under the law.

Action should be taken accordingly against those officers who are responsible for their omissions and commissions.

(xi) Observation of Joint Committee:--

- (a)** Iron ore pits of different sizes is observed opened up and worked up in this lease. Production of Iron ore from the lease hold area of 54.574 ha. (outside 12.69 ha. lease area) was observed. Since the lease is executed for Manganese ore, such production is totally illegal.
- (b)** Working in Joy-pit (within 54.574 ha.) has taken place disturbing the safety zone area over a length of about 100 mtrs.
- (c)** Some exploitation of iron ore was observed in the area of 12.69 ha. Field inspection revealed that such a large quantity might not have been recovered entirely from this area and a part of the reported production is quite likely to have been removed from the area over 54.574 ha. or from some other mine of lessee. **It should be noticed as a proxy production.**

Table: 1

**Production of iron and manganese ore
(54.754 ha.) (in tonne)**

Year	As per approved MP/MS						Actual as per annual returns submitted to IBM			
	Proposals		Actual reported in review of MP/MS				Manganese	Iron		Total
	Manganese	Iron	Manganese	Iron		Total		Mine	Dump	
				Mine	Dump					
1989-90			12							
1990-91			10							
1991-92			32							
1992-93			22							
1993-94			24							
1994-95	417		12.25							
1995-96	918		Nil							
1996-97	1587		24							
1997-98	1949		27							
1998-99	2075		75							
1999-2000	Nil		60							
2000-01	Nil		50							
2001-02	757						215			
2002-03	1207						611			
2003-04	987						Nil			
2004-05	12750	125748	Nil	Nil			Nil	Nil	-	
2005-06	13125	128584	35	50227	163473	213700	45	50227	163472	213699
2006-07	13312	131320	20	78400	300100	378500	20			
2007-08	13500	132272	Nil	28000	256200	284200	Nil			
2008-09	13687	135128	Nil	64460	20316	84776	Nil			
2009-10	Nil		Nil					0		0
2010-11	34688	509250					Nil	1186		1186
2011-12	54375	509250					Nil	10513		10513

II. Jurudi Iron Ore Mines (12.691 ha.):--

- (i) As stated above, the 54.754 ha. lease also overlaps with the leasehold area of 12.69 ha. ML for Iron ore. The lessee has submitted statutory returns to IBM for the 12.69 ha. lease separately (Table: 2 submitted by IBM).
- (ii) The lessee submitted that the 12.691 ha. leased area consists of:--
 - (a) 2.800 ha. Revenue Forest;
 - (b) 9.887 ha. DLC Forest; and
 - (c) 0.004 ha. non-forest tenant land.

But the lessee has not submitted any supporting documents in this regard and not convincing on seeing the lease maps. Hence, it is taken as DLC Forest for entire lease.

Table: 2

Production of iron ore (12.69 ha.) in tonne

Year	Actual production as per returns submitted to IBM
1992-93	0
1993-94	0
1994-95	0
1995-96	0
1996-97	0
1997-98	0

Year	Actual production as per returns submitted to IBM
1998-99	0
1999-00	0
2000-01	0
2001-02	0
2002-03	0
2003-04	0
2004-05	0
2005-06	213700
2006-07	378500
2007-08	284200
2008-09	84775.9
2009-10	0
2010-11	0
2011-12	0
Total:--	961176

(iii) As stated earlier, lease period expired on 21.06.1993 and as the renewal application was not decided, extended lease period expired on 21.06.1993. Therefore, the production from a non-existed lease from this date onwards is without any authority and considered as illegal.

Hence, the value equivalent to market rate should be recovered from the lessee along with other penal provisions irrespective of any approval obtained in any other Acts and Rules if any.

- (iv) Further, there was no approval under the EIA Notification 1994 till 10.12.2008 and also under FC Act, 1980 for DLC Forest since August 1998. Therefore, also, the production is illegal.
- (v) The leases which are running under deemed extension provisions of Rule 24A should be considered as illegal mining if they do not have EC and FC approvals.

This aspect is clarified by the Ministry of Mines, Government of India, New Delhi, in its letter No.16/12/2009-M.VI (part XV) (vol. VI), dated 18.05.2011. **Para: 7** of the said letter contains “Definition of illegal mining and responsibility assigned under Act”. One of the definitions of “**illegal mining**” mentioned in **Para: 7(m)** reads as under:--

*“Mining operations taken under a mining lease which validly is deemed to be extended under provisions of Rule 24A of Mineral Concession Rules, 1960, due to delay of State Government to take a decision on renewal of the mining lease in the stipulated time even after the renewal application has been filed timely, **but without the necessary fresh environmental and forest clearances (on account of specific provisions of Forest (Conservation) Act, Environmental Impact Assessment***

Notification etc., whose provisions do not explicitly recognize deemed extension of mining lease and where separate specific approvals may be necessary).”

Hence, the production of 9,61,176 MT is illegal and, therefore, action should be taken under Section 21(5) of MM(DR) Act, 1957 and also against the officials for their commissions and omissions. The matter of proxy production, as discussed in the lease of 54.754 ha., should be further investigated by an independent agency as early as possible.

(vi) There is no forest diversion (DLC) proposal for 12.69 ha. Hence, raising of 9,61,175.9 tonne iron ore from the years 2005–06 to 2008–09 from the forest area (12.687 ha.) is in violation of F.C. Act. Though the lessee claims that the part of forest land which is diverted on 29.04.2005 by MoEF falls in this leased area, no record is submitted by the lessee. Hence, the letter dated 29.04.2005 for forest diversion can't be taken into consideration.

(vii) Further, Regional Controller of Mines, vide his letter No.H / 11021 / 2 / 2010 – BBS, dated 01.09.2010, has ordered for suspension of mining lease for want of non-compliance of

Rule 13(1) of MCDR, 1988 on the basis of inspection of a team of task force because the lessee was operating the mining lease without having valid excavation proposal and a mining scheme for yearly production. The Regional Controller of Mines, Bhubaneswar has requested the Commissioner-cum-Secretary of Department of Steel and Mines for termination of the lease under Rule 27(1)(u) of MCR, 1960 for non-compliance of a rule which is a serious violation, as pointed out by the task force team inspection on 13.08.2010.

The termination of the lease has not been done even after lapse of two years. Hence, action should be taken, as requested by Regional Controller of Mines, without further loss of time.

III. Jurudi Iron Ore Mines (73.228 ha.):--

- (i)** This area is part of 135.569 ha. lease for iron ore and was forming part of the parent ML of 225.005 ha. for manganese. The deeds for these two leases were executed on the same date i.e. 14.10.1958; but the effective dates for lease period were made different for both the leases, as explained in this chapter earlier. For 225.005 ha. lease, the lease period was from 22.06.1953 to 21.06.1973 but for 135.569 ha. lease, it was effected from 01.04.1957 to 31.03.1977.

1st renewal application has been granted over the same area of 135.569 ha. and the deed was executed w.e.f. 01.04.1977 to 31.03.1997. Hence, it is undue favour extended to the lessee, as explained earlier. The lease is running under deemed extension under Rule 24A(6) of MCR, 1960.

- (ii)** During 2nd renewal, the lessee has applied for renewal for 73.228 ha. of land. This renewal of 73.228 ha. is made, as stated below:--

- (a)** Out of 135.569 ha., 42.064 ha. was already carved out and added to the

12.69 ha. (reduced from 13.152 ha.) to make it 54.754 ha.

- (b)** Out of 135.569 ha., further area of 20.277 ha. land is utilized by the Railways. **Hence, the remaining area is 73.228 ha.**

- (iii)** The area wise details of the lease are as follows:--

(a)	Revenue Forest	:	30.380 ha.
(b)	Deemed Forest	:	26.798 ha.
(c)	Non-Forest (Govt.)	:	4.156 ha.
(d)	Non-forest (Tenant)	:	11.894 ha.

- (iv)** Application for 2nd renewal has been reportedly filed on 30.03.1996 over 73.228 ha. for iron ore for 20 years w.e.f. 01.04.1997. The State Government has not yet, after a lapse of 16 years, disposed of the said renewal application and the lease is working under deemed extension under Rule 24A(6) of MCR, 1960.
- (v)** EC was granted on 21.08.2007 for 73.228 ha. for enhancement of production from 84000 MT to 0.57 million tones per annum. Again, second EC was granted on 01.06.2012 for

further enhanced production from 0.57 million tonnes per annum to 2.1 million tonnes per annum. The lease was under operation without having valid EC from the year 1994 to 21.08.2007. Thus, the operations and production were in violation of Environment (Protection) Act and EIA Notification, 1994. Therefore, the value equivalent to market rate should be recovered under Section 21(5) of MM(DR) Act, 1957.

- (vi) Following information on production from the mine, as submitted by the lessee, establishes the above facts.

Table: 3

Production of iron ore (73.228 ha.) in tonne

Year	As per annual returns submitted to IBM
1995-96	52701
1996	44194
1997	79531
1997-98	56313
1998-99	-
1999-2000	-
2000-01	22290
2001-02	56080
2002-03	89300
2003-04	194650
2004-05	373150
2005-06	366751
2006-07	501872
2007-08	346100
2008-09	1387200
2009-10	793690
2010-11	542165
2011-12	176431

(vii) The forest diversion proposal was submitted during the year 1996. Temporary Working Permission over broken up area over 28.177 ha. was granted on 13.01.2005 for 6 months and, thereafter, on 01.08.2005 for another 6 months. Stage-II clearance (47.214 ha. out of 57.178 ha. applied area) was received on 19.03.2008 with validity up to 31.03.2017 i.e. end of lease period. **The period from 01.04.1997 to 12.01.2005 and from 28.02.2006 to 18.03.2008 was without Forest Clearance under FCA.** The lessee has worked without authority. Hence, action should be taken under Section 21(5) of MM(DR) Act, 1957.

Thus, the production between 01.04.1997 and 12.01.2005 was **7,91,783 MT**. This was without FC. Thereafter, between year 2006-07 and 2007-08, total production was **8,47,972 MT** (i.e. 5,01,872 + 3,46,100 MT) which was also without FC and, therefore, unlawful.

Not only this, there is large irregular dumping done in the virgin forest area in violation of FCA.

(viii) Violation reported by Joint Committee:--

- (a)** Working on the common boundary for Iron ore between ML area over 73.228 ha. and 54.574 ha. was observed. Similar workings are also observed on the common boundary between the ML area over 73.228 ha. & 27.1705 ha.
- (b)** Working of Mine across the common boundary between M.L. area of 73.228 ha. lease and M.L. area of O.M.C. Ltd. on its south was noticed. The lessee has obtained permission from DGMS for such working. The lessee, however, has constructed common boundary wall on the common boundary line by utilizing waste material and undertaken plantation there upon is not a part of permission.
- (c)** As regards working adjacent to the railway track passing on the eastern side of the ML area over 73.228 ha., it was observed that the lessee has utilized an area of about 0.7 ha. on south eastern corner of the lease area near ML pillar Nos. E2 and E3 as stock yard of finished

ore. This area comes within the DLC area of the lease in respect of which no diversion of forest-land was availed by the lessee. Plantation over the said area has been undertaken by the lessee. Some workings were also observed in the area of Jaruri Manganese Mines, M/s. Tata steel which is adjacent to the boundary line near ML pillar No.E2.

- (d)** A formation of mineral stock yard inside the virgin village forest over an area – 0.314 ha.
- (e)** Construction of road inside virgin village forest area over 245 mtrs. X 4 mtrs.
- (f)** Safety zone broken in between pillar No.E2 and E3 at a distance of 31 mtrs.
- (g)** Safety zone broken in between pillar No. E3 and G over 110 Mtr length.
- (h)** O.B. dump situated over the safety zone in between ML pillar E2 and E1 over 600 Mtr. length.
- (i)** Constructed one road over the safety zone in between L1 & L2 over 156 Mtr. length.

- (j)** O.B. dump situated over the safety zone in between ML pillar A1 and A2 over 30 Mtr. length.
- (ix)** Action should be taken under Section 21(5) of MM(DR) Act, 1957 and also against the officials, as suggested in this chapter.
- (x)** The entire forest area of 57.178 ha. is Revenue and Deemed Forest area and under the administrative control of the Revenue Department.

IV. Jurudi Iron Ore Mines (27.17 ha.):--

- (i) This area was one of the two non-contiguous blocks of a mining lease for 40.468 ha. The deed was executed on 24.08.1964 for iron ore w.e.f. 22.06.1953 to 21.06.1973. Thereafter, 1st renewal application was granted over the same area as a separate M.L. of 27.1705 ha. (reduced area of 27.316 ha.) for iron and deed was executed on 15.06.1977 w.e.f. 22.06.1973 to 21.06.1993.
- (ii) Category wise area in the lease is as follows:--
 - (a) Deemed Forest : 16.67 ha.;
 - (b) Sabik Kissam Jungle
(Revenue Forest) : 1.11 ha.; and
 - (c) Non-forest : 9.39 ha.
- (iii) The lease ceased to exist since 22.06.1994, as explained elsewhere in this chapter.
- (iv) Application for 2nd renewal was reportedly filed on 20.06.1992 for iron ore. The application is not disposed of so far and in light of existing Rule 24A, it is amounted to deemed rejection renewal of lease. Production data, as submitted by the lessee is given in **Table: 4**.

Non-disposal of the 2nd renewal application of the lease attracted the provisions of the then Rule 24A(6) & (7), as was applicable at the time of expiry of the 1st renewal period and the mining stopped and land surrendered by lessee, but the lease is continued to operate after expiry of the lease period as is evident from the following reported production.

Table: 4

Production of iron ore (27.1705 ha.) in tonne

Year	As per annual returns submitted to IBM
1994	-
1995	2859
1996	1202
1997	2943
1997-98	3801
1998-99	2570
1999-2000	500
2000-01	600
2001-02	600
2002-03	500
2003-04	1525
2004-05	9539
2005-06	50533
2006-07	16200
2007-08	0

- (v) Though the lease ceased to exist under the then Rule 24A of MCR, 1960, it has been illegally allowed to operate. All the production i.e. 93,374 MT, after 22.06.1994, is illegal and

without authority, since there is no subsisting lease. Hence, action should be taken under Section 21(5) of MMDR Act, 1957 along with other action as suggested in this chapter.

(vi) Apart from what is stated above, the lessee was supposed to take approval under FCA, 1980 after August, 1998. Mining operation and ore production after August, 1998 was in violation of FCA, 1980 and order dated 12.12.1996 of Hon'ble Supreme Court. It is further stated that the Environmental Clearance (EC) has not been obtained, though it is applicable since the year 1996. Hence, the production is in violation of EIA Notification, 1994 under EPA, 1986.

(vii) After August, 1998, the DFO, Keonjhar Division, in his Memo No.9337, dated 01.09.1998, restricted the user agency to carry out the mining operation within the broken up area i.e. 11.881 ha. This order of DFO is without an authority and the same is erroneous. Hence, action should be taken against him as per the Rules.

V. Jurudi Manganese Ore Mines (39.173 ha.):--

First renewal deed for 39.456 ha. of land was executed on 15.06.1977 with retrospective effect from 22.06.1973 to 21.06.1993 for manganese ore out of the original lease area of 225.005 ha. As per the then provisions of Rule 24A of MCR, 1960, the lease ceased to exist, since 22.06.1994, as explained for other leases of the lessee. Mining operations, in this lease, has been discontinued since long, as informed by the lessee. Verification of records, for the period from the year 2000 onwards also, reveals that the lessee has been filing 'NIL' returns in respect of this lease till date. Hence, Rule 28 of MCR, 1960 is violated in this lease (closing of mining more than two years). Therefore, action should be taken accordingly.

12. Forest Issues:--

No diversion proposal for diversion of forest area has been submitted. As per the version of the user agency, about 12 ha. area is available with the user agency which is proposed to use for office and administrative units. Rest of the area of 27.456. ha. has been encroached by the villagers and Railway Department. The involvement of forest land needs to be verified with the revenue records.

13. Relinquished area of 10.118 ha.:--

- (i)** This part of land is a valley and more or less flat on the upper (North) half. But, Forest growth is observed in the Lower (South) half. The upper half is plain land and appears to be non-mineralised.
- (ii)** Habitation/Houses has been observed in the relinquished area and it was reported that they do not belong to the lessee.
- (iii)** One non-working crusher has been observed on northern part of the lease area over 73.228 ha. between ML pillar Nos.K & K1. The location covers tenanted plain land and the ownership, as reported, does not belong to the lessee, unless proved otherwise.
- (iv)** The relinquished area on the north side of the ML area of 73.228 ha. was observed to be full of vegetation and a haulage road of about 10 meters width passes through this area on its southern part, as shown in the satellite image. Main approach road to the mine is passing through central part of this relinquished area. Some quantity of iron ore, mostly sub-grade ore, was observed as washed out material down the hill slope of relinquished area.

14. Other Observations of Joint Committee:--

- (i) All the leases 54.754 ha., 27.1705 ha., 12.69 ha. and 39.456 ha. got expired on 21.06.1993 after the 1st renewal. Subsequent renewal applications are reportedly filed by the lessee. But the State Government has not yet passed order for renewal of these leases for about 20 years.

The then applicable rule about grant of renewal is covered in 24A(6) of the MCR, 1960 which states,

“If an application for the renewal of a mining lease made within the time referred to in sub-rule (1) is not disposed of by the State Government before the date of expiry of the lease, the period of the lease shall be deemed to have been extended by a further period of one year or end with the date of receipt of the orders of the State Government thereon, whichever is shorter”.

As the State Government had not passed order before expiry of these leases, as per the above rule position, these leases expired on 21.06.1994.

- (ii)** In the 1st renewal of ML for 54.75 ha., lease deed was executed on 11.06.1977 only for the mineral – manganese and w.e.f. 22.06.1773 to 21.06.1993. 2nd renewal application is reportedly filed on 20.06.1992; but not yet disposed off by State Government. The records, available with IBM as well as with the State Government for the mine of 54.75 ha., show production and dispatch of iron ore from this lease during last few years which attract the provision of Rule 27(1)(b) of the MCR, 1960. Hence, action should be taken accordingly.
- (iii)** Production of iron ore, as reported in the annual returns of 54.754 ha. lease and as observed during field inspection by the joint committee, is illegal.
- (iv)** Production figures are furnished in the annual returns submitted to IBM. The same also furnished in the mining scheme/mining plan, as review of production during earlier periods. There is discrepancy in the production figures submitted in different places. Even the production data, as submitted to the State Government, is found different than that is submitted with IBM.

15. Recommendation:--

In this view of the matter, it is stated that various violations have been committed in respect of the aforesaid five leases.

It is recommended that action should be taken against all concerned as discussed in detail hereinabove.

It is further recommended to hand over all the aforesaid five cases/leases of the lessee to Central Bureau of Investigation, as per law for further investigation.

* * *

Sri Basanta Kumar Das
Kasiabeda Iron Ore Mines
(51.72 ha.)

At the outset, it is stated that the findings recorded in this Chapter are based upon the information supplied by the various Departments of the State and Central Governments, lessee, MoEF, IBM, etc. It is for the competent authority to issue appropriate notices to the concerned party/lessee for taking action in accordance with law.

Further, the reply filed by the lessee to the notices dated **25.08.2011** and **14.02.2013** and reply to the other correspondences have been taken into consideration.

It is stated here that in the present lease summary, the abstract has also been taken from the investigation carried out by the Vigilance Wing in P.S. Case No.43 dated 22.09.2009.

I. Brief facts of the present lease:--

An area of 51.72 ha. at Kasiabeda under Bamanghati Sub Division, Mayurbhanj District was under lease in the name of Shri G. N. Padia since 07.07.1964 for a period of 30 years. Shri Padia was unable to effect any mining operation and as a result, the Government in its proceeding No.III(C) MG-78/73-1185-MG dated 01.07.1973, declared the area free for re-grant of mining lease vide Notification No.III(C) MG 15/75-835 MG dated 19.01.1976. Following the Notification, M/s. R. C. Das & Sons had filed an application on 01.08.1977 for grant of mining lease for the said area. The Mining & Geology Department, State Government, vide Proceedings No.4056-MG dated 30.03.1984 had granted the mining lease for an area of 51.72 ha. in favour of M/s. R. C. Das & Sons for a period of 30 years. However, subsequently, on 25.09.1989, the partner of the said firm, Shri Ramchandra Das submitted an application for revision of the area from 51.72 ha. to 9.874 ha. by excluding forest land. The Steel & Mines Department, Government of Orissa, vide Proceeding No.III(C) SM-35/90-14295/SM/BBSR dated 21.12.1990, revised the area of 9.874 ha. and thereby reduced the lease period from 30 years to 20 years. Accordingly, the lease deed was executed on 15.04.1991 between the

Collector, Mayurbhanj District and Sri Satya Ranjan Das, Managing Partner of M/s. R. C. Das & Sons. The said lease deed was registered on 28.05.1991.

Sri Satya Ranjan Das applied for grant of surface right permission over an area of 1.62 Acres in Plot No.354 (588-New), 357 (589-New) and Plot No.355 (569-New) on 04.03.1992. The Collector, Mayurbhanj declined the surface right permission for mining operation as per the provisions of Regulation 2/56 (Scheduled Areas Transfer of Immovable Property Regulation, 1956). Sri Satya Ranjan Das again filed an application on 03.01.1997 for the grant of surface right permission in Plot No.333 (545-New) for an area of 1.69 Acres along with the consent of the land owners. The Collector, Mayurbhanj, vide his letter dated 20.03.1997, granted surface right permission for the area of 1.23 Acres (0.498 ha.) in favour of M/s. R. C. Das & Sons for mining operation.

It is to state here that as per the records, there is no surface right for the remaining areas as on date. The records for extraction and despatch from the said mining lease are not available for the period.

II. Transfer of lease in favour of Sri Basanta Kumar Das:--

Sri Satya Ranjan Das, Managing Partner of M/s. R.C. Das & Sons submitted an application on 11.02.2002 to the Secretary, Government of Orissa, Department of Steel & Mines, Bhubaneswar, requesting to transfer the mining lease in favour of **Sri Basanta Kumar Das.**

The State Government allowed the transfer of lease in favour of Shri Basant Kumar Das for iron ore over an area of 9.87 ha. in village Kasiabeda under Rule 37 of MCR, 1960 for the remaining period with certain conditions. Sri Satya Ranjan Das, Sri Basant Kumar Das and the Collector, Mayurbhanj had executed a transfer of mining lease deed on 18.03.2005 which was registered on 23.03.2005.

After transfer, Sri Basant Kumar Das applied to the Collector, Mayurbhanj on 11.10.2006 for grant of surface right permission over an area of 1.452 ha. so also for lease for an area admeasuring 9.874 ha. for mining purpose of iron ore. **Whether the surface right for this tenant land was accorded or otherwise, is not known.**

III. General Power of Attorney executed on 26.03.2007 in violation of Rule 37 of the MCR, 1960 as well as Para: 17 of Part VII of the Lease Deed Agreement:--

On 26.03.2007, Sri Basant Kumar Das has made a Power of Attorney and entered into agreements with **M/s. Sidharth Sponge and Power Pvt. Ltd.**, Kolkata represented by its Director, Sri Anand Kumar Agrawal for **raising of iron ore from the lease** and with **M/s. Jay Jagannath Movers Pvt. Ltd.**, Kolkata represented by its Director, Sri Pratap Kumar Das for **selling iron ore. It is to state here that this is a clear violation of Para: 17 of Part: VII of the Lease Deed Agreement entered into by the lessee and the State Government.**

The said power of attorney with various terms and conditions for raising and selling of iron ore has been submitted to the Mining Officer, Bhariapada, Mayurbhanj on 13.04.2007. Sri Bijay Kumar Sahu, the then Mining Officer Bariapada allowed the Power of Attorney Holder, **Sri Pratap Kumar Das and Sri Anand Kumar Agrawal to extract and transport of the iron ore in blatant violation of Rule 37 of MCR, 1960 and also Para 17 of Part VII of the lease deed Agreement.**

It is to state that Shri Pratap Kumar Das, Power of Attorney Holder has made an agreement with the tenants for the lease hold areas for mining operation and applied for grant of surface right permission over 1.33 ha. and 1.740 ha. and the same was granted by Collector, Keonjhar, on 14.09.2007. Shri Bijay Kumar Sahu had illegally handed over the land to Sri Pratap Kumar Das.

The lessee had delegated the following powers to the raising contractor, M/s. Sidharth Sponge & Power Pvt. Ltd.:--

- “1. To develop and operate the scheduled property for raising of Iron Ore on my behalf observing all statutory conditions.*
- 2. To install equipment, tools, plant and machinery & vehicles etc. required for mining operation and other incidental and ancillary activities to run and maintain the mines effectively.*
- 3. To represent sign and receive all the papers documents relating to the scheduled property before the Central Govt./State Govt./Local Authority/Private Bodies, Geological Survey of India, Indian Bureau of Mines including Sales Tax, Central Sales Tax, Professional and others Tax Authorities, NESCO, Department of Steel and Mines, State Labour Commissioner and Central/State Appellate body and also municipal, Local Consumer Forum for council,*

established by the State & Central Government under statute or any other authority, officer or officers before all courts of Law whether civil or criminal or revenue for any purpose connected with managing the affairs of the scheduled property as may be necessary or expedient and to make all returns, applications and other representation on behalf of me to the Govt. or all the aforesaid authorities or any of them to carry out the day to day affairs of my business in respect of the scheduled property.

4. *To arrange sub-contractor, vehicles and/or agencies to effectively carry out the Mining operation, shifting of minerals to the stockyard, construction, repairs of roads and allied activities in my name and on my behalf.*
5. *To make payments on my behalf towards Royalty, Deed rent, Surface rent, Sales Tax, Provident Fund, Earnest Money Deposit, Security deposit wherever necessary including all statutory duties and levies payable in respect of the lease of the scheduled property.*
6. *To open any account(s) in one or more scheduled bank(s) in any named and on my behalf of the operation of the scheduled property only and the account will be operated by the attorney holder through their Director / Director as may be decided by them from time to time. The power of attorney holder will be responsible if any liabilities and litigation(s)*

arise in future from the date of opening of the Bank Account(s).

7. *To contact on my behalf in respect of the scheduled property under the provision of the Mines and Minerals (Regulation and Development) Act, 1957, the Minerals Concession Rules, 1960 as amended from time to time and to maintain accounts, registers, file returns, statement under the respective acts in effecting the operation of the scheduled property.*
8. *To undertake necessary arrangement for mobilizing equipments at the site for operation of the scheduled property (mines).*
9. *To evict the trespassers, if necessary.*
10. *To appear on my behalf before any / all officers concerned in respect of any or all proceedings under the respective Acts and to make submission required and to produce accounts documents and other evidences etc. as the nature of the case may require.*
11. *To engage any person/persons, as per statutory provision for such purposes that may be necessary for smooth and effective operation of the mines.*
12. *The attorney holder shall be liable for all the liabilities, litigation, profit and losses relating to the scheduled property for the date of execution of this deed of General Power of Attorney.”*

Sri Basanta Kumar Das, the lessee then executed General Power of Attorney (GPA) on 26.03.2007, engaging Sri Pratap Kumar Das as sole selling agent which is as under:-

“Whereas the principal (Sri Basanta Kumar Das) has to remain busy for the management and direction of several business and other activities and therefore was not in a position to devote enough time for the marketing of the iron ore raised/to be raised in the Scheduled property, he was looking forwarded to appoint some suitable Agent having experience in marketing of ferrous minerals, for marketing the Ores raised from the scheduled mine and whereas M/s. Jai Jagannath Mover Pvt. Ltd. represented through their representative approached to appoint them as the Sole Selling / Marketing Agent of the minerals raised from the scheduled property in consideration of their long experience in that line and whereas the Principal accepted their offer and decided to appoint them as Marketing Agent under the terms and conditions to be included in the Agreement for the same. The principal agreed to delegate the following powers as his Attorney holder.

- 1. To contact different iron ore purchasers and negotiate with them to place purchase orders on the scheduled mine on his behalf.*
- 2. To contact the concerned Deputy Directors of Mines / Mining Officers, for securing permit for movement of ore from the lease area of the scheduled property by road / rail to the destination of purchasers.*

3. *To open and operate current account(s) in any scheduled bank in the name of the Principal for transactions necessary for the marketing operation.*
4. *To approach commercial tax department for registration as dealer and pay sales tax and deposit return in time on behalf of the principal.*
5. *To prepare and maintain Accounts register in respect of materials received sold date wise opening and closing balance of ores at dispatch point.*
6. *To disburse sale proceeds as per conditions in the agreement.*
7. *To appoint staff and sub-agent as may be required for effective operation of the job on behalf of the principal.*
8. *The attorney holder shall be liable for all the liabilities, litigations, profit & losses relating to the schedule property from the date of execution of this Deed of General Power of Attorney.”*

Pursuant to the said GPA, Sri Basanta Kumar Das (lessee) executed an agreement with Sri Pratap Kumar Das of M/s. Jai Jaganath Movers Pvt. Ltd. which is reproduced as under:-

“This agreement for selling and marketing of Iron Ore which includes all concomitant operations related thereto is made at Baripada on the 26th day of March’ 2007.

Party of the 1st Part:

Shri Basanta Kumar Das, S/o. Sri Raj Kishore Das of Ward No.10, Lalbazar, Baripada, Dist. Mayurbhanj, Orissa (Mines Owner / Lessee).

Party of the 2nd Part:

M/s. Jai Jagannath Mover Pvt. Ltd., represented by its Director Sri Pratap Kumar Das, S/o. Late Narasingh Charan Das having its residence and the office at P-178, Kalindi Housing Estate, Kolkata, West Bengal (Sole Selling Agent).

This agreement for Selling and Marketing of Iron Ore between the Parties aforesaid witnesses as follows:-

- 1. This agreement for Selling and Marketing contract shall come into force from the date of signing this agreement of the scheduled mine and shall remain valid till expiry of the lease period i.e. 13th April, 2011.*
- 2. The party of the First Part hereby authorizes the Party of the 2nd Part (Sole Selling Agent) to transact, manage, carry on and do other things necessary for the Selling and marketing of iron ore raised at Kasiabeda, Badampahar Mine of the Party of the 1st Part.*
- 3. The Party of the first Part hereby authorizes the Party of the Second Part to contact offices of the State and Central Government and Officials of the Public / Private Corporation / Public*

Organization etc. for the purpose of Selling and Marketing of Iron Ore.

4. *The Party of the First Part hereby authorizes the Party of the Second Part to obtain purchase orders from different purchasers, entering into ore supply agreement with.*
5. *Purchasers and Signing the documents necessary for the same on behalf of the former (i.e. the party of the first part).*
6. *The Party of the 2nd part is also authorized by the party of the First Part to appoint Commission Agents and Selling Agents as may be required for the purpose of Selling / Marketing of Iron Ores.*
7. *It was agreed by the Party of the First Part that the Selling rate of the Iron Ores to the Party of the Second Part (Sole Selling Agent) will be fixed as follows:-*
 - (i) *Actual cost of production at the mine, plus*
 - (ii) *Actual Mining Royalty leviable on the same from time and time.*
 - (iii) *Owner's return on investment on the strength of ruling market rate.*
8. *The party of the Second part shall retain a commission @ 5.00% of the Sale proceeds and pay the balance 95% to the Party of the First Part. For the sake of convenience, the Party of the First Part also authorizes the Party of the*

Second Part to pay on his behalf to the One raising Contractor up to a maximum of 65% of Sale Proceeds and the balance 30% shall be shared by the Party of the First Part and the Party of the Second Part at 20% and 80% respectively, the share of profit of the first party shall be adjustable against the security deposit paid by the party of the second part till such time the amount of security deposit stands fully adjusted.

9. *The Party of the Second Part shall prepare all statutory returns monthly, quarterly, and annually as required to be submitted to the authorities of Commercial Taxes and other Statutory Authorities within the stipulated time and submit the same to the Party of the first Part for onward transmission of the same to those Authorities.*
10. *The Party of the first Part shall give Power of Attorney in the representative(s) of the party of the Second Part to open and operate Current A/c(s) individually with any bank in the name of the Party of the First Part.*
11. *The Party of the First Part shall not sell or enter into agreement for Selling Iron Ore from the said Mine to any other party without written consent from the Party of the Second Part, the Sole Selling Agent.*
12. *The Party of the Second part has deposited a Security Deposit of Rs.25 lacs (Rupees twenty five lacs only) with the Part of the First Part as a*

security Deposit, which shall be adjusted against the share of profit of the first party as stated under Para-7.

13. (i) *If any dispute arises, the same shall be referred to an arbitrator appointed on mutual consent. The Arbitrator will hold all powers under Arbitration Act and his decision shall be legally binding on both the parties.*
- (ii) *In case any dispute cannot be settled by Arbitrator, the same will be referred to the appropriate court of Law at Baripada, Mayurbhanj, Orissa. This agreement has been signed by Sri Basanta Kumar Das (1st Party) and Sri Pratap Kumar Das (2nd Party)."*

IV. Stacks Removal Permission:--

The year-wise permission issued by the Mining Officer, Baripada Circle, as per the Stacks Removal Permission, is as under:--

Sl. No.	Year	Qty. of ore passed in MT
01	2005-06	1,098.750
02	2006-07	6,740.233
03	2007-08	46,283.879
04	2008-09	1,33,441.914
05	2009-10 (up to July, 2009)	17,637.399
Total:--		2,05,202.175

From the above stack removal permission, it is evident that from **18.03.2005 till 30.03.2007**, Sri Basanta Ku Sahu, the then Mining Officer, Baripada has given stack removal permission for **7,838.983 MT** of iron ore to different destinations on the application of Sri Basanta Kumar Das.

Similarly, on the application of Sri Pratap Kumar Das, the Power of Attorney Holder of Sri B. K. Das (Lessee), the then mining officers, Baripada have issued permission from **29.12.2007 to 29.07.2009**, for **1,97,363.192 MT** of iron ore for removal from the mines to different destinations.

Thus, in total, a quantity of **2,05,202.175 MT** of iron ore have been passed for removal from the mines to different destinations since the execution of transfer lease deed till July, 2009.

V. Production and Despatch of iron ore:--

As per the monthly returns filed by Sri B. K. Das and Sri Pratap Kumar Das, Power of Attorney holder from 2005-06 to July, 2009, the year-wise break-up of production and despatch of iron ore in respect of the present lease is given as under:--

Year	Opening balance in MT	Production including fines in MT	Despatch in MT	Closing balance in MT
2005-06	707.050	4,492.000	1,185.010	4,014.040
2006-07	4,014.040	2,727.000	6,284.500	456.540
2007-08	456.540	1,26,806.490	45,358.110	22,841.640
2008-09	22,841.640	1,60,890.400	1,27,893.740	26,142.450
2009-10 (upto July, 2009)	26,142.450	1,495.000	17,010.100	10,419.150
Total		2,96,410.890	1,97,731.460	

From the above, it is clear that there was opening balance of iron ore (lumps) of **707.050 MT** and from the year 2005-06 to July, 2009, there was total production of iron ore to a quantity of **2,96,410.890 MT**, out of which **87,902.010 MT** fines and **2,08,508.880 MT** iron ore (lumps).

Similarly, from the year 2005-06 to July, 2009, there was no despatch of fines and there was total despatch of iron ore (lumps) of **1,97,731.460 MT** leaving balance of **8,177.765 MT** (7,470.715 MT + 707.050 MT) as per stack removal permission. But as per monthly returns filed, there is balance of **10,419.150 MT**.

Similarly, the year-wise despatch as per the Government weigh bridge located at Badampahad in Mayurbhanj District, in respect of Kaisabeda Iron Ore Mines, is as follows:-

Sl. No.	Year	Qty. dispatched in MT
01	2005-06	1,85.010
02	2006-07	6,62.630
03	2007-08	45,502.080
04	2008-09	1,27,893.740
05	2009-10 (up to July, 2009)	17,010.100
Total:--		1,97,753.560 MT

From the assessment and payments made by the lessee, it is found that since the date of execution of original lease deed till the end of 2005, no Royalty has been paid and only Dead rent has been paid. Thus, it is observed that actual production and dispatch of ore has been made after the lease was transferred in the name of Sir Basanta Kumar Das, since 2005.

The Sales Tax Returns filed by Sri Pratap Kumar Das, Director of M/s. Jay Jagannath Movers Pvt. Ltd., to ACCT, Mayurbhanj Circle, Baripada from the year 2007-08 to 2009-10, reveals that

there is discrepancies in quantity of ore to the tune of:-

- (i) **28,439.110 MT** during the year 2007-08;
- (ii) **11,472,831 MT** during the year 2008-09; and
- (iii) **8,990.100 MT** during the year 2009-10.

The loss due to the aforesaid quantity pertaining to discrepancy comes to **Rs.11,37,564/-** for the year 2007-08, **Rs.5,04,805/-** for the year 2008-09 and **Rs.3,95,564/-** for the year 2009-10. Thus, it is evident that Sri Pratap Kumar Das, power of attorney holder has shown less despatch of iron ore causing loss of **Rs.20,37,933/-** towards VAT/CST for selling iron ores from Kasiabeda Iron Ore Mines.

VI. Lease was running without obtaining EC and consent to operate granted on 28.05.2009:--

From the records of State Pollution Control Board, Bhubaneswar, it is found that the application dated 25.06.2007 under the signature of Sri Anand Kumar Agarwal, Power of Attorney holder, was submitted to the Member Secretary, State Pollution Control Board, Orissa, Bhubaneswar **for consent to operate 9.874 ha. iron ore mines** at Kaisabeda in Mayurbhanj District. Consent for mining operation was granted under Consent Order

No.2711 which was communicated to the applicant, Sri Anand Kumar Agarwal, constituted Power of Attorney holder, Kasiabeda Iron Ore Mines, Badampahar vide letter No.8293/IND-I-CON-5599 dated 28.05.2009. This Consent Order was valid till 31.03.2012 for the product of iron ore to a quantity of **5,000 MT per annum**. From this, it is evident that the mining operation in Kasiabeda Iron Ore Mines was done from 2005 to 2009 without consent order of State Pollution Control Board, Orissa, Bhubaneswar and also without Environmental Clearance under EIA Notification dated 27.01.1994.

Hence, the lessee has done production without lawful authority and, therefore, it attracts Section 21(5) of the MM(DR) Act, 1957. Thus, action should be taken to recover the cost of iron ore with applicable penalty and other penal actions.

VII. Enquiry conducted by a team of officers of Steel & Mines Department and Directorate of Mines from 10th to 12th February, 2009:--

As per the letter No.38 dated 06.01.2009 of the Steel & Mines Department, Government of Orissa, a team of officers led by Sri Harihar Sethi, F.A.-cum-Jt. Secretary, Steel & Mines Department and Dr. D.

K. Mishra, Joint Director, Mines, Directorate of Mines, visited the alleged area and conducted enquiry between 10th February, 2009 and 12th February, 2009 on the allegation of illegal mining.

During the above enquiry, they found that illegal raising of iron ore was carried out mostly outside the ML area and the ore so raised was transported to neighboring State, West Bengal and also to the nearby crusher units / depots installed close to the mines. There was illegal collection of iron ore from adjacent villages i.e. Suleipat, Badampahar, Barakunda, Uski, Jaidhanposhi etc.

From the records of the DDM, Bariapada, it was found that a total No. of 28 crushers and 13 iron ore storing depots had been granted by Sri Lalmohan Soren, DDM, Bariapada and Sri Bijay Kumar Sahu, Mining Officer, Bariapada, violating the provision of Rule 3 of Orissa Minerals (Prevention of theft, smuggling & illegal mining and Regulation of possession, storage, trading and transportation) Rules, 2007. As per the provision of the above Rule, no license for storage depot of mineral for trading shall be granted within a radius of 40 Kms., of the source of such mineral, but the team ascertained that all the iron ore depots were located within a radius of 40 Kms. of iron ore

leases/depots. Similarly, most of the crusher units had been installed close to iron ore mines.

The team also found that the permits, returns and reports were signed by Sri Pratap Kumar Das, the power of attorney holder of the lessee. From the measurements taken in the field, it was found that **iron ore was mined out over an estimated area of 0.267 ha. beyond the surface right area.** The iron ore deposit is a transported surface deposit consisting of mostly morrum/soil without any insitu iron ore body. The volume of excavation outside the surface right area calculated to be 20,000 cum approximately which might have given to a production of about 5,200 cum of iron ore (+10 mm.). The recovery of (+10 mm.) iron ore has been calculated to be about 26%. Converting to tones, it will be about **10,374 MT**. The grade of iron ore (+10 mm.) may be -65% Fe.

Similarly, 0.081 ha. and 0.014 ha. had been occupied for dumping and sorting respectively beyond the granted surface right area. The total surface right area so far granted was found to be 3.568 ha. Information regarding total production and dispatch of iron ore from April, 2007 to January, 2009 was collected from the office of the DDM, Baripada and it was seen that a total quantity

of **2,80,376.03 MT** of iron ore had been produced from which **1,65,024.49 MT** of iron ore from all sizes had been despatched from this lease during the period of engagement of the contractors.

Further, it was collected from the records that a total of **2,91,597.000 MT** of iron ore including fines had been produced and **1,72,262.210 MT** had been despatched since execution of original lease till 31.01.2009. From the volume of excavation as verified and the recovery of iron ore of different sizes as measures, it was observed that the production of iron ore declared by lessee was much higher than the quantity included.

Therefore, it was established that there was procurement of iron ore by encroaching on land outside the lease hold area and despatched in the account of this lease by Sri B. K. Das, the lessee. The total volume of excavation of this mine was calculated to **2,08,071.06 cum**. As the recovery of iron ore from such excavation had been established at 26% the quantity of iron ore (+10 mm) raised from this lease should have been **54,098.475 cum** which was **1,07,926.450 MT**. Thus, the lessee could have despatched a total quantity of **1,07,926.450 MT** (+10 mm) from this lease till 31.01.2009, whereas it was seen from the record

that the lessee had already despatched a total quantity of **1,72,262.210 MT** (+10 mm) till 31.01.2009. As a result, the lessee was found to have procured excess quantity of **64,335.760 MT** (+10 mm) (1,72,262.210 MT – 1,07,926.450 MT) of iron ore from outside of the lease hold area and dispatched the same in his account for which the lessee is liable to pay the cost of such quantity of iron ore procured illegally and dispatched.

When the physical stock of iron ore available was compared with the stock register, the following discrepancies were noticed (convention factor was determined to be 1.94 for 40–70 mm., 2.050 for 10–40 mm. and 1.88 for fines).

		Physical Stock (MT)	Stock Register (MT)	Remarks
1.	Lump	11,271.098	7,732.227	
a.	(40–70 mm & MR) (10–40 mm) size			
b.		15,777.298	18,493.723	
	Total	27,048.396	26,225.950	Excess of about 822.44 MT
2.	Fines (–10 mm)	66,701.460	87,526.360	Shortage of 20,824.900 MT

This stock register was not maintained properly and there were some over writings. The grade of iron ore fines has been wrongly recorded as -65% Fe instead of -60% Fe.

VIII. Transfer in violation of Rule 37 of MCR, 1960:--

On verification of documents produced, it was found that the lessee, Sri B. K. Das had made two agreements with one **M/s. Sidhartha Sponge and Power Pvt. Ltd.**, Kolkata represented by the Director, Sri Anand Kumar Agarwal of Kolkata **for raising of iron ore from the lease** and with another **M/s. Jay Jagannath Mover Pvt. Ltd.**, represented by their Director, Sri Pratap Kumar Das, Kolkata as **sole selling agent for the iron ore.**

At page 3 of the agreement with M/s. Jay Jagannath Mover Pvt. Ltd., the lessee has agreed to pay 5% of the sale proceeds as commission to M/s. Jay Jagannath Mover Pvt. Ltd., a maximum of 65% of sale proceeds to the ore raising contractor and the balance 30% shall be shared by the lessee and M/s. Jay Jagannath Mover Pvt. Ltd., at 20% and 80% respectively. It has also been agreed that the above 20% share of the lessee shall be adjusted against the security deposit of Rs.25.00 lakhs paid by M/s. Jay Jagannath Movers Pvt. Ltd. For the

agreements, the report of Vigilance Cell, Cuttack in the matter of P.C. Case No.43, dated 22.09.2009 may be seen.

From the above agreement, it is observed that the iron ore raising contractor takes 65% the selling agent taken 29% (5+24) and lessee gets a share of only 6% from the sale proceeds. From this, it is clearly established that the lessee has not invested any amount in working of the mine and sublet the mines to the contractors who have invested the total amount for raising and transporting the iron ore from the mining lease area and the lessee's mining operation has been substantially controlled by the raising / selling contractor. This violates the provision of Rule 37(1)(b) of MCR, 1960 as well as Para 17 of Part VII of the Mining Lease Deed and Transfer lease deed agreement.

The team members held Sri Lalmohan Soren, DDM and Sri Purna Chandra Sahu, Sr. Inspector of Mines, Badampahar liable for this illegal mining and suggested to take immediate action to realize the cost of **64,335.760 MT** of iron ore procured from out side leasehold area and in the account of the lessee, Sri B. K. Das.

**IX. Joint Physical Verification conducted by the
Vigilance Officials of the State Government on
10.09.2009:--**

During enquiry/investigation to assess the extent of illegal mining in the Kasiabeda Iron Ore Mines, located at Badampahar in Mayurbhanj District, a Joint Physical Verification was conducted on 10.09.2009 by Vigilance officials with the help of:-

- (1) Sri Mihir Kumar Senapati, Dy. Director, Geology, Bhubaneswar;
- (2) Sri Lalmohan Nayak, Revenue Inspector, Badampahad;
- (3) Sri Kedar Nath Routray, Sr. Inspector of Mines, Garumahisani, Mayurbhanj;
- (4) Sri Basudev Tudu, Sr. Surveyor, O/o. the D.D. Mines, Baripada;
- (5) Sri Niranjan Panda, Surveyor, Grade-I, OMC, Barbil;
- (6) Sri Dhruba Charan Sahu, Chief Surveyor, O/o. the Director of Mines, Odisha, Bhubaneswar;
- (7) Sri Umakanta Behera, J.E., R&B, Baripada;

- (8)** Sri Devendra Sahu, J.E. R&B, Baripada;
- (9)** Sri Bijay Kumar Mohanty, Forest Range Officer, Badampahad.

During enquiry, it was found that the proposed lease area of Sri Basanta Kumar Das was located in the village Kasiabeda under Bamanghati sub-division in the District Mayurbhanj. There was one screening plant found working and one crusher had been constructed in the M.L. area.

The physical verification and demarcation of the M.L. area was made by referring to the map of the Mining Lease and the Revenue map of village Kasiabeda and it was found that the lessee had crossed the Mining Lease area and excavated beyond the M.L. area. It was also found that the lessee had encroached and done mining operation beyond the surface right area in Plot Nos.568, 569 and 588. It was also found that extensive excavation had been done in the safety zone area violating the norms. Dumping of waste materials had been done beyond the ML area in Plot No.643.

The measurement of physical stock of iron ore in the stack yard was taken by the Jr. Engineers, R&B Baripada & Sr. Surveyor, Baripada in respect of each stack and the physical balance of the stack

yard in the Mines as on **10.09.1999** was **4,725 CUM** in **13 stacks**.

Taking the conversion factor of Kasiabeda Iron Ore Mines of 2.05/cum, the total physical balance of lumps found to be of **9,686.25 MT**.

The composite samples from 6 nos. of stacks from the finished good load point near Pillar No.8; 5 nos. of stacks near Pillar Nos.11, 12, 13, 14 & 15 near screening site, from 233 boxes and from the stack near location of Pillar No.8 in the lease area of the Mines and the samples from Pit No.1 near Pillar No.3 (North), Pit No.2 near Pillar No.3 (South), Pit No.3 near Pillar No.19, Pit No.4 near Pillar No.2 and from the wall below 2m. of float zone near Pillar No.2 (Road side West), total 9 nos. have been collected by the Dy. Director of Geology, for testing and analysis. It was also found by the Geologist that recovery of the ore from the mines would be about 10% and the grade of ore recovered is approx. -60% Fe.

Sri Bijbay Kumar Mohanty, Forest Range Officer, Badampahar has initiated as many as 14 nos. of cases and seized total **937.760 MT** of iron ores raised illegally from forest area in villages near Suleipat, Badampahar, Barakunda, Uski,

Jaidhanposhi and its nearby places which are beyond the ML area during the years 2007-08 and 2008-09.

During investigation, the samples collected from different pits and stacks from the Mining area of the lessee, Shri Basanta Kumar Das, were sent for chemical analysis. The analysis report showing the percentage of iron content of each exhibit is as follows:-

Sl. No.	R.L. No.	Samples from where collected	Exhibit marked	Mn.%
1	58/V-10	6 nos. of stacks near Pillar No.8	A	60.11
2	59/V-10	5 nos. of stacks near screening site near Pillar No.11, 12, 13, 14 and 15	B	61.85
3	60/V-10	233 boxes in the Mines area	C	65.31
4	61/V-10	Pit No.1 near Pillar No.3 (North)	D	49.13
5	62/V-10	Pit No.2 near Pillar No.3 (South)	E	51.44
6	63/V-10	Pit No. 3 near Pillar No.19	F	50.29
7	64/V-10	Pit No.4 near Pillar No.2	G	49.42
8	65/V-10	From the wall below 2m. of float zone near Pillar No.2 (Road side West)	H	47.40
9	66/V-10	From the stack near Pillar No.8	I	53.18

The above chemical analysis report prepared by Smt. Nilima Das, Analytical Chemist, O/o. Dy. Director (CA), Research Laboratory, Director of

Mines, Orissa, Bhubaneswar, reveals that the samples vide exhibits A, B & C collected from the stacks located at the loading point, screening site & 233 nos. of the boxes are having 60.11, 61.85 and 65.31% Fe contents. Whereas the samples collected from the Pits and wall vide exhibit D, E, F, G & H are below 51% Fe contents except the sample vide exhibit "I" collected from the stack near the location of Pillar No.8 are 53.18% Fe contents. The ores collected from the Pits as well as the wall of the Mines can not be upgraded to the Fe contents of 60% by the process of beneficiation. Thus, it is concluded that the iron ores stacked in the mines near Pillar No.8 (finished good load point), Pillar Nos.11, 12, 13, 14 & 15 near screening site and the ores stocked in 233 boxes in the Mining Lease area are not the excavated ores from the mining lease area and must have been procured from outside the lease hold area. As such, the balance quantity of **9,686.250 MT** of iron ore found stacked in the mines as on the date of joint physical verification i.e. on 10.09.2009, have been procured from outside the lease hold area and stacked in the mines for transportation in the account of the lessee.

The lessee, Sri Basanta Kumar Das & his both the Power of Attorney holders namely Sri Pratap Kumar Das, selling agent and Sri Anand Kumar

Agarwal, the raising contractors are responsible for the aforementioned illegal procuring of iron ores beyond the lease hold area and stacked inside the mining lease area for the purpose of transportation in the accounts of Kasiabeda Iron Ore Mines in the name of Sri B. K. Das, the lessee.

X. Balasore Vigilance P.S. Case No.43, dated 22.09.2009:--

The Vigilance Department of the State Government has investigated this matter of illegal mining and corruption charges against the officials of the Vigilance Department. A case, in this regard, has been filed as **Balasore Vigilance P.S. Case No.43 dt. 22.09.2009**. As per the investigation of the inquiry report of the Vigilance Department, the name of the officials who are involved in the illegal mining, are listed below:--

- (1)** Sri Lalmohan Soren,
S/o. Late Sakula Soren,
Gaya, Dy. Director of Mines,
Baripada Circle, Baripada,
Dist. Mayurbhanj (under suspension).
- (2)** Sri Bijay Kumar Sahu, DoB 26.12.1965,
S/o. Late Prasanna Kumar Sahu,
Mining Officer, Joda Circle, District Keonjhar.

- (3)** Sri Purna Chandra Sahoo, DoB 04.06.1964,
S/o. Late Basanta Kumar Sahoo,
Sr. Inspector of Mines,
Baripada circle, Baripada, (Under suspension).
- (4)** Sri Saroj Kumar Ghosh, DoB 04.05.1961,
S/o. Late Krushna Chandra Ghosh,
Sr. Inspector of Mines, Joda Circle,
District Keonjhar.
- (5)** Sri Aswani Kumar Mahanta, DoB 22.05.1965,
S/o. Sri Prafulla Ku Mahanta,
Sr. Inspector of Mines, Joda Circle,
District Keonjhar.
- (6)** Sri Kedar Nath Routray, DoB 12.06.1966,
S/o. Sri Bhagirathi Routray,
Sr. Inspector of Mines,
Gorimahisani, Baripada Circle,
Baripada, District Mayurbhanj.
- (7)** Sri Deba Brata Mohanty, DoB 07.05.1968,
S/o. Late Gauranga Charan Mohanty,
Sr. Surveyor, Berhampur circle,
Berhampur, District Ganjam.
- (8)** Sri Basanta Kumar Das,
S/o. Sri Raj Kishore Das, Vill-Lalbazar,
Ward No.10, PS Baripada Town,
District Mayurbhanj.

- (9)** Sri Pratap Kumar Das, (DoB 15.06.1969),
S/o. Sri Narasingha Charan Das,
Power of Attorney Holder of the lessee,
Director,
M/s. Jay Jagannath Movers Pvt. Ltd.,
P-178, Kalindi Housing Estate,
Kolkata-700 089.
- (10)** Sri Anand Kumar Agarwal,
S/o. Sri Shyam Sundar Agarwal,
Director,
M/s. Sidharth Sponge and Power Pvt. Ltd.,
190-A, Maniktola Main Road, Kolkata-700054.

XI. Recommendation:--

From the facts and circumstance as well as in view of the investigation conducted by the Vigilance Cell, Cuttack of the State Government as stated herein above, it is stated that various violations of the provisions under the MCR, 1960; MM(DR) Act, 1957; P.C. Act, 1988; Indian Penal Code; EIA Notification dated 27.01.1994, encroachment, etc. have been committed by the lessee and connected officials.

Further, the illegal production and dispatch of ore as well as non-payment of various taxes required to be paid, have been observed and noted in this Chapter. There has been breach of conditions of lease deed, too and action should be initiated as per the provisions therein.

In this view of the matter, it is recommended that like in other cases of this nature, the present matter should also be given to Central Bureau of Investigation as per law and the State Government should initiate action under the appropriate law to recover the losses caused by the lessee to the Government.

* * *

Mrs. Indrani Patnaik
Unchabali Iron and Manganese Ore Mines, Keonjhar.

**(106.1127 ha. granted on 15.09.1998
for a period of 30 years w.e.f. 05.02.1999)**

At the outset, it is stated that the findings recorded in this Chapter are based upon the information supplied by the various Departments of the State and Central Governments, lessee, MoEF, IBM, etc. It is for the competent authority to issue appropriate notices to the concerned party/lessee for taking action in accordance with law.

Further, it is stated that while preparing the present lease summary report, the Commission has taken into consideration the reply filed by the lessee to the notices dated **24.08.2011** and **28.01.2013** read with **11.02.2013** issued by the Commission and replies to the other correspondences.

The Commission has also taken into consideration the Vigilance Enquiry Report of the State Government. It is stated that the facts, figures and comments which are noted hereinafter, are taken from the Vigilance Enquiry Report.

I. Mining lease:--

An area of 106.1127 has been granted in favour Mrs. Indrani Patnaik, Bonaikela, P.O. Joda, District Keonjhar on 15.09.1998 for a period of 30 years, with effect from 05.02.1999.

The mining operations had been initiated as per the records available since **25.04.2008**.

II. Environmental Clearance (EC):--

EC was obtained by the Power of Attorney of lessee for 0.21 MTPA vide letter dated 05.06.2006 of MoEF.

During the year 2008-09, a quantity of **14,34,950 MT** has been produced, as per **Annexure: C** of the Reply to the notice issued by the Commission. However, as per the records of the Mines Department, Government of Orissa, a quantity produced for the said year is **16,21,450 MT**. A difference of about 2.00 lakhs MT requires explanation.

As per the aforesaid EC dated 05.06.2006, the production limit was **2,10,000 MT**. Therefore, the aforesaid production (for the year 2008-09) is in excess of EC limit to the tune of **12,24,950 MT**

even as per lessee's data and of **14,11,450 MT** as per Mines Department's data which is illegal. This is in violation of EIA Notification dated 27.01.1994 and the amendments made therein. This is also a clear violation of the provisions of Environment (Protection) Act, 1986 (E.P. Act, 1986).

III. Raising Contractor:--

Since the day of **inception of mining operations i.e. 24.02.2008**, the mining operations are carried out completely by a raising contractor, namely, M/s. Triveni Earthmovers Pvt. Ltd., Salem (TEMPL).

The lessee herself has never done mining in the leased area till date, in spite of her claim submitted before grant of lease.

It is stated that **even before the inception of the mining operations**, vide Work Order dated 24.02.2008, a "raising contract" has been given in favour of Triveni Earthmovers Private Limited by the Power of Attorney Holder, Shri Dipti Ranjan Patnaik, the husband of the lessee (**Annexure: 1**). Shri D. R. Patnaik holds two more iron ore leases in the State.

It is further stated that there is no name mentioned below the signature of the Power of Attorney Holder in the work orders dated 24.02.2008, 27.03.2009 and 01.03.2011. But on seeing the other papers, it might be the signature of Shri Dipti Ranjan Patnaik (**Annexure: 1**).

It is noted here that the work order has been given to the raising contractor (TEMPL) by the Power of Attorney Holder, Shri D. R. Patnaik of the lessee and not by the lessee herself.

It is also stated that vide letter dated 14.01.2011, the mining plan is also approved in favour of Shri Dipti Ranjan Patnaik, the Power of Attorney holder of Smt. Indrani Patnaik.

The salient features of the aforesaid “work order” dated 24.02.2008 issued to TEMPL, are as under:-

“(1) Scope of Work

Your Scope of work under the order includes:-

A. Excavation and transportation of followings inside the mine:

- Over burden removal and its transportation and shifting to designated stock yard/dump.
- Run of mines (ROM) and carrying of the material to the crushing and screening plant.
- Sub-grade ores (which may be encountered during normal course of mining) to the designated stock yard.
- Reject material (which may be encountered during normal course of mining) to the designated dump yard.

B. *Processing of ROM to finish the product of desired sizes and grade.*

C. *Transportation of products to designated stock yards situated within the mines.*

D. *You shall raise, calibrate and hand over only calibrated ore, fines and other saleable material as per required size and grade as mentioned hereunder to us. The specification could be altered by us from time to time as per the requirement of the market condition.*

E.

and

F.

- G. *In order to accomplish the scope of work broadly stated above and to achieve the targeted quantity and quality of production, you will deploy the required numbers of **earthmoving equipments, plants and machinery etc. such as Excavators, Loaders, Dumpers, Tippers, Drills, Dozers, Graders, Water-tankers, Sprinklers, Crushers, Screens (Portable/Stationery) along with trained manpower for its operation in consultation with us.***

The list of all such deployed plants and machinery will be furnished by you from time to time to us/our Mines Manager.

- H. *The area of your day today operations within our mining lease boundaries, to drill, excavate, load, transport, crushing and screening of iron ore, deployment of mining equipments, plants machinery etc. will be indicated / marked by our Statutory Mines Manager in charge of operation and you will abide by the instructions issued by him from time to time in this respect.*

Further overburden, rejects, subgrade iron ore and finished saleable products of different size and quality etc. will be dumped and stocked only at the designated dumps and stock yards

allotted to you by our Mines Manager in charge of operation.

I.

to

Q.

(2) Other terms and conditions

(i) You may, if required, engage sub-contractor for raising, processing, screening, dressing, staking, shifting, transferring or loading of Mineral Ore and/or appoint labourers, employees for the same with our approval of our Statutory Mines Manager.

(ii)

and

(iii)

*(iv) Further, you shall also observe all statutory rules, Regulations and Provisions governing the Mining activities and shall abide by directions and instructions of the Department of Steel and Mines, Safety, Department of Explosive, Forest and Environment, Department of Labour as well as our statutory personnel **and you shall be responsible for the maintenance of all records which are statutorily required to be maintained and/or directed to be maintained by the concerned authorities** for the*

aforesaid purpose, including those related to Minimum Wages, Payment of Wages and other applicable labour laws and regulations besides Rules and Regulations governing Mining Activities.

(v)

(vi) *In addition to the above you shall also appoint statutory personnel as per MMDR Act, 1957 and the Mines Act, 1952 and the Rules made thereunder for supervision of work in all shifts.*

(vii)

to

(x)

(3) Camp and site office

A.

to

C.

(4) Weighment

... ..

Sharing of Profits as per “Work Order”

(5) Billing and Payment of Service Charges

*The employer has proposed and contractor has agreed to **accept approx. 35.8 % of net sale value** of iron or despatched excluding Royalty and Taxes as contract charges.*

You shall submit your bills for the work done in the previous months to our

Statutory Mines Manager along with service tax as applicable from time to time by 5th day of the successive month and after certifying by our Statutory Mines Manager the payment shall be made by us to you by 7th day of every month.”

From the above “Work Order”, it is clear that the mining operations are carried out by the present Raising Contractor by investing his money in all the mining operations by deploying his machinery, labour and others.

- (i) The raising contractor is investing first in the mine as per billing and payment of service charges at **Para: 5** of the Work Order.
- (ii) As per the Work Order, the raising contractor has to maintain all the records which are statutorily required to be maintained and/or directed to be maintained by the concerned authorities as per the Rules and Regulations governing the mining activities.
- (iii) Except Mines Manager, all the employees are the statutory employees required under the Statute i.e. **Metallic Ferrous Mines Regulations, 1961**. The personnel engaged by the raising contractor are the Assistant Manager (Mines), Assistant Manager

(Surveyor), Foremen, Mining Engineer and Mining Blaster.

- (iv) The lessee does not have any machinery deployed in the mining lease for carrying mining operations.
- (v) The net sale value (excluding taxes) was shared in the ratio of **35.8%:64.2%** between raising contractor and lessee in lieu of payments for all mining operations carried out by the contractor, as claimed.

IV. Remarks:--

- (i) It is seen from the records that even the profits are shared between the Power of Attorney Holder, Shri Dipti Ranjan Patnaik and the Raising Contractor (**Annexure: 2**).
- (ii) From the statements submitted by the Mines Manager of the lessee for the years 2010-11, it is pertinent to note that Indrani Patnaik is one of the purchasers for export of a quantity of **2,82,354.740 MT** in the year 2010-11 and that of **1,40,902.9630 MT** for the next year. The sale of ore, in favour of Smt. Indrani Patnaik who herself is a lessee, can only be done in the circumstance that the lease is

being operated and administered financially by other than the lessee.

Where is the question of sale of iron ore in favour of Smt. Indrani Patnaik, if she herself is a lessee and to get 64.2% of Net Sale Value of the iron ore sold from the lease area.

- (iii) Further, M/s. Indrani Patnaik is one of the companies of Altrade Group of Company. The lease was granted in favour of Mrs. Indrani Patnaik. There is no transfer from **Mrs. Indrani Patnaik** to the company i.e. **M/s. Indrani Patnaik**. The Power of Attorney has signed on behalf of M/s. Indrani Patnaik.

Therefore, the question which requires further verification is – **whether the lease is operated and controlled by a company known as “M/s. Indrani Patnaik”?**

Pursuant to the notices dated 28.01.2013 and 30.01.2013 read with notice dated 18.02.2013; the Mines Manager filed the Additional Affidavit on behalf of the lessee. In **Para: 33** thereof, the Mines Manager submitted that the lessee has engaged more than 100 employees in mining works. This is

contrary to the “work orders” issued by the Power of Attorney Holder on behalf of the lessee to M/s. TEMPL and also contrary to the statement given by the Power of Attorney Holder before the investigating team of State Government that the Assistant Manager (Mines), Assistant Mines Manager (Survey), Foreman, Mining Engineer, Mining Mate and Blaster were appointed by the raising contractor and salary and wages were paid till September, 2010. Hence, the statement made by the Mines Manager is factually incorrect **(Annexure: 2)**. The Annexures of this Annexure should be seen from the report available with the Principal Secretary, Steel & Mines Department.

(iv) From the above facts, it is inferred that:-

- a.** The lessee does not have any role to play in the Unchabali Iron and Mn. Ore Mine.
- b.** It is virtually run by the raising contractor and controlled substantially financially.
- c.** It is also controlled by Power of Attorney Shri D. R. Patnaik, the husband of lessee (who also owns two more iron ore mines).

Hence, it appears that there is a clear violation of Rule 37 of the MCR, 1960 which requires further investigation.

V. Vigilance Report of the State Government:--

On allegations of illegal mining and corruption, the State Government initiated action by handing over the matter to Vigilance Department. To highlight irregularity in grant of mining lease and others, it would be worthwhile to refer to the Vigilance Report of the State Government. The substance thereof is as under:-

Smt. Indrani Pattnaik, wife of Sri Dipti Ranjan Pattnaik, A/6, Commercial Estate, Civil Township, Rourkela submitted an application vide No.285 dtd. 29.10.1991 for Prospective Licence over an area of 112.50 ha. in village Unchabali, PS-Joda, Tahasil, Barbil, Dist-Keonjhar for iron and manganese ore to Secretary to Govt. of Orissa, Steel & Mines Department through Collector & DM., Keonjhar which was received by the Collector, Keonjhar on 18.11.1991.

The Collector, Keonjhar has forwarded the copy of application dtd. 29.10.1991 of Smt. Indrani Pattnaik to Tahasildar, Barbil for submitting no objection report on the revenue point of view vide letter No.3984 dtd. 30.10.1995, with copies to Dy. Director of Mines, Joda for technical report, to D.F.O., Keonjhar to report for forest point of view.

The Tahasildar, Barbil submitted his report vide letter No.3225, dtd. 06.11.1995 which reveals that out of the total area of 326.00 Acres, the Govt. land was 319.25 Acres having 1.45 Acres as Sarbasadharana, 0.52 Acres as Danda. The DDM, Joda in his letter No.14470, dtd. 26.10.1996, reported that the applicant has neither set up any iron and Steel Industry/Sponge Iron Plant nor she has any specific plan and programme do so for captive use of iron ore.

Besides, the P.L. application another eight applications vide P.L. No.200, 203, 205, 236, 240, 317, 382 and 401 have been filed simultaneously on 29.10.1991. The DDM, Joda had sent all the P.L. applications with the comparative plans. The D.F.O. Keonjhar also submitted letter No.12300 dtd. 12.12.1995 to the Collector, Keonjhar.

Govt. of Orissa, vide proceeding No.9553 dtd. 22.10.1997 granted prospecting license in favour of Smt. Indrani Pattnaik by mentioning that Govt. of India in their letter No.5/33/97-MIV dtd. 29.08.1997 have conveyed their approval to the grant of P.L. over hect. 106.472 at Unchabali for iron and manganese ore U/s. 5(1) of MM(DR) Act, 1957 for a period of **two years** subject to the compliance of all amended provisions in the

MM(DR) Act, 1957, MC Rules 1960 and FC Act, 1980.

The Deputy Director of Mines vide his letter No.19604 dtd. 08.12.1997 submitted survey and demarcation report for the granted P.L. area of hecets. 106.472 in village Unchabali of Smt. Indrani Pattnaik Mines to the Collector, Keonjhar. The licensee, Smt. Indrani Pattnaik deposited an amount of Rs.536/- through treasury challan for the survey work. Smt. Indrani Pattanaik executed General Power of Attorney in favour of her husband, Sri Dipti Ranjan Pattanaik, S/o. Brajabandhu Pattanaik of College Road, Keonjhar in the O/o. Registration Officer, Panposh, Rourkela on 12.12.1997. The General Power of Attorney was executed for the following purposes:-

1. To file application for grant of ML, PM or RML.
2. To sign documents and deed relating to Indrani Pattanaik mine.
3. To sign on behalf of Indrani Pattanaik in any official documents relating to Indrani Pattanaik mine.
4. To open and operate Bank accounts on behalf of Indrani Pattanaik.

5. To operate, explore, work, exercise, develop mine and mining right.
6. To raise, crush, smelt, refine and prepare for marketing.
7. To enter into negotiations with any firm for the business.
8. To appoint agents and employee for operating mine.
9. To file suit.

From the above, it is noted that factually, the PL/lease is/would be operated by her husband in proxy. It is also noted that it has completely defeated the selection of Smt. Indrani Patnaik to grant the PL/lease. The notings of Government file (in Oriya language) for selection as PL (licensee) to Smt. Indrani Patnaik and the English translated copy thereof are enclosed herewith as **Annexure: 3-Collectively**. It is stated here that PL application of Smt. Indrani Patnaik was prepared even overlooking the claims of Government owned M/s. Orissa Mining Company (OMC).

As per Steel & Mines Deptt. Order No.1427 dtd. 20.03.1998 of the Govt. of Orissa, the Collector, Keonjhar executed the Prospecting License deed on **05.03.1998** for two years.

Even before completion of PL, Smt. Indrani Pattnaik submitted an application much in advance on **08.05.1998** for mining lease over 106.472 ha. area for a period of 30 years to Collector, Keonjhar.

No prospecting was completed, when grant of lease application was filed. In his Administrative/ Technical Report vide letter No.8172 dtd. 15.05.1998; the DDM, Joda mentioned that the expected output per month to be 5000 MT of iron ore. But he did not mention the total quantity of reserve or iron ore available in the mining lease area. It seems that the PL was granted to clear the way in favour of the lessee.

There was no data available for reserve available in the area. The Collector, Keonjhar forwarded the application of Smt. Indrani Pattnaik to Director Mines vide his letter No.1592 dtd. **28.05.1998** with recommendation that out of 106.2 ha., 0.72 ha. Debasthali and Danda should be excluded. Sri R. C. Samal, the then Director of Mines, Orissa forwarded the application of Smt. Pattnaik recommending grant of M.L. over 106.1127 ha. of land at Unchabali vide his **letter No.41469 dtd. 30.05.1998**. In his report, the Director (Mines) has stated that the applicant has not submitted the mining plan as required u/s. 5(2) of MM(DR) Act,

1957. Section 5(2) of MM(DR) Act, 1957 emphasizes that no mining lease shall be granted, unless it is satisfied that:-

- (a)** there is evidence to show that the area for which the lease applied has been prospected; and
- (b)** there is mining plan duly approved by the Central Government or by the State Government.

The above letter of Director, Mines was received in the Steel and Mines Department, Government of Orissa on 05.06.1998 vide letter No.953, dtd. 05.06.1998. Shri Biswanath Das, the dealing Assistant submitted a note on 09.06.1998 stating that the Mining Lease can be granted for 20 years. The applicant has to submit the approved mining plan by IBM. On the same day i.e. on 09.06.1998, Shri Jagadish Prasad Agarwal, Jt. Secretary to Government submitted a note to the Principal Secretary, Steel and Mines by stating that recommendation may be sent to Government of India for grant of M.L. for 20 years in favour of M/s. Indrani Patnaik. Accordingly, Shri S. Notial, Principal Secretary, Steel and Mines Department approved on 10.06.1998. Shri J. B. Patnaik, Hon'ble

C.M., Orissa has approved for the grant of lease on 11.06.1998.

Thereafter, Shri Agarawal issued letter No.4422, dtd. 12.06.1998 to the Director, Mines, Orissa, Bhubaneswar intimating that the State Government has decided to consider grant of M.L. for iron/manganese ore over an area of 106.1127 ha. **for 20 years** in favour of Smt. Indrani Patnaik subject to the approval of Government of India. In this letter, he has requested to the Director, Mines to furnish the location map for submission of the same to the GoI. The Director of Mines submitted the location map to the Steel and Mines Department through his letter No.16071, dtd. 16.06.1998. Even before the receipt of the location map from Director (Mines), Shri J. P. Agarwal, Jt. Secretary had submitted the application to GoI recommending grant of M.L. for 20 years.

The Ministry of Mines, Government of India, in its letter No.5/37/98-M.15, dtd. 02.09.1998, conveyed the approval of Central Government for grant of lease over an area of 106.1127 ha. for a **period of 30 years**. This letter has been addressed to the Secretary, Government of Orissa, Steel and Mines Department and was received vide D.R. No.276/SMS dtd. **08.09.1998**. Shri J. P. Agarwal,

Jt. Secretary issued the terms and conditions vide letter No.7853 dtd. **07.09.1998** (even before the letter of GoI received officially) in favour of Smt. Indrani Patnaik with request to intimate acceptance of terms and conditions. It is noted that though the letter was shown received in the Receipt Register on **08.09.1998**, the letter was issued for terms and conditions on **07.09.1998** asking to submit the reply by 07.10.1998.

Smt. Indrani Patnaik submitted the acceptance of terms and conditions on 12.09.1998 which was received on 14.09.1998 in the Steel & Mines Department. On 15.09.1998, Shri Jagadish Prasad Agarwal issued the proceedings for grant of M.L. in favour of Smt. Indrani patnaik vide memo No.8097 dtd. 15.09.1998 without taking approval of any other higher authority in the file.

The IBM has given the approval of the mining plan in its No.574 dtd. 01.01.1999 i.e. after granting of M.L. on 15.09.1998.

It is noted that the letter on consideration of grant of M.L. for 20 years was issued on 12.06.1998 and the letters available in the Government File as well as in the file of Director, Mines, Bhubaneswar. The noting in the file and recommendation letter to

the GoI has been manipulated by overwriting 30 years in place of 20 years for which the GoI has communicated approval of grant of M.L. for 30 years. The Hon'ble C.M., Orissa has considered for approval of M.L. for 20 years on 11.06.1998.

The Mining plan over 106.1127 ha. was approved by IBM vide letter No.574 dtd. 01.01.1999. Shri B. C. Das, IAS, Addl. Secretary to Government, Steel & Mines Department vide letter No.176 dtd. 08.01.1999, communicated to the Collector, Keonjhar that the mining operation to be allowed in non-forest area and the approval on Forest Conservation angle will have to be obtained as per the Supreme Court's judgment dtd. 12.12.1996. The Collector, Keonjhar executed the M.L. deed on **05.02.1998** with Shri Dipti Ranjan Patnaik, husband of Smt. Indrani Patnaik, though the M.L. is granted in favour of Indrani Patnaik on the plea that Indrani Patnaik executed power of attorney in favour of Sri Dipti Ranjan Patnaik.

It is observed that the movement of the file for grant of prospecting license and mining lease had been extra ordinarily moved with an extraneous pressure which is not observed generally in other lease grants.

It is pertinent to note here that the working operation of the lease was initiated since beginning by a raising contractor, M/s. TEMPL through a “work order” by her husband, the Power of Attorney holder of lessee and there is no role of Mrs. Indrani Patnaik whatsoever.

Inference:--

From the above, it is observed that the file for grant of mining lease had moved with a speed which is unusual in Government Departments. Authority may inquire what the driving force was and may decide whether there was any undue favour.

On the allegations of corruption regarding illegal mining and illegal transportation of iron ore from mines of Mrs. Indrani Mines located at Unchabali, Joda in Keonjhar District, the State Government has conducted inquiry in this whole matter, through Vigilance Department.

On the basis of Vigilance Report, Criminal Complaint, as stated below, is filed:--

BLS VIG. P.S. Case No.59, dtd. 2.12.09 U/s. 13(2) r/w. 13(1)(d) P.C. Act, 1988/120- B IPC/21 M.M.R.D Act.	As alleged in the FIR that illegal production and dispatch of Iron-ore & also manipulation of book of accounts causing loss of Rs.131,44,08,825/-.
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<p>Mines- Indrani Patnaik Mines.</p> <p>Spot- Unchabali, P.S.-Joda, Dist. Keonjhar JPV held on 24.9.2009</p> <p>Against- 1. Sri M. M. Biswal, Dy. Director, Mines, Joda 2. Sri Satya- brata Rout, Sr. Inspector Mines, Joda 3. M/s. Indrani Patnaik; and 4. M/s. Triveni Earth Movers Pvt. Ltd.</p> <p>Name of the I.O. Shri D. P. Tripathy, OPS, DSP, Vig.</p>	<p>During investigation, it is found that illegally dispatched a quantity of 304,568.17MT of iron ore without paying royalty and sales tax amounting to Rs.8,13,19,701.39 a quantity of 15,81,635.57 MT of iron ore has been shown falsely excavated amounting to Rs.948,98,13,420.00 from the mining lease hold area without any record. Further Mine Owner has suppressed payment of sales tax Rs.52,57,99,212/-. Thus, a pecuniary advantage of Rs.1009,69,32,336/- has been derived at the cost of Government exchequer.</p> <p>Charge sheet No.12 dt. 22.11.2010 U/s. 13(2) r/w. 13(1) (d) P.C. Act, 1988/379/420/120-B IPC/21 MMDR Act, against</p> <ol style="list-style-type: none"> 1. Madan Mohan Biswal, DDM, 2. Shri Satyabrata Rout, Sr. Inspector Mines, Joda, 3. Ramesh C.Panda, Sr. Mining Inspector; 4. Sri Jagadish Prasad Agarwal, Ex-Joint Secretary; Steel & Mines Department, Bhubaneswar; 5. Sri Dipti Ranjan Pattanaik, Attorney holder of the mine owner, 6. Smt. Indrani Patnaik, the Mining lease holder; and 7. B. Prabhakaran, M.D. of M/s. Triveni Earth Movers Pvt. Ltd. <p>The case is sub-judice in the Court of Hon'ble Spl. Judge, Vig., Balasore vide TR No.44/2010.</p>
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VI. Observations:--

On perusal of the Vigilance Report obtained from the State Government by the Commission, it is observed that the inquiry was conducted based on the physical verification of stocks available at the leased area, pit size verification, stock records of the raising contractor, M/s. Triveni Earth Movers Pvt. Ltd. and other reports.

Month-wise production and dispatch from the records of the mining lease holder and records of Dy. Director, Joda, is given as under:--

Sr. No.	Month	Production (in MT)	Dispatch (in MT)
1.	May, 2008	33,500.00	-
2.	June, 2008	1,01,600.00	22,189.80
3.	July, 2008	1,51,050.00	82,013.77
4.	August, 2008	1,74,300.00	1,09,144.31
5.	September, 2008	1,69,000.00	1,05,433.14
6.	October, 2008	49,000.00	1,26,571.31
7.	November, 2008	1,06,500.00	1,03,349.80
8.	December, 2008	2,65,500.00	1,80,395.71
9.	January, 2009	2,56,500.00	1,90,912.63
10.	February, 2009	1,81,000.00	1,45,696.18
11.	March, 2009	1,13,500.00	1,59,275.13
12.	April, 2009	3,08,830.00	1,53,975.91
13.	May, 2009	2,29,500.00	2,62,019.88
14.	June, 2009	2,50,400.00	2,63,355.37
15.	July, 2009	2,55,700.00	2,43,932.81
16.	August, 2009	87,851.00	1,59,697.58
17.	September, 2009 (Upto 24.09.2009)	1,84,700.00	1,23,261.80
Total:--		29,18,431.00	24,31,225.13

From the above Table, it is observed that the production of iron ore of different grades and sizes comes to **29,18,431 MT** as on 24.09.2009 i.e. the date of joint verification by the Vigilance team. During the said period, on behalf of the lessee, the raising contractor dispatched **24,31,225.13 MT**. Thus, there should have been closing balance of **4,87,205.87 MT** as on **24.09.2009**.

Joint verification was conducted on the same day for the stock, physically available at the mining lease in the presence of various officials and technical persons escorting the field.

Similarly, during measurement of stacks, it is found that the physical balance of different grades of iron ore of the mine owner at Unchabali mines, as on 24.09.2009, was **1,82,637.695 MT**. During such verification, in the O/o. Mrs. Triveni Earth Movers Pvt. Ltd., the raising contractor of the mine owner, it was found that the said raising contractor has prepared the production dispatch of different grade of iron ore at Unchabali iron mines since May, 2008. The book balance of the contractor was **3,56,585.17 MT**. Thus, from this, it is clearly established that a quantity of **1,73,947.475 MT** have been found less than the quantity maintained by the raising contractor, Joda during the relevant

period. But by taking into account the records of Dy. Director and also the records of the Mining lease holder with that of the joint physical verification, the shortage of stock of iron ore as on 24.09.2009, is calculated as below:-

Production	:	29,18,431.000 MT
Despatch (-)	:	24,31,225.130 MT

Balance	:	04,87,205.870 MT
Physical Stock (-)	:	01,82,637.695 MT

Shortage	:	03,04,568.175 MT

Hence, it is evident that the mining lease holder has clandestinely dispatched a quantity of **3,04,568.175 MT** of iron ore without records for which no payment of royalty and sales tax has been made at the cost of Government exchequer.

The cost of **3,04,568.175 MT** comes to **Rs.182,74,09,050/- @ Rs.6,000/-** per MT. Thus, the lessee with the help of contractor, has clandestinely disposed of the material of the costs of Rs.182,74,09,050/-. There is the loss of royalty of Rs.82,23,340.59 and that of sales-tax of Rs.7,30,96,360.80. The total loss, on account of non-payment of royalty and sales-tax, comes to **Rs.8,13,19,701.39.**

The measurement of the pit from where the quantity of **29,18,431 MT** of iron ore was excavated was taken up by the team of Technical Experts and it was found that pit would only yield about **8,49,589.56 MT** with the required ratio applicable to that area.

Thus, the lessee with the “raising contractor” had dispatched a quantity of **15,81,635.57 MT (i.e. 24,31,225.13 minus 8,49,589.56)** excavated from somewhere else outside the leased hold area. This amounts to theft of the minerals and the total cost comes about **Rs.948,98,13,420/-**. The evidence and other details, in the support of above may be seen from the report of the Vigilance Department of the State Government.

As could be seen from the investigation made by the Vigilance Wing of the State Government in P.S. No.59 dated 02.12.2009 for Mrs. Indrani Patnaik Mines in village Unchabali, there is illegality of mining to the tune more than of **Rs.1,000/-** crores. There is no much progress in this case and it is unlikely that the State Government may be in a position to bring the case to a logical end. There is involvement of the officials of the State Government of various Departments and the political shelter for the same cannot be ruled out.

VII. In view of the above, following violations have been committed, in respect of the present lease:-

- (a) provisions of Environment (Protection) Act, 1986;
- (b) EIA Notification, 1994 and amendments therein;
- (c) Rule 37 of the MCR, 1960;
- (d) P.C. Act, 1988, Indian Penal Code and MM(DR) Act, 1957 (as stated in the Vigilance P.C Case No.59, dated 02.12.2009); and
- (e) Others as discussed in this Chapter.

VIII. Recommendation:--

Hence, the Commission recommends:-

- (a) to hand over the entire matter along with other matters as suggested by this Commission, to the Central Bureau of Investigation against the lessee, its agents, contractor and all connected officials as discussed in this Chapter, for further investigation as per the law; and
- (b) to initiate proceedings, in any case, for recovery of the loss suffered by the State Government, i.e. the loss of royalty of Rs.82,23,340.59 & sales-tax of Rs.7,30,96,360.80, totaling to **Rs.8,13,19,701.39**, as well as for the theft of the minerals to the tune of **Rs.948,98,13,420/-**, as stated hereinabove.

ANNEXURE: 1

(MINES OWNER)

AVG. COMMERCIAL ESTATE, CIVIL TOWNSHIP, ROURKELA - 769 004
 Phone : 0661-2400139, 2400014, Fax : 0661-2402226

Ref: IP/UIOM/WO-01/2008

Dt: 24.02.2008

To,
 The Managing Partner
 M/s Thriveni Earthmovers Pvt Ltd
 22/110, Greenways Road,
 Fairlands,
 Salem- 636 016,
 Tamilnadu

Sub: Work order for Raising, Processing and shifting of Iron ore at respective designated stock yards of our Unchabali Iron and Manganese ore mines – lease area 106.1127Ha.

Dear Sir,

This has reference to the various discussions we had on the subject from time to time and also your offer submitted to us. As a result of the same, we are now pleased to release our detailed work order on you for Raising, Processing and shifting of Iron ore at respective designated stock yards situated within our lease hold area on following terms and conditions:-

✓ (1) Scope of Work

Your Scope of work under the order includes:-

A. Excavation and transportation of followings inside the mine

- Over burden removal & its transportation and shifting to designated stockyard/dump.
- Run of Mines(ROM) and carrying of the material to the crushing and screening plant.
- Sub grade ores (which may be encountered during normal course of mining) to the designated stock yard.
- Reject material (which may be encountered during normal course of mining) to the designated dump yard.

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- B. Processing of ROM to finished product of desired sizes and grade.
- C. Transportation of products to designated stock yards situated within the mines.
- D. You shall raise, calibrate and hand over only calibrated ore, fines and other salable material as per required size and grade as mentioned hereunder to us. The specification could be altered by us from time to time as per the requirement of the market condition.
- E. Specification of saleable grade/required calibrated ore.

Sr. No.	Product Description	Quality Specification		
		Fe %	U. Size	Over size
1.	5-18 mm crushed.	62 \pm 0.5%	7%	3%
2.	5-18 mm screened.	62 \pm 0.5%	7%	3%
3.	10-40mm.	62 \pm 0.5%	7%	3%
4.(a)	Blue dust.	62 \pm 0.5%	-	3%
4.(b)	Screened fines.	60.5 \pm 0.5%	-	3%
5.	Crushed fines	61 \pm 0.5%	-	3%

- F. Our representative will do sampling of Ore at crushing and screening plant as well as at the point of dispatch and you may have to further reprocess any product, if desired by our representative, for the purpose of improving the quality/ grade of the finished product.

- G. In order to accomplish the scope of work broadly stated above and to achieve the targeted quantity and quality of production, you will deploy the required nos. of Earthmoving equipments, plants & machinery etc. such as Excavators, Loaders, Dumpers, Tippers, Drills, Dozers, Graders, Water Tankers, Sprinklers, Crushers,

Screens (Portable/ Stationery) along with trained manpower for its operation in consultation with us.

The list of all such deployed plants and machinery will be furnished by you from time to time to us/ our Mines Manager.

- H. The area of your day to day operation within our mining lease boundaries, to drill, excavate, load, transport, crushing & screening of Iron ore, deployment of mining equipments, plants machinery etc will be indicated/ marked by our Statutory Mines Manager in charge of operation and you will abide by the Instructions issued by him from time to time in this respect.

Further overburden, rejects, subgrade iron ore and finished saleable products of different size and quality etc. will be dumped and stocked only at the designated dumps & stockyards allotted to you by our Mines Manager in charge of operation.

- I. We will carry out the blasting operation in the mines at our own cost since it is not included in your scope of work.
- J. You should take all action to minimize the handling loss during transportation of materials to the stockyard. However the Max loss allowed including carpet loss at the stockyard should not be more than 1%.
- K. The degeneration of size ore as finished product on account of hauling should be so controlled that the undersize and oversize material in the finished product should not exceed 5% at the dispatch stage.
- L. The haul road and all other roads as required during mining operations is to be maintained by the you as per the approved mine plan and Statutory rules & regulations and also as per the directions given by our Statutory officials posted at the Mine.

- M. You shall make suitable arrangement like water sprinkler and other necessary dust suppression methods to keep the airborne dust within permissible limit as per mining and pollution control norms and guidelines as per the instruction of our Statutory personnel posted at the mines.
- N. You should maintain all mine operation and ore processing equipments in healthy and safe condition as per the Statutory norms and as per the instructions of our Mine Manager and other statutory personnel posted in the mine.
- O. You shall provide the lighting arrangements as per statutory requirement and standards in the mine and also follow all instructions issued by our Statutory Mines Manager from time to time.
- P. The monthly target for excavation, loading and processing shall be communicated to YOU by the MINES MANAGER, or by our authorized representative, on a quarterly basis. However he could modify such targets even during course of this period, based on market conditions.
- The performance with respect to the production targets shall be reviewed by the MINES MANAGER with your site in - charge on a daily basis.
- Q. All the materials, ore occurring, excavated, lying in stock and removed anywhere in the mine and/or stacking yard shall always belong to and be the absolute property of ours whether it be of specified quality or not.

(2) Other terms & Conditions

- (i) You may, if required, engage sub-contractor for raising, processing, screening, dressing, staking, shifting, transferring or loading of Mineral Ore and / or appoint labours, employees for the same with our approval of our Statutory Mines Manager.

- (ii) A competent site incharge approved by our Mines Manager/ Authorized representative shall be appointed by you to represent you simultaneously with the commencement of work. You shall also employ adequate number of efficient, qualified and competent supervisory staff, labour both skilled and unskilled or Workmen to the entire satisfaction of the Mines Manager and employ additional staff and labour or workmen at your own cost if so required by Mines Manager for maintaining schedule works.
- (iii) That staff and Labours engaged by you shall be your employees for the purpose of their appointment, employment, service conditions and payment of salary etc. However they will work under the overall control, superintendence and direction of statutory persons appointed by us in accordance with provisions of The Mine Act 1957 and rules & regulations made there under.
- (iv) Further you shall also observe all statutory rules, Regulations and Provisions governing the Mining activities and shall abide by the directions and instructions of the Department of Steel and Mines, safety, Department of Explosive, Forest and Environment, Department of Labour as well as our Statutory personnel and you shall be responsible for the maintenance of all records which are statutorily required to be maintained and/or directed to be maintained by the concerned authorities for the aforesaid purpose, including those related to Minimum Wages, Payment of Wages and other applicable labour laws and regulations besides Rules and Regulations governing Mining Activities.
- (v) You shall carry out all raising, extraction and processing activities and such other activities which are ancillary with and incidental to raising, extraction and processing of Minerals and related activities in a scientific and workmen like manner in accordance with the IBM approved Mining Plan and you shall not cause any disturbance or damage to the forest or cut any trees to the extent permitted under prior approval from competent authorities.

- (vi) In addition to the above you shall also appoint statutory personnel as per MMDR Act 1957 and Mines Act 1952 and rules made there under for supervision of work in all shifts.
- (vii) You shall obtain necessary License under Contract Labour Employment (Regulation and Abolition) Act 1970 and shall observe all formalities in regard to direct and indirect employment of Labour;
- (viii) The Mine Owner/Lessee and/or our Authorized Representative shall have, at all reasonable time during the working hours, access to all documents and records maintained by you in connection with the operations relating to the scope of work as awarded.
- (ix) Persons employed by you in the Mines for the execution of contract work will have to undergo vocational Training before they are engaged in job.
- (x) You should ensure that your workman, strictly follow the provision of the safety Rules and uses the safety Equipment/ appliances.

(3) Camp & Site office

A. You may be allotted land at our option owned or controlled by us at free of cost if required for the purpose , to maintain and operate camp(s) and mess, halls for the convenience of your employees but patronage of such facility shall be optional with the employees. You will be responsible for maintaining your camp(s) in good order and for providing adequate fire protection facilities. The land so provided shall be vacated after the completion of work order in neat and tidy condition, failing which we will get it done at your risk and cost.

- B. You shall provide and maintain a site office with your authorized representative near the working area and the office shall remain open at all reasonable hours to receive instructions, notices and other communications from our Mines Manager/ Authorized representative. Any change in the deployment of your personnel shall be intimated in writing to the Agent/ Mines Manager of our Mine and his concurrence shall be obtained.
- C. We shall extend all support to you to obtain supply of electricity from the concerned agencies.

(4) Weighment

A weigh-bridge is erected within the Mines site. Weighment of loaded trucks will be done at this weigh-bridge in presence of your representative, our representative & Government's representative. The weighment at the weigh-bridge shall be final & binding on you for the purpose of determining the quantity of ore for purpose of billing, Payment etc.

(5) Billing and Payment of Service Charges

The Employer has proposed and Contractor has agreed to accept approx 35.8% of Net sale value of iron ore despatched excluding Royalty & Taxes as contract charges.

You shall submit your bills for the work done in the previous month to our Statutory Mines Manager along with service tax as applicable from time to time by 5th day of the successive month and after certifying by our Statutory Mines Manager the payment shall be made by us to you by 7th day of every month.

(a) Award of incentive / Disincentive

Besides the daily and monthly supervision of your performance with respect to the work performed, we will review the same at the end of a period of three months on the basis of recovering percentage and quantity & quality of Iron ore produced and despatched. On the basis of above review, we may allow you payment of

additional amount as bonus/incentive and in case the performance is found below the norms fixed then we may raise debit.

(b) Escalation/ De-escalation of rate

The rates awarded above may increase/decrease during the validity period of the order on account of increase/decrease of rates for Diesel, Lubricants, Spares, Tyres & Tubes, Wages etc. which will be mutually discussed and finalized

(i) TDS

Payment to you shall be the contractual payment subject to deduction of Income Tax source at the prescribed rate under Income Tax Act 1961.

(6) Confidentiality

You shall, at all times, keep confidential all information, data, documents relating directly or indirectly to the work either disclosed to you by and / or on behalf of us or acquired by you and you shall not disclose such information to anybody without our prior written approval. Any contravention of the provision of this clause will tantamount to breach of work contract.

(7) Ownership

All mineral extracted, lying in stock and removed to anywhere in the mine and/or stacking yard including O.B, sub grade and rejects from mine/processing plants shall belong to us.

(8) Progress Report

You shall submit daily the detailed progress report to the Agent/ Mines Manager in the proforma prescribed by the Agent/ Mines Manager.

(9) Duration of Work Order

This work order shall have a term of One year from the date of commencement of commercial production and could be extended for a further period on Mutual Agreement.

(10) Nature of Transaction

The transaction under this work order doesn't amount to subletting OR direct or indirect financing or creation of any interest in the Mining Lease, but binds parties to the Contractual Rights and obligations interest between the Mine Owner/ Lessee as "PRINCIPAL" and the M/s Thriveni Earthmovers Pvt Ltd as "RAISING CONTRACTOR".

- (11) The Entire Operations in connection to execute the work will be done by you under the Direction, Management and Supervision of our Statutory Mines Manager.

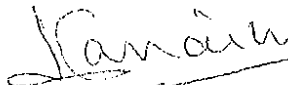
(12) Arbitration

Any disputes or differences that may arise between Mine owner or Lessee and M/s Thriveni Earthmovers Pvt Ltd., the Contractor and as to the interpretation of this Work order/Contract, or as to claims, rights or obligation under this work order/Contract OR any breach or default or specific performance shall be referable to Arbitration in accordance with the provisions of the Arbitration and Conciliation Act 1996 before or during pendency of reference to Arbitration the PARTIES undertake not to initiate any action or proceeding that could result in interruption to the working of mine or the closure of mine. Prior to reference to Arbitration, the parties here shall make their best efforts to settle the Dispute and differences by Mutual Consultation and negotiations and if not settled within a period of 30 days after the issue is raised by either party, the other party shall be entitled to refer the disputes to Arbitration. Such references shall be to a sole Arbitrator , if the parties can agree upon one, but otherwise shall be to one or more arbitrator(s) appointed in accordance with the provisions of the Arbitration and Conciliation Act 1996. The venue of Arbitration shall be Bhubaneswar. In the event any party disputes the decision of the Arbitrator(s) then the same is subject to the jurisdiction of High Court of Orissa.

- (13) This work order is prepared in two sets, both sets being treated as original, with one set delivered to you.

Thanking you,

Yours faithfully


.....

(Power of Attorney Holder of Unchabali Iron &
Manganese Mines of M/s Indrani Patnaik)
.....

Accepted


.....

(B.PRABHAKARAN)
Managing Partner

Thriveni Earthmovers Pvt Ltd

ANNEXURE: 2

**ENQUIRY REPORT OF THE COMMITTEE CONSTITUTED VIDE
NOTIFICATION NO. 5333/SM, DATED 8TH JULY, 2011 BY STEEL & MINES
DEPARTMENT, GOVT. OF ORISSA.**

The committee visited the mines of the Lessee M/s. INDRANI PATTNAIK on 14th July, 2011 and the observations are as below:

1. The lessee holds a mining lease over an area of 106.127 Hectares in the village Unchabali. The surface right granted in favor of the lessee is in respect of 37.9338 Hctrs.
2. The lease has been granted by the Government in the name of Smt. Indrani Pattnaik as Proprietress.
 - 2.1 The mining operations have been carried on since 25.4.2008, as explained.
 - 2.2 Sri Movva Prakash was appointed as Mines Manager by the lessee from 1st July, 2008.
 - 2.3 Since, the mine operations have commenced since 25.4.2008, the mines operated during the period 25.4.2008 to 30.6.2008 without the statutorily required Mines Manager.
 - 2.4 The salary payment to the Mines Manager is also not in accordance with the relevant regulations as the salary under rule 26 (1) of Minimum Wage Rules 1950 of Sri M. Prakash have been paid since 1.6.2008 whereas his appointment is only since 1.7.2008. The documents showing payment of salary since 1.6.2008 is at **Annexure -1**
 - 2.5 As stated by the POA holder of lessee certain statutory personnel like the Asst. Manager (Mines), Asst. Mines Manager(Survey), Foreman, Mining Engineer, Mining Mate and the Blaster were appointed by the ore raising contractor M/s. Triveni Earth Movers (P) Ltd and the related salaries and wages have also been paid by the raising contractor till September, 2010. This violates the provisions of Metalliferous Mines Regulations, 1961. This also prima facie amounts to parting of control over the Mines. The statement of the POA holder in this regard is at Paragraph 5 of **Annexure-2**.
 - 2.6 The canteen has been constructed and managed by the raising contractor M/s. TEMPL. Evidence of expenditure on day to day running of the

canteen and its construction by the lessee could not be produced to the committee.

3. The lessee has handed over the mining operations to a contractor, namely, M/s. Triveni Earth Movers (P) Ltd (TEMPL) for the very inception.
 - 3.1 The initial work order has been issued on 24.2.2008 though the date of opening of mine is 25.4.2008 as declared under MMR, 1961. The initial work order copy is at Annexure-3.
 - 3.2 Strangely, the lessee claims that no agreement has been signed with the raising contractor M/s. TEMPL and there exists only the work order.
 - 3.3 The work order does not contain the terms and conditions or even the rates regarding payment for the work which is against the established normal commercial prudence norms.
 - 3.4 The Audited Balance Sheet for the financial year 2008-09 has been submitted. The fixed assets schedule forming part of the audited statements as available at Annexure-4 show that the lessee did not own any mining machinery despite sale of ore to the tune of about Rs. 244 crores during the same financial year which is available at Annexure -4.1. Obviously, the investment in Plant & Machinery and related infrastructure for operation of the mines has been done by the raising contractor M/s. TEMPL.
 - 3.5 The ore raising price charged by the contractor to the lessee per MT is varying depending on minute variations of the Fe content and size of the ore. So much so, the ore raising price varies from month to month of the same product. In gist, the ore raising charges are not charged as per industry norms but as per sale price of the ore sold.
 - 3.6 The price charged is way above the industry norms for ore raising contracts.
 - 3.7 While verifying at the office of M/s. Indrani Pattnaik, the invoice for the month of June, 2008 raised by M/s. TEMPL, the committee discovered certain documents attached to the bill for the month of June, 2008 which showed the manner of charging ore raising expenses by M/s. TEMPL to the lessee. It may be noted that this calculation sheets marked as statements - 5.1, 5.2 and 5.3, scanned copies of which are available below in this report, were not submitted to the committee in response to request for copies of the bills raised by the contractor. After discovery of these documents, the bills

in respect of other months were taken away and avoided to be submitted before the committee. This shows that the apportionment of sales price between the lessee and the raising contractor, though resorted to, is kept as hidden.

3.8 The ore raising contractor charges ore raising expenses on the basis of sales to the parties. The realizable sale price is apportioned between the mine owner ie. M/s. Indrani Pattnaik with POA holder Sri D. R. Pattnaik and the raising contractor M/s. TEMPL.

3.9 The statement marked 5.1 shows the billing annexure for the bill regarding the month June, 2008 where party wise sale billing in respect of the total quantity of 22189.800 MT is shown. The scanned copy of the said statement 5.1 showing party wise billing is as below-

B.1 ①

BILLING ANNEXURE FOR INVOICE NO: 001 (FOR THE PERIOD 01.06.2008 TO 30.06.2008)

Sl. No	Name of the Party	Site	Material	Basic Price + Royalty	Royalty	VAT @ 4% / CST @ 3%	Entry Tax @ 0.5%	Total Amount (Rs. / MT)	Disp. Qty
1	R.M.Minerals	MAHA	S 10-180	1900	27	4%	77.08	20.04	1995.300
2	R.M.Minerals	MAHA	S 10-30	1600	27	4%	65.08	16.92	1709.00
3	Badbil Khanij Udyog	MAHA	F 10-30	1800	27	4%	73.08	19.00	1919.08
4	Badbil Khanij Udyog	MAHA	F Lumps	2200	27	4%	89.08	23.16	2339.24
5	Shree Sindhuj Steel (p) Ltd	MAHA	F Lumps	2200	27	4%	89.08	23.16	2339.24
6	Shree Shayam Minerals	MAHA	F 10-30	1800	27	4%	73.08	19.00	1919.08
7	A.G.Ispat	MAHA	S 10-30	1600	27	3%	48.81	0.00	1675.81
8	Sorkar Iron Crusher	MAHA	S Lumps	1900	27	4%	77.08	20.04	1995.300
9	Lall Minerals	MAHA	S Lumps	1900	27	4%	77.08	20.04	1995.300
10	Nayagarh Minerals	MAHA	S 10-30	1600	27	4%	65.08	16.92	1709.00
11	Tatini Minerals Pvt. Ltd	MAHA	F Lumps	2200	27	4%	89.08	23.16	2339.24
12	Westwet Iron & Steel Pvt. Ltd	MAHA	F Lumps	2200	27	4%	89.08	23.16	2339.24
13	Everlast Fincon Pvt. Ltd	MAHA	F 10-30	1800	27	4%	73.08	19.00	1919.08
14	Vardhaman Axles & Wheels Pvt. Ltd	MAHA	S 10-30	1600	27	3%	48.81	0.00	1675.81
15	Mac Shakli Crusher Co	MAHA	S 10-30	1600	27	4%	65.08	16.92	1709.00
16	Jharkhand Ispat Pvt. Ltd	MAHA	S 10-180	1900	27	3%	57.81	0.00	1984.81
Total Booked									22189.800

L. G. Pattnaik

True copy attested
Anil Kumar
14/7/14

Authorised Signatory

3.10 The statement marked 5.2 shows apportionment of the sale proceeds regarding quantity of 22189.800 MT between the mine owner marked as "DRP share" and the raising contractor marked as "TEMPL Share".

Obviously, DRP stands for D.R. Pattnaik who happens to be the Power of Attorney Holder of the Mine Owner Smt. Indrani Pattnaik and TEMPL Stands for the ore raising contractor M/s. Triveni Earth Movers (P) Ltd. The scanned copy of the statement marked 5.2 showing apportionment of sale proceeds in respect of the quantity sold of 22189.800 MT is as below-

5.2 ②

Sl. No	Particulars	Rate	Qty	Amount	DRP Share	TEMPL Share
1	Mining & Extraction of Sponge Grade Calibrated Iron Ore of +30mm - 80mm - 63+ %Fe	2200	4935.450	15257990	9841404	5416586
2	Mining & Extraction of Sponge Grade Calibrated Iron Ore of +10mm - 180mm - 63 %Fe	1900	2247.810	4270839	2754691	1516148
3	Mining & Extraction of Sponge Grade Calibrated Iron Ore of +30mm - 80mm - 62.5 %Fe	1900	1481.090	2814071	1815076	998995
4	Mining & Extraction of Sponge Grade Calibrated Iron Ore of +10mm - 30mm - 62 %Fe	1800	2138.450	3849210	2482740	1366470
5	Mining & Extraction of Sponge Grade Calibrated Iron Ore of +10mm - 30mm - 61.5 %Fe	1600	9387.000	15019200	9687384	5331816
TOTAL			22189.800	41211310	25581295	14630015

L. Gopany

Authorised Signatory

True copy - attached
 Subscribed
 14/7/14

3.11 A study of the bill for the month of June, 2008 as available at statement 5.3 clearly shows as below -

- a. The share of M/s. TEMPL as worked out in statement 5.2 described in the above paragraph has been billed by M/s. TEMPL to M/s. Indrani Pattnaik in the garb of ore raising charges. The description of all items at Sl. No. 1 to 5 in the share calculation sheet as available at statement 5.2 as well as the quantity and the TEMPL share exactly match with description of all items at Sl. No. 1 to 5 in the bill raised as available at statement 5.3. The scanned copy of the bill for the month of June, 2008 raised by M/s. TEMPL on M/s. Indrani Pattnaik is as below-

41211310

The share of M/s. TEMPL is recovered and obtained by M/s. TEMPL in the garb of ore raising bill where the quantity and the amount reflect the quantity of ore sold and the agreed apportioned sale proceeds share of M/s. TEMPL. The unit price in the bill towards ore raising charges is merely a resultant figure calculated by dividing the apportioned TEMPL share by the quantity sold of a particular grade. In fact, this is the reason as to why the ore raising charges charged by the raising contractor to M/s. Indrani Pattnaik differ from month to month which is not a normal feature in raising contracts in the mining sector. This also further explains as to why the raising contractor charges varying rates depending on the minute variations in the Fe content quality and the size of the calibrated ore which is also not a normal feature in raising contracts in the mining sector. On the whole, the billing by the raising contractor though termed as raising charges is a way to share the sale proceeds.

- 3.13 The above observation is further strengthened by the fact that the raising charges charged by the ore raising contractor M/s. TEMPL are much above the industry bench mark or normal ore raising charges. In this context relevant extract from the contract between M/s. Orissa Mining Corporation Ltd and the ore raising contractor in respect of Kurmitar Iron Ore Mines are Annexed by way of **Annexure - 5**. It may be noted that the said ore raising charges have been determined through a transparent and competitive open tender process which, hence, reflect the market scenario. For example, the said contract with M/s. OMC Ltd of its raising contractor in respect of Kurmitar iron ore mines, even at rates during the year 2010-11, as available at Annexure -6 shows rate of 10-180 lump (65%Fe) at Rs. 165.60 per MT whereas the rate charged by M/s. TEMPL as available in the scanned copy of the bill at paragraph 3.11 'a' above for product of similar size and in fact even of inferior quality (63% Fe), is Rs. 674.50 per MT.
- 3.14 The ledger account of the raising contractor in the books of the lessee M/s. Indrani Pattnaik for the financial year 2008-2009 contains transactions indicating the arrangement between the lessee and the ore raising contractor towards sharing of sale proceeds. The details are as below-

- a. On 7.1.2009 a debit note has been raised by M/s. Indrani Pattnaik on the raising contractor M/s. TEMPL as evident from the ledger copy in the books of the lessee.
- b. The narration reads "Qty of dispatch from line No-6 in month of Oct-08 is 23542.53 @ Rs. 100/- Total amount is 2354253. TEMPL share is Rs. 942701 (40% of Rs. 2354253)".
- c. The narration described above clearly shows the existence of arrangement towards sharing of sale proceeds and the ore raising contract being merely a garb and tool to execute the arrangement. The scanned copy of the relevant portion of the ledger account of M/s. TEMPL in the books of the lessee M/s. Indrani Pattnaik is as below-

M/s. INDRANI PATNAIK 2008-09					
Thriveni Earthmovers Pvt Ltd (Raising) Ledger Account : 1-Apr-2008 to 31-Mar-2009					
Date	Particulars	Vch Type	Vch No.	Debit	Credit
	Brought Forward			43,29,69,432.00	51,31,57,158.00
10-12-2008	To Bank of Baroda Ch. No. :0882347	Payment	235	8,00,00,000.00	
16-12-2008	To Adhunik Corporation Ltd Being the amount allowed as discount.	Credit Note	1	5,00,000.00	
5-1-2009	To Tds - Contractor	Journal		18,56,537.00	
6-1-2009	By Raising Charges Raising Charges for the month of Dec - 08	Journal			8,19,30,155.00
7-1-2009	To Bank of Baroda Ch. No. :502359	Payment	271	7,93,19,628.00	
	To Raising Charges Qty of Dispatch from Line No -6 in month of Oct - 08 is 23542.53 @ Rs 100/- Total amount is 2354253. TEMPL share is Rs 942701 (40 % of Rs 2354253)	Debit Note	1	9,41,701.00	
5-2-2009	By Raising Charges Raising charges for the month of Jan - 09	Journal	127		10,87,72,049.00
	To Tds - Contractor	Journal	127	24,64,775.00	
6-2-2009	To Bank of Baroda Ch. No. :502370	Payment	309	7,81,87,200.00	
16-2-2009	To Bank of Baroda Ch. No. :502371	Payment	322	2,81,20,074.00	
5-3-2009	By Raising Charges Raising charge for the month of Feb - 09	Journal			1,09,39,685.00
	By Raising Charges Raising Charges for the month of Feb - 09	Journal			6,06,29,905.00
	To Tds - Contractor Tds against raising bill for the month of Feb	Journal		16,21,767.00	
9-3-2009	To Bank of Baroda Ch. No. :502382	Payment	361	6,99,47,823.00	

31-3-2009 By Raising Charges Raising Charges for the month of March - 09.	Journal	323	11,27,14,746.00
To Tds - Contractor Tds deducted against bill no - 011	Journal		25,54,116.00
To Bank of Baroda Ch. No. :502398	Payment	454	2,44,33,500.00
To Godavari Power & Ispat Ltd Being the amount allowed as discount against bill no - 47, 58, & 88	Credit Note	2	15,00,000.00
To Sarda Energy Minerals Ltd Being the amount allowed as discount against Bill No - 96	Credit Note	3	3,25,000.00
To Adhunik Corporation Ltd Being the amount allowed as discount against bill no - 57 & 86	Credit Note	4	8,00,000.00
To Jai Balaji Industries Ltd Being the amount allowed as discount against bill No - 48, 59, 76, 81, 90, 62 & 77	Credit Note	5	24,50,000.00
To Keshav Minerals Being the amount allowed as discount on Bill No - 108 & 128	Credit Note	6	9,10,000.00

Carried Over

Mines Manager 80,86,01,653.00 88,81,43,698.00

Udayabak Iron & Mn. Mines

Mahaparvath

continued ...

3.15 The above mentioned ledger account further contains certain entries which are normally not to be given effect to in the account of the raising contractor if the contractor was merely a raising contractor. Certain examples in this regard are as below-

- On 31.3.2009 the account of the raising contractor has been debited by Rs. 9,10,000/- and credit has been given to M/s. Keshav Minerals. The narration reads "being the amount allowed as discount on bill No. 108 & 128".
- Like wise on 31.3.2009 the account of the raising contractor has been debited by Rs. 4,00,000/- and credit has been given to M/s. Sunil Ispat & Power. The narration reads "being the amount allowed as discount on bill No. 79".
- Further on 31.3.2009 the account of the raising contractor has been debited by Rs. 8,00,000/- and credit has been given to M/s. Neo Metaliks Ltd. The narration reads "discount allowed against bill No. 61".
- Entries consequent to discount by the mine owner to its customers normally should not find place in the ledger account of the ore raising contractor. The debits described above to the ledger account of the ore raising contractor in respect of discounts allowed by the lessee to its

customers indicates the entries being in consequence to the intent of implementation of the arrangement regarding apportionment of sale proceeds between the lessee and the ore raising contractor.

- e. The relevant scanned extracts from the ledger account of the ore raising contractor ie. M/s. TEMPL in the books of the lessee, Smt. Indrani Pattnaik is as below-

M/s INDRANI PATNAIK 2008-09

Thriveni Earthmovers Pvt Ltd (Raising) Ledger Account : 1-Apr-2008 to 31-Mar-2009

Page 2

Date	Particulars	Vch Type	Vch No.	Debit	Credit
	Brought Forward			43,29,69,432.00	51,31,57,158.00
10-12-2008	To Bank of Baroda Ch. No. :0862347	Payment	235	8,00,00,000.00	
16-12-2008	To Adhunik Corporation Ltd Being the amount allowed as discount.	Credit Note	1	5,00,000.00	
5-1-2009	To Tds - Contractor	Journal		18,56,537.00	
6-1-2009	By Raising Charges Raising Charges for the month of Dec - 08	Journal			8,19,30,155.00
7-1-2009	To Bank of Baroda Ch. No. :502359	Payment	271	7,93,19,628.00	
	To Raising Charges Qty of Despatch from Line No -6 in month of Oct - 08 is 23542.53 @ Rs 100/- Total amount is 2354253. TEMPL share is Rs 942701 (40 % of Rs 2354253)	Debit Note	1	9,41,701.00	
5-2-2009	By Raising Charges Raising charges for the month of Jan - 09	Journal	127		10,87,72,049.00
	To Tds - Contractor	Journal	127	24,64,775.00	
6-2-2009	To Bank of Baroda Ch. No. :502370	Payment	309	7,81,87,200.00	
16-2-2009	To Bank of Baroda Ch. No. :502371	Payment	322	2,81,20,074.00	
5-3-2009	By Raising Charges Raising charge for the month of Feb - 09	Journal			1,09,39,685.00
	By Raising Charges Raising Charges for the month of Feb - 09	Journal			6,06,29,905.00
	To Tds - Contractor Tds against raising bill for the month of Feb	Journal		16,21,767.00	
9-3-2009	To Bank of Baroda Ch. No. :502382	Payment	361	6,99,47,823.00	

31-3-2009 By Raising Charges
Raising Charges for the month of March - 09

Journal 323 11,27,14,746.00

To Tds - Contractor
Tds deducted against bill no - 011

Journal 25,54,116.00

To Bank of Baroda
Ch. No. :502398

Payment 454 2,44,33,500.00

To Godavari Power & Ispat Ltd
Being the amount allowed as discount against bill no
- 47, 58, & 88

Credit Note 2 15,00,000.00

To Sarda Energy Minerals Ltd
Being the amount allowed as discount against Bill No
- 96

Credit Note 3 3,25,000.00

To Adhunik Corporation Ltd
Being the amount allowed as discount against bill no
- 57 & 86

Credit Note 4 5,00,000.00

To Jal Balaji Industries Ltd
Being the amount allowed as discount against bill no
- 48, 59, 76, 81, 90, 62 & 77

Credit Note 5 24,50,000.00

To Keshav Minerals
Being the amount allowed as discount on Bill No -
108 & 128

Credit Note 6 9,10,000.00

Carried Over

Mines Manager 80,86,01,553.00 88,81,43,698.00

Unchabali Iron & Mn. Mines

Mahaparvath

continued ...

M/s INDRANI PATNAIK 2008-09

Thriveni Earthmovers Pvt Ltd (Raising) Ledger Account : 1-Apr-2008 to 31-Mar-2009

Page 3

Date	Particulars	Vch Type	Vch No.	Debit	Credit
	Brought Forward			80,86,01,553.00	88,81,43,698.00
31-3-2009	To Sunil Ispat & Power Ltd Bring the amount allowed as discount against bill no - 79	Credit Note	7	4,00,000.00	
	To Neo Metaliks Ltd Discount allowed against Bill No - 61	Credit Note	8	8,00,000.00	
	To Credit Note to Be Issued to Parties Being the amount of credit note already deducted from M/s TEMPL and to be issues to parties	Journal		47,75,000.00	
				81,45,76,553.00	88,81,43,698.00
	To Closing Balance			7,35,67,145.00	
				88,81,43,698.00	88,81,43,698.00

Mahaparvath
Mines Manager 14/3/14
Unchabali Iron & Mn. Mines
M/s. Indrani Patnaik
Mahaparvath

4. The observations above indicate prima facie violation of Rule 37 of Mineral Concession Rules, 1960 by the lessee.

(P.C.PATRA)

DDM, Directorate of
Mines, Orissa,
Bhubaneswar.

(U. N. NAYAK)

Finance Consultant,
OMC Ltd.

(K. C. SAHOO)

FA-cum-Dy Secy. to
Govt, Steel &
Mines Deprtt, Orissa

(ARUN KUMAR VERMA)

Chartered Accountant

(MANORANJAN NAIK)

Asst. Commissioner
(Enforcement),
Commercial Taxes, BBSR

M/s INDRANI PATNAIK
A/6 COMMERCIAL ESTATE

SCHEDULE- 2: FIXED ASSETS

Sl. No.	Assets	W.D.V. As on	Additions/(Disposal)		Disposal	Total	Depreciation				W.D.V as on
		1-Apr-08	Less than 180Days	More than 180 days			%	for the year	Add. Depre. (20%)	Total	31-Mar-09
Block A-Furniture & Fittings(10%)											
	1. Fan	-	4,148.00		-	4,148.00		207.40		207.40	3,940.60
	2. T.V. Set	-	90,000.00	-	-	90,000.00	10%	4,500.00	-	4,500.00	85,500.00
		-	94,148.00	-	-	94,148.00		4,707.40	-	4,707.40	89,440.60
Block-B-Plant & Machinaries(15%)											
	1. Air Conditioner	-	271,356.00	-	-	271,356.00	15%	20,351.70	-	20,351.70	251,004.30
	2. Mobile Phone	-	-	7,750.00	-	7,750.00	15%	1,162.50	-	1,162.50	6,587.50
	3. D.G. Set	-	1,029,375.00		-	1,029,375.00	15%	77,203.13	-	77,203.13	952,171.87
		-	1,300,731.00	7,750.00	-	1,308,481.00		98,717.33	-	98,717.33	1,209,763.67
	Grand Total	-	1,394,879.00	7,750.00	-	1,402,629.00		103,424.73	-	103,424.73	1,299,204.27



15 SEP 2009

M/s. INDRANI PATNAIK

Indrani Patnaik
Proprietor

ବାବଦ ୨ ଲକ୍ଷ ୫୦ ହଜାର ଟଙ୍କା ନାହିଁ ଏବଂ
 ଅନ୍ୟାନ୍ୟ ବାବଦ ୨ ଲକ୍ଷ ୩୦ ହଜାର ଟଙ୍କା
 ଉପରେ ନାହିଁ ଏବଂ ଅନ୍ୟାନ୍ୟ ବାବଦ
 ୨ ଲକ୍ଷ ୫୦ ହଜାର ଟଙ୍କା

[illegible]

୧୭୭୩୩-୩୭) ସମସ୍ତ ସ୍ୱାଧୀନତା

୧) ନୂଆସ୍ୱାଧୀନତା ସଂଗଠନର ପ୍ରତିଷ୍ଠା ନିମ୍ନ
 ସମାଜର ସମସ୍ତ ସଦସ୍ୟଙ୍କୁ ସମସ୍ତ ସ୍ତରର ସାମାଜିକ
 ନୂଆସ୍ୱାଧୀନତା, ଗଣତନ୍ତ୍ର ନୂଆସ୍ୱାଧୀନତା
 ସଂଗଠନର ସ୍ୱାଧୀନତା ଦେବାକୁ ଯୋଗ୍ୟ ଅଟେ ।

୨) ନୂଆସ୍ୱାଧୀନତା ସଂଗଠନର ପ୍ରତିଷ୍ଠା ନିମ୍ନ
 ଗୋଟିଏ ଗୋଟିଏ ସ୍ୱାଧୀନତା ସଂଗଠନର ସମସ୍ତ
 ସଦସ୍ୟଙ୍କୁ ସ୍ୱାଧୀନତା ସଂଗଠନର ସମସ୍ତ
 କାର୍ଯ୍ୟକାରୀ ସାମାଜିକ ସଂଗଠନ ।

୩) ନୂଆସ୍ୱାଧୀନତା ସଂଗଠନର ସମସ୍ତ ସଦସ୍ୟଙ୍କୁ, ନୂଆସ୍ୱାଧୀନତା
 106-112 ଗୋଟିଏ ସଂଗଠନର, ୦-୨୩ ଗୋଟିଏ
 ସଂଗଠନର ଗୋଟିଏ ସଂଗଠନର ସଂଗଠନର ସଂଗଠନର
 106-112 ଗୋଟିଏ ସଂଗଠନର ସଂଗଠନର ସଂଗଠନର ସଂଗଠନର

୪) ନୂଆସ୍ୱାଧୀନତା ସଂଗଠନର ସମସ୍ତ ସଦସ୍ୟଙ୍କୁ, ନୂଆସ୍ୱାଧୀନତା
 ସଂଗଠନର, 106-112 ଗୋଟିଏ ସଂଗଠନର ସଂଗଠନର
 (ନୂଆସ୍ୱାଧୀନତା ସଂଗଠନର ସଂଗଠନର ସଂଗଠନର ସଂଗଠନର
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 ଗୋଟିଏ ସଂଗଠନର ସଂଗଠନର ସଂଗଠନର ସଂଗଠନର

୫) ନୂଆସ୍ୱାଧୀନତା ସଂଗଠନର ସମସ୍ତ ସଦସ୍ୟଙ୍କୁ, ନୂଆସ୍ୱାଧୀନତା
 ସଂଗଠନର, 106-112 ଗୋଟିଏ ସଂଗଠନର ସଂଗଠନର
 ଗୋଟିଏ ସଂଗଠନର ସଂଗଠନର ସଂଗଠନର ସଂଗଠନର
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Prospecting Report of Group 200 2020

ਗਲਪਿ ਮੁਖਾ ਮਾਨਿਤੁ ਤੁਧੁਤੁ ਬੁਧਾਨ ਬਿਨੁਤੁ

(પાલ્લવિત મંત્રિજાત) ધરભાગુ ઉ લેલું
 ગ્રામ્ય પાલ્લવિત મંત્રિજાત M.C. Rules, 1960

22 1947

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महाराष्ट्र राज्य सरकार
महाराष्ट्र राज्य सरकार

ଦେଖିଲୁ, ଦେବୀ ଯେ ଜନ୍ମା ସଂଗ୍ରହ କରୁ

ਸ੍ਰੀ ਜੀਵਨ ਸਾਹਿਬ

১৯৭১/৭২ (১০) ১৯৭১/৭২ ১৯৭১/৭২

১০৬.৪৭২ টন

ମାଧ୍ୟମିକ ସମ୍ବଳ ୦.୨୭୧ ଟଙ୍କା ପ୍ରତି ବ୍ୟୟ

১৯৬৬ খ্রিঃ ১০ মাস ১০ তারিখ
 ১৯৬৬ খ্রিঃ ১০ মাস ১০ তারিখ

106.481 ଡିଗ୍ରୀ ସ୍ପଷ୍ଟ ପୃଷ୍ଠା ଆକାର 2ମ ଡିଗ୍ରୀ

କ୍ରମିକ : ୧୦୬.୧୧୨୭ ଗୁଣ୍ଠନ ମାପ

1. 23 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000 1001 1002 1003 1004 1005 1006 1007 1008 1009 1010 1011 1012 1013 1014 1015 1016 1017 1018 1019 1020 1021 1022 1023 1024 1025 1026 1027 1028 1029 1030 1031 1032 1033 1034 1035 1036 1037 1038 1039 1040 1041 1042 1043 1044 1045 1046 1047 1048 1049 1050 1051 1052 1

[illegible]

- 9 -

ଚିପୁଣୀ ପୃଷ୍ଠା 5ର ବ୍ୟବସାୟ ।

ଶ୍ରୀମତୀ ଇନ୍ଦ୍ରାଣୀ ପଟ୍ଟନାୟକଙ୍କୁ କେନ୍ଦୁଝର ଜିଲ୍ଲାର ଉଚ୍ଚାଦାଲି ଗ୍ରାମରେ ଲୋହ ଓ ମାଲାନିଜ ପାତୁପି-ଶ୍ରମାଙ୍କ 106.472 ହେକ୍ଟର ପରିମିତ ଅଞ୍ଚଳରେ ଦୁଇ ବର୍ଷ ପାଇଁ ପୂର୍ବେକ୍ଷଣ ଲାଇସେନ୍ସ ମଞ୍ଜୁର କରାଯାଇଥିଲା । ଶ୍ରୀ ନିର୍ଦ୍ଦେଶକ ତାଙ୍କର ପ.ବି.ପ. 37 - 356 ଜଣାଇଛନ୍ତିଯେ ଶ୍ରୀମତୀ ପଟ୍ଟନାୟକ ଇତିମଧ୍ୟରେ ଆବଶ୍ୟକୀୟ କାଗଜପତ୍ର ଦାଖଲ କରିଛନ୍ତି । ଉକ୍ତ ଆବେଦିତ ଅଞ୍ଚଳରେ 6.70 ମିଲିଅନ ଟନ୍ ଲୋହ ପଥର ଗୁଡ଼ିଚାଧାର ଅନୁମାନ କରାଯାଏ । ଶ୍ରୀ ନିର୍ଦ୍ଦେଶକ ଉକ୍ତ ପତ୍ରରେ ଜଣାଇଛନ୍ତିଯେ ଶ୍ରୀମତୀ ପଟ୍ଟନାୟକ 20 ବର୍ଷପାଇଁ ଶ୍ରୀପତା ମଞ୍ଜୁର କରିବାକୁ ଆବଶ୍ୟକୀୟ ଅନ୍ୟାନ୍ୟ କାଗଜାତ ଦାଖଲ କରିଛନ୍ତି । ଶ୍ରୀ ନିର୍ଦ୍ଦେଶକ ପ୍ରକାରର ସ୍ୱତାନ୍ତ୍ରୀ ଆବେଦିତ ଅଞ୍ଚଳରେ ଆକୋ ଛୋର ଜମି ନାହିଁ ଏବଂ ଜିଲ୍ଲାପାଳ କେନ୍ଦୁଝର ମଧ୍ୟ ଶ୍ରୀମତୀ ପଟ୍ଟନାୟକଙ୍କ ସପକ୍ଷରେ ଉକ୍ତ ଅଞ୍ଚଳ ଉପରେ ଶ୍ରୀପତା ଦେବାପାଇଁ ସୁପାରିଶ କରିଛନ୍ତି ।

ଉକ୍ତ ଆବେଦିତ 106.472 ହେକ୍ଟର ଅଞ୍ଚଳରୁ ଅଳ୍ପ କେତେକ ଆପରିଜନକ ଅଞ୍ଚଳ ବାଦ୍ ଦେଇ ସଂପୂର୍ଣ୍ଣ ଉତ୍ତମକୁ 106.11127 ହେକ୍ଟର ପରିମିତ ଅଞ୍ଚଳରେ ଲୋହ ଓ ମାଲାନିଜ ପାତୁପି ଶ୍ରୀପତା 20 ବର୍ଷ (ଦେବାପାଇଁ ଶ୍ରୀ ନିର୍ଦ୍ଦେଶକ ସୁପାରିଶ କରିଛନ୍ତି ।

ଲୋହ ଓ ମାଲାନିଜ ପ୍ରଥମ ପିଚୁରୁକୁ ଶ୍ରୀ ଶ୍ରୀ ଶ୍ରୀ ଶ୍ରୀ ଶ୍ରୀ ଶ୍ରୀ (ନିୟନ୍ତ୍ରଣ ଓ ଉନ୍ନୟନ) ଅଧିନିୟମ 1957ର ଧାରା 5(1) ଅନୁଯାୟୀ କେନ୍ଦ୍ର ସରକାରଙ୍କର ଅନୁମୋଦିତ ହେଲାପରେ ଶ୍ରୀପତା ମଞ୍ଜୁର କରାଯାଇପାରେ ।

ଏସବୁ ବୁଝେ କେନ୍ଦୁଝର ଜିଲ୍ଲାର ଉଚ୍ଚାଦାଲି ଗ୍ରାମସ୍ଥ 106.11127 ହେକ୍ଟର ପରିମିତ ଅଞ୍ଚଳ-ଛୋର ଜମିରେ ଲୋହ ଓ ମାଲାନିଜ ଶ୍ରୀପତା ଶ୍ରୀମତୀ ପଟ୍ଟନାୟକଙ୍କ ସପକ୍ଷରେ 20 ବର୍ଷପାଇଁ ମଞ୍ଜୁର କରିବାପାଇଁ କେନ୍ଦ୍ର ସରକାରଙ୍କୁ ସୁପାରିଶ କରାଯାଇପାରେ । ଶ୍ରୀମତୀ ପଟ୍ଟନାୟକ ଏଥିପାଇଁ ଆଇ.ବି.ଏମ୍.ଓ.ରୁ ଅନୁମୋଦିତ ମାଲିକିୟତ ପ୍ଲାନ 6 ମାତ୍ର ମଧ୍ୟରେ ଦାଖଲ କରିବାକୁ ହେବ । ଏଥିପାଇଁ ମାଲିକର ମୁଖ୍ୟମନ୍ତ୍ରୀଙ୍କ ସହଯୁ ଆଦେଶ ନିମନ୍ତେ ନଥି ଉପସ୍ଥାପନ କରାଗଲା ।

ପ୍ରମୁଖ ଶାସନ ପ୍ରତିବ

ମୁଖ୍ୟମନ୍ତ୍ରୀ

ମୁଖ୍ୟମନ୍ତ୍ରୀ

ମୁଖ୍ୟମନ୍ତ୍ରୀ, ଓଡ଼ିଶା

(ଉପକ୍ରମ ପ୍ରକାଶନ ପ୍ରତିଷ୍ଠାନ)
ସ୍ୱଳ୍ପ ଶାସନ ପ୍ରତିବ

ସ୍ୱଳ୍ପ ଶାସନ ପ୍ରତିବ
ସ୍ୱଳ୍ପ ଶାସନ ପ୍ରତିବ

10-6-98

10-6-98

11-6-98

11-6-98

ଉ.ବି.ସ.

ସୁଦ୍ଧି ହୁଏତ ଉକ୍ତର ମାମୁଲ
 ସୁଧାମୟୀ ମହାବଳୁଙ୍କର ବିଷୟରେ ଉକ୍ତମାନ
 ଗଣନା ସମ୍ବନ୍ଧରେ ସୁଧାମୟୀଙ୍କର ଲାଭାବିତା ସମ୍ବନ୍ଧରେ
 ଶିଖାମାୟାଙ୍କର 106-1127 ଉକ୍ତର ବିଷୟରେ
 ଉକ୍ତମାନଙ୍କର ଉକ୍ତର ଲାଭାବିତା ମାମୁଲ
 ଉକ୍ତମାନଙ୍କର ଲାଭାବିତା ମାମୁଲ

ସାମୁଏଲ
 12/6/98

ଉ.ବି.ସ.

ସୁଧାମୟୀଙ୍କର ଉକ୍ତର

ସୁଧାମୟୀଙ୍କର ଉକ୍ତର
 ଉକ୍ତର ଉକ୍ତର

ସୁଧାମୟୀ

12/6/98

ସୁଧାମୟୀଙ୍କର ଉକ୍ତର

2. ଉକ୍ତର ଉକ୍ତର ଉକ୍ତର
 ଉକ୍ତର ଉକ୍ତର Location map
 ଉକ୍ତର ଉକ୍ତର ଉକ୍ତର ଉକ୍ତର
 ଉକ୍ତର ଉକ୍ତର ଉକ୍ତର

ଉକ୍ତର ଉକ୍ତର ଉକ୍ତର

ଉକ୍ତର ଉକ୍ତର

12/6/98

ଉ.ବି.ସ.

ଉକ୍ତର ଉକ୍ତର

ସାମୁଏଲ
 12/6/98

ସୁଧାମୟୀଙ୍କର ଉକ୍ତର

ସୁଧାମୟୀଙ୍କର ଉକ୍ତର
 ଉକ୍ତର ଉକ୍ତର ଉକ୍ତର
 ଉକ୍ତର ଉକ୍ତର ଉକ୍ତର

12/6/98

10. 7852 at 7.9 98 to Smt. J. Patankar

no. vi of 12978 from Gndroni Refractory

8:30 am.

7.5. 75 2204

ਮਰਿ ੧੯੯੧ ਸਾਲ ਵਿੱਚ ਪੰਜਾਬ ਸਰਕਾਰ

ନିର୍ଦ୍ଦେଶକଙ୍କ ସହଯୋଗୀଙ୍କୁ ନିର୍ଦ୍ଦେଶ ଦିଆଯାଇଛି

2019/07/09 7월 14일 on 2019년 7월 14일

ଅନୁସନ୍ଧାନ - ୨ ରୁ ନିର୍ଦ୍ଧାରିତ

ଉତ୍ତର ଶାସନ ମନ୍ତ୍ରାଳୟ ମଧ୍ୟ ଶାସନ ପ୍ରଶାସନ ଶାସନ

අනුරාධපුරයේ සිටින අය (කොටස්)

०१०६८०७२ ११/१८ ११/१८ २१/१८ ११/१८

106.478 ~~106.478~~ 106.1127 ~~106.1127~~

ନିର୍ଦ୍ଦେଶ ମୁଦ୍ରା ମିଳି ୨୦/୧୧/୨୦୧୭

ନିମ୍ନଲିଖିତ ନିମ୍ନ ଲିଖିତ ନାମାବଳୀ

ମନୁଷ୍ୟର ପ୍ରାଣ ୭୫୫୫୫ ୬ ବାରି ମଧ୍ୟର

ମାତ୍ର. ୨. ୧୫ ୦/୨ ମାତ୍ର. ୧୫ ୦/୨

1502061

20.12.2019

14/9/98

~~ଅନୁମୋଦିତ~~ ସ୍ୱାକ୍ଷର

[illegible]

बिनास १२/११-१९९८

01/04/15

25/10/20

mob. 25883 dt 26.9.98 from D.M. Ousse

Q. M. M.

१७ जनान् २७ २९ ३० ३१

[illegible]

12/1/98

ਸਤਿਨਾਮੁ ਜਤਿ

पृष्ठ संख्या ५७-५८ शीर्षक

ସେବନଟି ମିମ୍ବିତ୍ତ ଗୋଟାଏ ବାହୁଗାମୀ ।

ନିକଟସ୍ଥ, ଯେଉଁଠି ଏହି ଗ୍ରାମୀଣ ସଂଗଠିତ

४६० मन्त्रिजलानुसंधानेन विमानादि

ଶ୍ରୀ ଗୋବିନ୍ଦା ଶ୍ରୀମତୀ ଶ୍ରୀମତୀ ଶ୍ରୀମତୀ

ॐ नमः ।

१०/११/२५

6712-10-38

2/2/21

12/10/98

Wm

12/18

Letter dt 6.1.77 from Govt. of Karnataka
 Letter No. 3565 dt 21.12.78 from Collector Kengal

ଭୂ-ସମ୍ପତ୍ତି ଆୟ ଆୟ

ପ୍ର. ସ୍. - 62-60 ପ୍ର. ସ୍. ସ୍.

ଶ୍ରୀମତୀ ଶ୍ରୀମତୀ ଶ୍ରୀମତୀ ଶ୍ରୀମତୀ
 ଶ୍ରୀମତୀ ଶ୍ରୀମତୀ ଶ୍ରୀମତୀ ଶ୍ରୀମତୀ
 ଶ୍ରୀମତୀ ଶ୍ରୀମତୀ ଶ୍ରୀମତୀ ଶ୍ରୀମତୀ
 ଶ୍ରୀମତୀ ଶ୍ରୀମତୀ ଶ୍ରୀମତୀ ଶ୍ରୀମତୀ
 ଶ୍ରୀମତୀ ଶ୍ରୀମତୀ ଶ୍ରୀମତୀ ଶ୍ରୀମତୀ
 ଶ୍ରୀମତୀ ଶ୍ରୀମତୀ ଶ୍ରୀମତୀ ଶ୍ରୀମତୀ

କଟକରେ ଶ୍ରୀମତୀ ଶ୍ରୀମତୀ ଶ୍ରୀମତୀ
 ଶ୍ରୀମତୀ ଶ୍ରୀମତୀ ଶ୍ରୀମତୀ ଶ୍ରୀମତୀ
 documents 6-68-64 ରେ ଶ୍ରୀମତୀ ଶ୍ରୀମତୀ

କଟକରେ ଶ୍ରୀମତୀ ଶ୍ରୀମତୀ ଶ୍ରୀମତୀ
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ପ୍ରାୟ ୧୯୫୫ ମସିହା, ୧୨ମାସ ୧୫ତମ ତାରିଖରେ ଆମ୍ଭଙ୍କୁ
୫. ୫-୫୫ ରେ ଚାକାମାଲିଆରେ (କିଛି ସମ୍ପତ୍ତି
document ପ୍ରତିକାଶିତ ହୋଇଥିଲା ଏବଂ ଏହା
ଏହି କାର୍ଯ୍ୟକାରୀ ବାବଦରେ କିଛି କିଛି ୧୦୦୦
ଏହି ୧୦୦୦ ଟଙ୍କାରେ ୧୯୫୫ ମସିହାରେ
ଏହାକୁ ପ୍ରତିକାଶିତ ହୋଇଥିଲା।

କାର୍ଯ୍ୟକାରୀରେ କାର୍ଯ୍ୟକାରୀରେ ଏହି କାର୍ଯ୍ୟକାରୀରେ
ପ୍ରାୟ ୧୯୫୫ ମସିହା ୧୨ମାସ ୧୫ତମ ତାରିଖରେ ଆମ୍ଭଙ୍କୁ
(Security money) Rs. ୨୫୦୦/- ଟଙ୍କା ଦିଆଯାଇଥିଲା।
ଆମ୍ଭଙ୍କୁ ଏହି ୧୦୦୦ ଟଙ୍କାରେ ୧୯୫୫ ମସିହାରେ ୧୦୦୦
୧୯୫୫ ମସିହାରେ ୧୦୦୦ ଟଙ୍କାରେ ୧୯୫୫ ମସିହାରେ
୧୯୫୫ ମସିହାରେ ୧୦୦୦ ଟଙ୍କାରେ ୧୯୫୫ ମସିହାରେ
୧୯୫୫ ମସିହାରେ ୧୦୦୦ ଟଙ୍କାରେ ୧୯୫୫ ମସିହାରେ

୧୯୫୫ ମସିହାରେ ୧୦୦୦ ଟଙ୍କାରେ ୧୯୫୫ ମସିହାରେ
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77-1-99

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no 176 (Sm) dt 2.99 to Collector, 7-1-99
Keeney, hpr

No. 2133/Mines dt 10.8.99 from coll. Keonjhar.

S.O.

P. 75-737e may please be seen.

the collector Keonjhar has furnished 4 copies of M.H. deed executed on 5.2.99 in favour of Smt Andrami Patnaik over 106.1127 hects in mill-unchabadi in Keonjhar district for iron & manganese.

A copy of the deed may be sent to the C.E., G.M./D.E., mine salt and another copy be retained in Dept. record.

ASA

Chak
21/7/2k

Jant Singh.

M/S Same

Sol

ASA

21/7/2k

Munawar
21.7.2k

No. 8008 dt 21.7.2000 to G.M./M. S. Dhanbad.

S.O.

No action is pending in this file. It may be closed for record. B-25-yos.

Sr Recorder

Chak
17/8/2000

Sol

25/8/2k

It is needless to reiterate that the O.M.C. having taken the self and same area on mining lease for 20 years did not exploit the same and surrendered the area giving rise to the notification under Rule 59 of the M.C. Rules and a number of private individuals made applications on 29.10.91 for mining lease. The O.M.C. made the representation about 3 years thereafter on 27.9.94. The O.M.C. thus has re-appeared in the scene long after the notification throwing open the area on their failure to operate the mining lease; received response from willing applicants. Conceding for the sake of argument that O.M.C. being a public sector undertaking is best capable of exploiting the ore, it does not seem to enjoy a preferential right to lease in the background of the fact that it has not operated the mines causing loss to the State Government. As the private individuals have made applications in response to the notification of the State Government, the principles of promissory estoppel may operate against the State, in ignoring their applications. The State Government while deciding the issue and exercising its discretion under sub-section (4) of Section 11 of M.M. (R.D) Act is mandated to examine the application of the Orissa Mining Corporation in the light of their past conduct of not exploring ore from the lease-hold for long twenty years. The agreement said to have been entered into with MESCO does not seem to clothe the Orissa Mining Corporation with any preferential right to lease. There is no material to suggest that the O.M.C. will be unable to fulfil its commitments under the agreement without the instant lease being granted in its favour. The agreement seems premature and could be speculative.

It was open to the applicant who has applied late to indicate any special reasons why the earlier applicants should not be granted the lease. In the case in hand no such plea is advanced by the O.M.C. In such circumstances consideration of the application of O.M.C. over the heads of the former applicants is likely to render the action arbitrary and questionable.

STEEL & MINES DEPARTMENT.

(H. Mahapatra)
 Joint Secretary
 Steel & Mines Department

OGP-M-1015

21/7/97

95/10
 21/7/97

[illegible]

-: 27 :-

କରାଯାଇ ପାରିବ କି ନାହିଁ ଏଥି ପାଇଁ ବିଧି ବିଭାଗର ମତାମତ ଲୋଚନାଯାଇଥିଲା । ବିଧି ବିଭାଗ ଜଣାଇଛନ୍ତି ଯେ *M. A. (R&D) Act* ର ଧାରା 11(2) ରେ ଅଗ୍ରାଧିକାର ଭିତରେ ଦରଖାସ୍ତ ଚିତାର କରିବାର ବ୍ୟବସ୍ଥା ଅଛି । ଏଥିରେ କୁହାଯାଇଛି ଯେ -

"Notwithstanding anything contained in sub-section (2) but subject to the provisions of sub-section (1) the state Government may, for any special reasons to be recorded and with the previous approval of the Central Government, grant a prospecting licence or a mining lease to an applicant whose application was received later in preference to an applicant whose application was received earlier."

ସ୍ୱତନ୍ତ୍ରୀ ବିଧି ବିଭାଗ ଜଣାଇଛନ୍ତି ଯେ ଅଗ୍ରାଧିକାର ଭିତରେ ଚିତାର ପାଇଁ ରାଜ୍ୟ ସରକାର ପ୍ରତ୍ୟେକ କାରଣ ମତ ଦରଖାସ୍ତ ପ୍ରତ୍ୟାଖିନ କରିବେ ଏବଂ କେନ୍ଦ୍ର ସରକାରଙ୍କ ଅନୁମୋଦନ କ୍ରମେ ପୂର୍ବେକ୍ଷଣ ଲାଭନେମ୍/ଖଣିପତ୍ର ମଞ୍ଜୁର କରାଯିବ ।

ମାତ୍ର ଉଦାହରଣ ସ୍ୱରୂପ ଖଣି ନିଗମକୁ ଉକ୍ତ ଅଞ୍ଚଳକୁ ଖଣିପତ୍ର ଭାବରେ 20 ବର୍ଷ ପାଇଁ ଦିଆଯାଇଥିଲା, ନିଗମ ଏଥିରୁ ଧାରୁଣିତ ଉତ୍ତୋଳନ ନକରି ଏହା ପ୍ରତ୍ୟର୍ପଣ କରିଥିଲେ । ଯୁକ୍ତି ହୁଏ ଯେ କୁହାଯାଇପାରେ ଯେ ନିଗମଙ୍କର ଖଣି କାର୍ଯ୍ୟ ପାଇଁ ଆବଶ୍ୟକୀୟ ଅଭିବ୍ୟକ୍ତି ଏବଂ ଭିତ୍ତିମୂଳ ସୁବିଧା ଅଛି । ମାତ୍ର ନିଗମ 20 ବର୍ଷ ଧରି ଖଣି କାର୍ଯ୍ୟ ନକରି ସରକାରଙ୍କ ରାଜସ୍ୱ ଯନ୍ତ୍ର ଘଟାଇଥିବାରୁ ଅନ୍ୟ ବେପାରକାରୀ ଦରଖାସ୍ତକାରୀମାନଙ୍କର ଦରଖାସ୍ତକୁ ଉପେକ୍ଷା କରିବା ସମୀଚିନ ହେଉନାହିଁ । *M. A. (R&D) Act, 1957* ର ଧାରା 11 ର ଉପଧାରା 4 ଅନୁଯାୟୀ ନିଗମର ପୂର୍ବ କାର୍ଯ୍ୟକଳାପ ଠିକ୍ ନଥିବାରୁ ନିଗମର ଦରଖାସ୍ତ ଅଗ୍ରାଧିକାର ଭିତରେ ଚିତାର କରାଯିବା ପାଇଁ ଯଥେଷ୍ଟ ଯୁକ୍ତି ନାହିଁ ।

ଖଣି ଓ ଭୂତତ୍ତ୍ୱ ନିର୍ଦ୍ଦେଶକ ପ.ବି.ପୁ. 35-34 ରେ ଜଣାଇଛନ୍ତି ଯେ ଗତ 29.10.91 ଖାରିଖ ଦରଖାସ୍ତକାରୀଙ୍କ ସହିତ ଅନ୍ୟ 13 ଜଣ ଦରଖାସ୍ତ କରିଛନ୍ତି । କେନ୍ଦ୍ରୀୟ ଜିଲ୍ଲାପାଳ ଏବଂ ଖଣି ଓ ଭୂତତ୍ତ୍ୱ ନିର୍ଦ୍ଦେଶକ ଦରଖାସ୍ତ ଗୁଡିକ ଯାଚ୍ କଲାପରେ ଜଣାଇଛନ୍ତି ଯେ ଦରଖାସ୍ତ ବର୍ଣ୍ଣିତ ଅଞ୍ଚଳ ଗୁଡିକ ନିମ୍ନଲିଖିତଭାବେ ଉଦ୍ଧୃତ ହେଉଅଛି ।

- (1) ଶ୍ରୀମତୀ ଲକ୍ଷ୍ମୀ ପଟ୍ଟନାୟକଙ୍କ ଦରଖାସ୍ତ ବର୍ଣ୍ଣିତ ଅଞ୍ଚଳ ସହ ଶ୍ରୀ ରାମ ବାହାଦୁର ଠାକୁର ଏବଂ ମେସର୍ସ ପାଣିପିକ୍ ମନୋରାଜ୍ ସ୍ୱ.ଂକ 124.177 ହେକ୍ଟର ଅଞ୍ଚଳ ଉଦ୍ଧୃତ ହେଉଅଛି ।
- (2) ଶ୍ରୀ ପି.ପି. ଗମ୍ଭୀରଙ୍କ ଦରଖାସ୍ତ ବର୍ଣ୍ଣିତ ଅଞ୍ଚଳରୁ 39 ହେକ୍ଟର ଶ୍ରୀମତୀ ଲକ୍ଷ୍ମୀ ପଟ୍ଟନାୟକଙ୍କ ଦରଖାସ୍ତ ବର୍ଣ୍ଣିତ ଅଞ୍ଚଳ ସହ ଉଦ୍ଧୃତ ହେଉଅଛି ।

- (3) ଶ୍ରୀ ସୁଧାଂଶୁ ଦାସଙ୍କ ଦରଖାସ୍ତ ବର୍ଷିତ ଅଫଳରୁ 55 ହେକ୍ଟର ଶ୍ରମଣୀ ଇଂରାଜୀ ପଟନାୟକଙ୍କର ଦରଖାସ୍ତ ବର୍ଷିତ ଅଫଳ ସହ ଉଦ୍‌ବ୍ୟାସ୍ତ ହେଉଛି ।
- (4) ଶ୍ରୀ ବି.କେ. ମହାନ୍ତିଙ୍କ ଦରଖାସ୍ତ ବର୍ଷିତ ଅଫଳରୁ 45 ହେକ୍ଟର ଶ୍ରମଣୀ ଇଂରାଜୀ ପଟନାୟକଙ୍କ ଦରଖାସ୍ତ ବର୍ଷିତ ଅଫଳ ସହ ଉଦ୍‌ବ୍ୟାସ୍ତ ହେଉଛି ।
- (5) ଶ୍ରୀ କେ.ସି.ସୁଧାନାଥଙ୍କ ଦରଖାସ୍ତ ବର୍ଷିତ ଅଫଳରୁ 32 ହେକ୍ଟର ଶ୍ରମଣୀ ଇଂରାଜୀ ପଟନାୟକଙ୍କ ଦରଖାସ୍ତ ବର୍ଷିତ ଅଫଳ ସହ ଉଦ୍‌ବ୍ୟାସ୍ତ ହେଉଛି ।
- (6) ଶ୍ରୀ ଏସ୍.ଏନ୍. ମହାନ୍ତିଙ୍କ ଦରଖାସ୍ତ ବର୍ଷିତ ଅଫଳରୁ 42 ହେକ୍ଟର ଶ୍ରମଣୀ ଇଂରାଜୀ ପଟନାୟକଙ୍କ ଦରଖାସ୍ତ ବର୍ଷିତ ଅଫଳ ସହ ଉଦ୍‌ବ୍ୟାସ୍ତ ହେଉଛି ।
- (7) ଶ୍ରୀ ବି. ପି. ପଟନାୟକଙ୍କ ଦରଖାସ୍ତ ବର୍ଷିତ ଅଫଳରୁ 48 ହେକ୍ଟର ଶ୍ରମଣୀ ଇଂରାଜୀ ପଟନାୟକଙ୍କ ଦରଖାସ୍ତ ବର୍ଷିତ ଅଫଳ ସହ ଉଦ୍‌ବ୍ୟାସ୍ତ ହେଉଛି ।

ଏମାନଙ୍କ ମଧ୍ୟରୁ 2 ଜଣ ଦରଖାସ୍ତ କାରୀ ଯଥା— ଶ୍ରୀ ସୁଧାଂଶୁ ଦାସ ଏବଂ ଶ୍ରୀ ବି. କେ. ପଟନାୟକ ସମ୍ପୂର୍ଣ୍ଣ ନବଗତ । ମେସର୍ସ ସ୍ୟାମିପଲ୍ ମିନେରାଲ୍ସ ଓ ମେସର୍ସ ରାମ ବାହାଦୁର ଠାକୁର ଲିଃ. ଉଭୟ ଗୋଟିଏ କମ୍ପାନୀ । ମେସର୍ସ ରାମ ବାହାଦୁର ଠାକୁରଙ୍କ ସପକ୍ଷରେ ପୂର୍ବରୁ କେନ୍ଦୁଝର ଜିଲ୍ଲାସ୍ଥ କଟାସାହି ଗ୍ରାମରେ 96.568 ହେକ୍ଟର ଅଫଳ ଉପରେ ଗୋଟିଏ ମାଗାମିନି ଖଣିପଟ୍ଟା ମଞ୍ଜୁର କରାଯାଇଛି । ଅନ୍ୟ 4 ଜଣ ଯଥା— ଶ୍ରୀ ବି.କେ. ମହାନ୍ତି, ଶ୍ରୀ କେ. ସି. ସୁଧାନ, ଶ୍ରୀ ଏସ୍.ଏନ୍.ମହାନ୍ତି ଏବଂ ଶ୍ରୀ ସି.ପି. ଶର୍ମାଙ୍କର ଓଡ଼ିଶାରେ ଖଣିପଟ୍ଟା ଅଛି । ଖଣି ଓ ଭୂତଳ ନିର୍ଦ୍ଦେଶକ ଟେଣ୍ଡା ଏହି 8 ଗୋଟି ଦରଖାସ୍ତକୁ ବିଚାରକୁ ନେଇ ଶ୍ରମଣୀ ଇଂରାଜୀ ପଟନାୟକଙ୍କର ଦରଖାସ୍ତକୁ ଅଗ୍ରାଧିକାର ଭିତରେ ବିଚାର କରିବା ପାଇଁ ପ୍ରସାରିତ କରିଛନ୍ତି । କାରଣ ଦରଖାସ୍ତକାରୀଙ୍କ ସ୍ୱାମୀ ଶ୍ରୀ ବିପ୍ଳବଜନ ପଟନାୟକ ମେସର୍ସ ଚାରିଣୀ ମିନେରାଲ୍ସର ପରିଚାଳନା ନିର୍ଦ୍ଦେଶକ ଏବଂ ଚାରିଣୀ ମିନେରାଲ୍ସ ନାମରେ 100.733 ହେକ୍ଟର ପରିମିତ ଅଫଳରେ ଏକ ଲୋଡ଼ ଓ ମାଗାମିନି ଖଣିପଟ୍ଟା ଅଛି । ତାଙ୍କ ନିଜ ନାମରେ ମଧ୍ୟ 136.743 ହେକ୍ଟର ଏକ ଲୋଡ଼ ଖଣି ଅଛି । ତାଙ୍କର ମଧ୍ୟ ଖଣି କାର୍ଯ୍ୟ କରିବା ପାଇଁ ଯଥେଷ୍ଟ ସମ୍ଭଳ ଅଛି ।

ଦରଖାସ୍ତ ବର୍ଷିତ ଅଫଳ ଆଗରୁ ମେସର୍ସ ଓଡ଼ିଶା ଖଣି ନିଗମକୁ ଖଣିପଟ୍ଟା ବିଆଯାଇଥିଲା । ଓଡ଼ିଶା ଖଣି ନିଗମଙ୍କର ଏହି ପଟ୍ଟାର ମିଥାଏ ତା 6.8.83 ରିଖରୁ ପୁରି ଯାଇଛି । ନିଗମ ଉକ୍ତ ଅଫଳକୁ 1.9.82 ରିଖରେ ପ୍ରତ୍ୟର୍ପଣ କରିଥିଲେ । ସୁତରାଂ ଉକ୍ତ ଅଫଳ କୁ ମଞ୍ଜୁରୀ ପାଇଁ ଉନ୍ନତ (Tore down open) କରାଯାଇଥିଲା । ମାତ୍ର ନିଗମ ପୁନର୍ବାର ତା 27.9.94 ରିଖରେ ଉକ୍ତ ଅଫଳକୁ ମିଶାଇ 494.24 ହେକ୍ଟର ଅଫଳ ପାଇଁ ଏକ ଦରଖାସ୍ତ କରିଛନ୍ତି । ନିଗମ ତାଙ୍କ ଦରଖାସ୍ତରେ ଉଲ୍ଲେଖ କରିଛନ୍ତି ଯେ ଆଗାମୀ ଦିନରେ ଓଡ଼ିଶାରେ ପ୍ରତିଷ୍ଠିତ ହେବାକୁ ଯାଉଥିବା ଜମ୍ବୁତ କାରଖାନା ପାଇଁ ଲୋଡ଼ ଧାତୁପତ୍ତ ଯୋଗାଇ ଦେବାକୁ ତାଙ୍କୁ ପ୍ରସ୍ତୁତ ହେବାକୁ ପଡ଼ିଛି ।

ତେଣୁ ନିମ୍ନମେଲେ ଯଦି ଏ କ୍ଷମାକୁ ଏକ ରାଜିନାମା ଦାଖଲ କରିଛନ୍ତି । ତେଣୁ ନିମ୍ନମେଲେ ଯଦି ଏକ ଆବେଦନ ଦାଖଲ କରାଯିବା ପାଇଁ ଏ ଅନୁରୋଧ କରିଛନ୍ତି ।

ଏହି ଶାସନ ଅନୁଯାୟୀ ଆବେଦନ ଅନୁସାରେ ଖଣି ଓ ଭୂତଳ ନିର୍ଦ୍ଦେଶକୁ ଖଣି ନିଗମଙ୍କ ଦରଖାସ୍ତ ଉପରେ ମତାମତ ଦେବା ପାଇଁ କୁହାଯାଇଥିଲା । ଖଣି ଓ ଭୂତଳ ନିର୍ଦ୍ଦେଶକ ପ.ବି.ପୁ. ୫୭-୫୬ ରେ ଉଦ୍ଧୃତ ଯେ ଦରଖାସ୍ତରେ ବର୍ଣ୍ଣିତ ଅଟେ ୨୯.୧୦.୨୧ ରେ ଉଲ୍ଲେଖ (Amendment) କରାଯାଇଥିଲା । ନିର୍ଦ୍ଦେଶକ ଆହୁରି ଉଦ୍ଧୃତ ଯେ ଦରଖାସ୍ତ ବର୍ଣ୍ଣିତ ଅଟେ ଖଣି ନିଗମ ଯେଉଁ ଅଟଳ ଟାଉନ୍‌ରେ, ସେଥିରେ ୧୫.୬ ମିଟର ଟାଉନ୍‌ର ଧାରାଧୀନ ଗଢ଼ିତ ଅଛି । ମାତ୍ର ଉକ୍ତ ମଧ୍ୟରେ ଶ୍ରମିକ ଇନ୍ଦ୍ରାଣୀ ପଟ୍ଟନାୟକ ଯେଉଁ ଅଟଳ ପାଇଁ ଦରଖାସ୍ତ କରିଛନ୍ତି ସେଥିରେ ମାତ୍ର ୫.୨ ମିଟର ଟାଉନ୍‌ର ଧାରାଧୀନ ଗଢ଼ିତ ଅଛି । ସୁତରାଂ ଯଦି ଶ୍ରମିକ ପଟ୍ଟନାୟକଙ୍କ ପକ୍ଷରେ ଦରଖାସ୍ତ ବର୍ଣ୍ଣିତ ଅଟଳ ମଧ୍ୟରେ କରାଯାଇ ଏବଂ ଅବଶିଷ୍ଟ ଅଟଳକୁ ଖଣି ନିଗମଙ୍କ ପକ୍ଷରେ ମଧ୍ୟରେ କରାଯାଇ ଉଦ୍ଦେଶ୍ୟରେ କୌଣସି ଆଇନଗତ ବିବାଦ ଉତ୍ପତ୍ତି ନାହିଁ ।

ଗତ ତା ୨୯.୧୦.୨୧ ରିଖରେ ଆବେଦିତ ଅଟଳ ପାଇଁ ମୋଟରେ ୧୪ ଗୋଟି ଦରଖାସ୍ତ ମିଳିଥିଲା । ଏହି ଦରଖାସ୍ତ ଗୁଡ଼ିକ ମଧ୍ୟରୁ ୫ ଟି ଦରଖାସ୍ତ ଯଥା - ଶ୍ରୀ ଏସ୍.ଡି. ଶର୍ମା, ଶ୍ରୀ ବିନାୟକ ପ୍ରଧାନ, ଶ୍ରୀ ପ୍ରଦୀପ ମହାନ୍ତି, ଶ୍ରୀ ପ୍ରଶାନ୍ତ ମହାନ୍ତି ଏବଂ ଶ୍ରୀ କେ.ବି.ସେହେରାଲ୍, ଶ୍ରମିକ ଇନ୍ଦ୍ରାଣୀ ପଟ୍ଟନାୟକଙ୍କ ଦରଖାସ୍ତ ଅଟଳ ସହିତ ଉଦ୍ଦେଶ୍ୟକୁ ନୁହେଁ । ତେଣୁ ଏହି ୫ ଟି ଦରଖାସ୍ତ ବିଚାର ମୋକ୍ତ ନୁହେଁ । ଅବଶିଷ୍ଟ ୯ ଗୋଟି ଦରଖାସ୍ତର ଏକ ତୁଳନାତ୍ମକ ବିବରଣୀ ପତାକା 'ଖ' ରେ ପ୍ରସ୍ତୁତ । ତୁଳନାତ୍ମକ ବିବରଣୀରୁ ଜଣାଯାଏ ଯେ ମେସର୍ସ ରାମବାହାଦୁର ଠାକୁରଲିମିଟେଡ୍ ଓ ମେସର୍ସ ପ୍ୟାସିଫିକ୍ ମିନେରାଲ୍ସ ଗୋଟିଏ କମ୍ପାନୀ ଏବଂ ମେସର୍ସ ରାମବାହାଦୁର ଠାକୁର ଲିମିଟେଡ୍ ପକ୍ଷରେ କେଉଁଠି ଜିଲ୍ଲାର କଟାପାଟି ଗ୍ରାମରେ ୨୬.୫୬୫ ହେକ୍ଟର ଅଟଳ ଉପରେ ଏକ ମାନ୍ୟତା ଖଣିପତା ମଧ୍ୟରେ କରାଯାଇଛି । ଶ୍ରୀ ଚଣ୍ଡୀପ୍ରସାଦ ଶର୍ମାଙ୍କର ଯଦି ଖଣିକାର୍ଯ୍ୟରେ ଅଭିଜ୍ଞତା ଅଛି ତଥାପି ତାଙ୍କ ନିକଟରେ ଆବଶ୍ୟକୀୟ ଜ୍ଞାନ କୌଶଳ ନାହିଁ । ଶ୍ରୀ ଏସ୍.ଏନ୍.ମହାନ୍ତିଙ୍କର ଖଣିକାର୍ଯ୍ୟରେ ଅଭିଜ୍ଞତା ଅଛି ମାତ୍ର ସେ ଅସ୍ଥାୟୀ ଭୂତଳିତ ଏବଂ ଖଣି ଇଞ୍ଜିନିୟରକୁ ନିଯୁକ୍ତି ଦେଇଛନ୍ତି । ଶ୍ରୀ ସୁଧାଂଶୁ ଦାସ୍ ଏବଂ ଶ୍ରୀ ବିମଳ ପ୍ରସାଦ ପଟ୍ଟନାୟକ ଉଭୟ ସାମୁଦ୍ରିକ ନବାଗତ ଏବଂ ଖଣି କାର୍ଯ୍ୟରେ ଅନଭିଜ୍ଞ । ଶ୍ରୀ ବସନ୍ତ ଶର୍ମାଙ୍କୁ କୁମାର ମହାନ୍ତିଙ୍କର ଖଣିକାର୍ଯ୍ୟରେ ଅଭିଜ୍ଞତା ଅଛି କିନ୍ତୁ ତାଙ୍କ ନିକଟରେ ଖଣିକାର୍ଯ୍ୟ ପାଇଁ ଆବଶ୍ୟକୀୟ ଜ୍ଞାନ କୌଶଳ ନାହିଁ । ଶ୍ରୀ କେ.ପି. ପ୍ରଧାନଙ୍କର ଖଣିକାର୍ଯ୍ୟରେ ଅଭିଜ୍ଞତା ଅଛି । ସେ ଜଣେ ମାଉନି ଇଞ୍ଜିନିୟର । ମାତ୍ର ସୁବରଗଡ଼ ଓ ଅନ୍ୟ ଜିଲ୍ଲା ମାନ୍ୟତାରେ ତାଙ୍କର ଲୋଡ଼ି ମାନ୍ୟତା ଓ ଅନ୍ୟାନ୍ୟ ଧାରାଧୀନ ପାଇଁ ଗୁଡ଼ିଏ ଖଣିପତା ଅଛି । କିନ୍ତୁ ଶ୍ରମିକ ଇନ୍ଦ୍ରାଣୀ ପଟ୍ଟନାୟକଙ୍କ ସାମାନ୍ୟତା, ଶ୍ରୀ କେ.ବି. ପ୍ରଧାନ ଏବଂ ଶ୍ରୀ ଏସ୍.ଏନ୍.ମହାନ୍ତିଙ୍କ ଉକ୍ତ ଖଣିକାର୍ଯ୍ୟରେ ପୂର୍ବ ଅଭିଜ୍ଞତା ଅଛି ଓ ତାଙ୍କର ଆର୍ଥିକ ସ୍ଥିତି ମଧ୍ୟ ଅଛି । ସୁତରାଂ ଶ୍ରମିକ ଇନ୍ଦ୍ରାଣୀ ପଟ୍ଟନାୟକ ଜଣେ ମହିଳା ଶିଳ୍ପଦେୟାଣୀ ଏବଂ ଇନ୍ଦ୍ରାବତ୍, ଖୁବ୍ କମ୍ ବୟସ୍କ ମହିଳା ଖଣିପତାର ଅଧିକାରୀ ହୋଇପାରିଛନ୍ତି । ଏହି ପରିସ୍ଥିତିରେ ଶ୍ରମିକ ଇନ୍ଦ୍ରାଣୀ ପଟ୍ଟନାୟକଙ୍କର

ଦରଖାସ୍ତ ଅଗ୍ରାଧିକାର ଭିତ୍ତିରେ ବିଚାର କରାଯାଇପାରେ ।

ଉପଲୋକ ପରିପ୍ରେକ୍ଷୀରେ ଖଣି ନିର୍ଦ୍ଦେଶକଙ୍କର ମତାମତ ଏବଂ ବିଧି ବିଭାଗର ମତାମତ ଅନୁଯାୟୀ ଏବଂ ଶ୍ରୀମତୀ ପଟ୍ଟନାୟକ ଜଣେ ମହିଳା ଶିଳ୍ପବ୍ୟାଗୀ ହୋଇଥିବାରୁ ଶ୍ରୀମତୀ ଇନ୍ଦ୍ରାଣୀ ପଟ୍ଟନାୟକଙ୍କ ସପକ୍ଷରେ କେନ୍ଦ୍ରରେ ଜିଲ୍ଲାର ଉପାଧିକାରୀ ଗ୍ରାମରେ ଲୋଡ଼ ଓ ମାନ୍ୟାନିତ୍ ଧାର୍ଯ୍ୟ ପୂର୍ବେକ୍ଷଣ କରିବା ପାଇଁ ଗତ ତା 29.10.91 ରିଖରେ ଶ୍ରୀମତୀ ପଟ୍ଟନାୟକ କରିଥିବା ଦରଖାସ୍ତ କେନ୍ଦ୍ର ସରକାରଙ୍କୁ ପୁରାରିଖ କରାଯିବାକୁ ବିଚାର କରାଯିବ କି ନାହିଁ ସେ କାର୍ଯ୍ୟରେ ନିଷ୍ପତ୍ତି ନିଆଯାଇପାରେ ।

(ନିତ୍ୟାନନ୍ଦ ମହାନ୍ତି) 1/5/97
ଯୁକ୍ତ ଶାସନ ସଚିବ

କମିଶନର-ତଥା-ଶାସନ ସଚିବ

ଦ୍ଵିମାସ୍ୟ ଅନୁମୋଦ

3.5.97

କମିଶନର-ତଥା-ଶାସନ ସଚିବ
ଉପାଧିକାରୀ ଓ ଖଣି ବିଭାଗ

201No. 211/94H
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05/5/97

ବିଧି ବିଭାଗ ମତ ଦେଇଛନ୍ତି ଯେ ବିଜମ୍ବରେ ଦରଖାସ୍ତ କରିଥିବା ବ୍ୟକ୍ତି/ବ୍ୟାପୀ ତାଙ୍କୁ କାହିଁକି ଅଗ୍ରାଧିକାର ଭିତ୍ତିରେ ଖଣି ପତ୍ର ମଞ୍ଜୁର କରାଯିବ ସେ ବିଷୟରେ ସ୍ପଷ୍ଟ କାରଣ ଦର୍ଶାଇବା କଥା । ମାତ୍ର ବିଚାରୀ କେନ୍ଦ୍ରରେ ଓଡ଼ିଶା ଖଣି ନିଗମ ଲେଉଟି ସ୍ପଷ୍ଟ କାରଣ ଦର୍ଶାଇ ନାହାନ୍ତି । ସୁତରାଂ, ଅନ୍ୟ ଦରଖାସ୍ତକାରୀମାନଙ୍କ ଦାବୀକୁ ଉପେକ୍ଷା କରି ଓଡ଼ିଶା ଖଣି ନିଗମ ଦରଖାସ୍ତ ଅଗ୍ରାଧିକାର ଭିତ୍ତିରେ ବିଚାର କରାଗଲେ ତାହା ଯୁକ୍ତିଯୁକ୍ତ ହେବ ନାହିଁ । ତା'ତୁଳା ନିର୍ଦ୍ଦେଶକ ଜଣାଇଛନ୍ତି ଯେ ଆବେଦିତ ଅଞ୍ଚଳରେ ଧୂଳି 5.9 ନିୟୁତ ଟନ ଲୋଡ଼ ପଥର ବାବୁ ବେଲେ ମଧ୍ୟ ଖଣି ନିଗମ ପାଇଁ ଯେଉଁ ଅଞ୍ଚଳ ବିଚାର ପାଇଁ ଉତ୍ତୁରି ପୋଥିରୁ 12.7 ନିୟୁତ ଟନ ଲୋଡ଼ ପଥର ମିଳିପାରିବ । ଖଣି ନିଗମ ତାଙ୍କ ଦରଖାସ୍ତରେ ଲୋଡ଼ ପଥର ଶ୍ରଦ୍ଧାନୀ କରିବା ପାଇଁ ଏବଂ ଉପାତ କାରଖାନା ତଥା ସ୍ଥଳ ଲୁହା କାରଖାନା ଗୁଡ଼ିକୁ ଯୋଗାଇବା ପାଇଁ ଆବେଦନ କରିଛନ୍ତି । ଉପାଦାନ ପାଇଁ ଅଗ୍ରାଧିକାର ବେବାଞ୍ଚ ଯଥାର୍ଥ ନୁହେଁ । ଉପାତ କାରଖାନା ପାଇଁ ଲୋଡ଼ ପଥର ଯୋଗାଇବାପାଇଁ ମିଳିତ ଉଦ୍ୟୋଗ ନିକଟରେ 12.7 ନିୟୁତ ଟନ ଲୋଡ଼ ପଥର ରହିବ ।

23/N

81-24/C

85/C

ଏ ପରିସ୍ଥିତିରେ ଶ୍ରମିକ ଉଦ୍ଘାଟନ ପଞ୍ଚମାୟା ପଦକ୍ଷେପରେ ଖଣି ପତ୍ତା ମଞ୍ଜୁରୀ ପାଇଁ କେନ୍ଦ୍ର ସରକାରଙ୍କୁ ପ୍ରସାରିତ କରାଯାଇପାରେ ।

ସବୁ ଆବେଶ ନିମନ୍ତେ ସେଥି କରାଯାଇ ।

ସୁମାୟା ମହାଲ
(ସୁମାୟା ଶେଖର ସରକାର)

8.5.1997

କମିଶନର-ତଥା-ଶାସନ ପତ୍ତି

ଭୁବନେଶ୍ୱର ଓ ଖଣି ଶେଖର

ଅତିରିକ୍ତ ମୁଖ୍ୟ ଶାସନ ପତ୍ତି

ସୁମାୟା
6/5

ସମସ୍ତ ଶିଳ୍ପୀଙ୍କୁ ସବି - ତଥା
ଅତିରିକ୍ତ ମୁଖ୍ୟ ଶାସନ ପତ୍ତି
ଓ ଖଣି

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ଶ୍ରମିକମାନଙ୍କୁ

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ଦ.ବି.ସ.

ସୁମାୟା ମହାଲ ମହାପାତ୍ରଙ୍କୁ ଉପସ୍ଥାପିତ

ଅନୁମୋଦନ ପ୍ରମାଣିତ । ଏହିମାନ ସୁମାୟା ମହାଲଙ୍କୁ
ସ୍ଥିର ହୋଇଥିବା 106.472 ଟଙ୍କାଙ୍କର ନିମ୍ନଲିଖିତ
ପ୍ରକାରରେ ଉପସ୍ଥାପିତ ହେବାକୁ ମନା ନାହିଁ ।

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13/5/97

ଦ.ବି.ସ.

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No-1933204191579) *Interact, minis*

ଉ.ବି.ସ.

ମାତ୍ର ୨୫-୨୫୫ ଟଙ୍କା କିମ୍ବଦନ୍ତୀ ପ୍ରଦାନ
ଧନ୍ୟବାଦ. ଉପକ୍ରମ. ମାଲିକାନା, ଶ୍ରୀମତୀ
ସୁମିତ୍ରା ମାଲିକାନାଙ୍କୁ ଉପକ୍ରମ ପ୍ରଦାନ କରାଯାଇଛି
ଉପକ୍ରମ ପ୍ରଦାନ କରାଯାଇଛି ଉପକ୍ରମ ମାତ୍ର
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No- 1931204 221579) *Interact, minis*

ଉ.ନି.ସ.

ଦିନଗୀ ନୂ. 31 ରେ ଅଭିଯୋଗକାରୀଙ୍କ ସହଯୋଗୀ
ଆବେଦନ କଲେ, ଶ୍ରୀମତୀ ସନ୍ତୋଷୀ ନାୟକଙ୍କୁ
୧୨-୧୦-୧୧ ମୁଦ୍ରିକଣ ନମ୍ବର 106-୬୭୨୦୭୨୧
ଦ୍ୱାରା କଲେକ୍ଟରଙ୍କୁ ଲେଖି 106 ରେ ଅଭିଯୋଗ
କାରୀଙ୍କ ନାମାନ୍ତର କରାଯାଇଛି। ଶ୍ରୀମତୀ ନାୟକଙ୍କ ସହ
କାର୍ଯ୍ୟକାରୀ ରେକର୍ଡ୍ ଅନୁ-୪୫୩୩୩୩ ନମ୍ବର
ଦ୍ୱାରା କଲେକ୍ଟରଙ୍କୁ ଲେଖି କାର୍ଯ୍ୟକାରୀ। ଅଭିଯୋଗକାରୀଙ୍କ
ମୁ. ନୂ. 35-34, କଲକତ୍ତା କ୍ଷେତ୍ର ନୂ. 33-31 ରେ
କଲକତ୍ତା ନିର୍ଦ୍ଦେଶ ନୂ. ୩୩୩୩ ଦେଖାଯାଉଛି ଯେ, ଅନୁ-
୪୫୩୩ ନିର୍ଦ୍ଦେଶକାରୀଙ୍କ ମଧ୍ୟରେ କଲେକ୍ଟରଙ୍କୁ ଲେଖି
କାର୍ଯ୍ୟକାରୀ ନୁହେଁ। ଲେଖି କାର୍ଯ୍ୟକାରୀ କରି କଲେକ୍ଟରଙ୍କ
ଦ୍ୱାରା କାର୍ଯ୍ୟକାରୀ କରାଯାଇଛି। ତେଣୁ ଅଭିଯୋଗକାରୀଙ୍କ
ଅଭିଯୋଗକୁ ଅଭିଯୋଗକାରୀଙ୍କ ଅନୁ-୪୫୩୩ ନିର୍ଦ୍ଦେଶ
କାର୍ଯ୍ୟକାରୀ କରାଯାଇଛି।

କଲେକ୍ଟର
୧/୧୧/୧୧

ଉ.ନି.ସ.

ନାମାନ୍ତର ରେକର୍ଡ୍

ଅଭିଯୋଗକାରୀଙ୍କୁ ନିର୍ଦ୍ଦେଶ ଦେବା
ଦ୍ୱାରା ଅଭିଯୋଗକାରୀଙ୍କ ନିର୍ଦ୍ଦେଶ
କାର୍ଯ୍ୟକାରୀ କରାଯାଇଛି।

କଲେକ୍ଟର
୧୧.୬.୧୧

୧୧/୬/୧୧

ନାମାନ୍ତର ରେକର୍ଡ୍ ୧-୧୧-୧୧

No-5/33/9)-mirat 29/8/97 from 9/3

5.0 P-121/c may kindly be perused wrt to P-106/c

As per Govt order abt-31/4, recommendation was furnished to Dist Govt of India abt-106/c to convey their approval to the Govt of P.L for Iron/Manganese over an area of 106-472-25 on village nichabali in Kachhla dist in favour of Simant Indrani Pattanik for a period of 2 years. Govt of India have now conveyed their approval on the above suggestion of Simant Indrani Pattanik to consider grant of P.L in favour of the Party, subject to compliance of all the provisions in the M.F.A (R.D) Act 1987 & F.C Act 1982 vide P-121/c. It may be pointed out that there is no forest land in the aforesaid area vide 'X' abt-39/c. Hence there is no difficulty to issue terms & conditions to the Party as in the draft placed below for their acceptance, after which joint order will be issued.

16/9/97

Joint Secretary

As proposed at 'A' above. 15/9

English translated copy of the noting of Government file for selection as Prospecting licensee to Smt. Indrani Patnaik

(For correctness and legal purpose, photocopy of the same in Oriya language may be considered which is enclosed in this chapter.)

Page: 1

Indrani Pattanaik, Unchabali.

Remarks and order:

M.No. 1593 dtd. 28.5.98 from Collector, Keonjhar.

M.No. 14169 dtd. 30.5.98 from Director, Mines.

Letter Page 37-1. Please read kindly.

For the pre-inspection of Iron and Manganse ore body in Unchabali and Balda village of Keonjhar District there was a pre-inspection lease taken in the name of Mrs. Indrani Pattanaik for two yrs. Dated from 5th March 1998.

After the approval of these, the party has engaged M/s. Geomin Consultant Pvt.Ltd. for the estimation of quality and volume of ore body in this locality by the help of its Geologist.

It has been reported in the page No.12 of this report that there is 6.7 Billion Metric ton Iron Ore of good grade is present which has been marked with a symbol of flag. On the basis of geological report of the Geologist Mrs. Indrani Pattanaik has requested the Government to grant her a mining lease in the pre-inspection area for 30 years through her application.

After considering her application, Mines Director has submitted his letter to the Government with Page 37-35.

According to his view:

- 1) As per the rules of Mineral Concession 1960 (Act 22), the party has submitted all the required documents. According to the geological Index and Boundary maps (letter Pg. 23-30) every criteria is fulfilled.

- 2) The area described in the application is not extended into others as the application for mining lease is given during the pre-inspection time, hence it should be considered in the priority basis.
- 3) As it has been shown in the application, 6.7 Billion Tonn good grade Iron Ore hence more than 30 years of Mining Work is needed here.
- 4) According to the remarks of the Collector, 0.291 ha. area out of 106.47 ha. is occupied by a worship place and play ground hence it should be exempted land the rest, 106.181 ha. area should be granted for the mining lease.
- 5) But after checking the boundary map, the Mining Director has said the rest 106.181 ha. ground has been divided into two blocks viz. Block A (106.1127 ha.) and Block - B (0.0688 ha.). Though the small area does not seem useful for the mining lease, hence the Block - A (106.1127 ha.) only should be granted for the lease to the party for mining.
- 6) According to the Director, Mrs. Pattanaik is the wife of a skilled Mining lease holder and as Mr. Pattanaik is an experienced person in the field of mining and management hence the party should be granted for the mining lease as soon as possible. Apart from this, Mr. Pattanaik (husband of Mrs. Indrani Pattanaik) has all the required machineries for the conductance of mining work hence the party (Mrs. Pattanaik) has also suggested for a Mill for the crushing and sizing of the Iron Ore.

Taking into account the above written reasons Mrs. Pattanaik may be granted the lease for the fairly open 106.1127 ha. land out of 106.472 ha. for the extraction of Iron and Manganse Ore. After the sanction of Hon'ble Chief Minister, it maybe forwarded to the Central Government.

It is to be noted that 106.1127 ha. area is completely devoid of forest land. Hence, there is no need for free forest reservation for the sanction of mining lease. But according to the current Mineral Concessions Rules, Act 22, the party should submit the granted Mining Plan within 6 months after the Government sanction.

Joint Secretary:

It has been discussed in the letter dated 30.05.98 (Pg. 37-35) of Mines Director about sanction of Mining lease on 8.5.98 after the presentation, hence which has been given to Mrs. Indrani Pattanaik for 2 yrs valid from 5.3.98.

Indrani Pattanaik has executed the work in the Unchabali area of Champua sub-division for 2 yrs. And after getting the information of presence of Fe Mn. Ore, she has applied for a Mining lease for 30 yrs. with all vide documents on 08.05.98 according to M & M (R&D) Act, 1957, Act 11 (1). Copy of prospecting report has been attached with the documents (Page No.12) where it is clearly mentioned that the total ore present to this area is of 6.7 Million Tonn (grade of Iron ore is 62.% to 64.5%).

The Mining Director has checked all the necessary documents M.C.Rules, 1960's rule 22 and then certifies that all the documents are valid and has recommended the Government for the grant of Mining lease to Mrs. Indrani Pattanaik.

He has also mentioned that the Block 'A' of 106.1127 ha. which is marked in red colour in map is devoid of any kind of forest land and regarding to this the N.O.C. of DFO Keonjhar District has also been given (Letter Page No.4).

The Collector of Keonjhar has recommended for the grant as there is no objection in the area, which has been shown in his administrative report (letter Page 11-9).

The Deputy Mining Director, Joda, Keonjhar has mentioned in his technical enquiry report from III (Mines) page No.(8-5) that Mrs. Pattanaik is an industrialist lady and her husband is also a skilled Engineer and well equipped in this field who can look after the mining work in this area and can provide his wife all technical and logistic support when she needs.

According to the above written reasons Mrs. Pattanaik may be granted the 106.1127 ha. area, Block 'A' (Map P. 23/c) for the mining lease.

As Fe, Mn. are the first scheduled Minerals of Mines and Minerals (Reg.& Devt.) Act, 1957, according to the Act 5 (1) the grant of Central Govt. is also necessary for the mining lease.

Hence, Mrs. Pattanaik should submit the certified Mining Plan from IBM for which the file should be presented before the Chief Minister for his order.

Signature – Bisswanath.

Smt. Indrani Pattanaik has been sanctioned advance licence of 106.472 ha. land for two years in Unchabali village, Keonjhar District for Iron & Manganese Directorate of Mining has intimated in his P.B.P. 37-35 that Smt. Pattanaik has produced all the necessary documents.

Possibility of 6.70 Million Ton Iron ore had been predicted in the area.

Director of Mines intimated in his letter that Smt Pattanaik has submitted all the necessary documents to get the permission of mining lease for 30 years.

Director of Mines again mentioned that the area does not possess any forest land and the District Collector, Keonjhar recommended in favour of Smt. Pattanaik to provide her mining lease.

Director of Mining approved total exposed 106.1127 ha. area for Iron and Manganese ore for 30 years, except some disputed land whether the applicable area.

As per (Control & Development) Act, 1957, Article 5 (1) Iron and Mn. Ore First Schedule/primary essential minerals the lease mining lease can be sanctioned after approval of Central Govt.

After all, on the basis of above, the Central Govt. may recommend to provide mining lease of 106.1127 ha. land to Smt. Pattanaik for 30 years in Unchabali village, Keonjhar District. For that cause Smt. Pattanaik has to submit approved mining plan from IBM within 6 months of time.

The document has been submitted for the order of Hon'ble Chief Minister.

Directorate of mines is requested to send location map of 106.1127 ha. land as per discussion and recommendation of Chief Minister in favour of the client.

Joint Secretary

The location map will be dispatched only after the proposal sent to Central Govt.

Note-Sheets

No.4422 dt. 12.6.98 to Director of Mines.

No.4436 dt. 12.6.98 to G/9.

No.16071 dt. 16.6.98 from DM, Orissa.

No.5/37/98 – M II dt. 2.9.98 G/9.

Note: Letter Exchange No.50.

The permission has been sought from the Central Govt. to provide mining lease to Smt. Indrani Pattanaik for iron and manganese of 106.1127 ha. land in Unchabali village, Keonjhar. Central Govt. have permitted for the above lease and the necessary terms and conditions of mining lease will be conveyed to Smt. Pattanaik.

Joint Secretary

Central Govt. approval letter dt. 2.9.98 (page 50) and above notes. As per Govt. order, note-sheet, page No.9, the letter below be permitted to Smt. Pattanaik for necessary terms and conditions before providing approved order of manganese lease.

Page: 12

No.7853 dtd.7.9.98 to Smt. I. Pattanaik.
No. dt. 12.9.98 from Indrani Pattanaik
Part of Page No.54

Applicant Smt. Indrani Pattanaik has agreed with the terms and conditions of the mining lease.

Note: As per remarks and Govt. order on page - 9 Smt. Indrani Pattanaik may be allotted 106.1127 ha. of area for mining out of total 106.478 ha. for Iron and Manganese in Unchabali village Dist. Keonjhar for 30 years. As per above order Smt. Pattanaik has to submit approved mine plan from IBM within 6 months.

Joint Secretary

Remarks on page 9 Government order, notification. Applicant has agreed with the terms and conditions letter on Page 54, Central Government letter dt. 2.9.98 (Page 51) for approval of Mining lease. Only mine plan has not been produced. Now the approved mining lease, letter can be dispatched with terms and conditions that after giving the mine plan, the execution order will be given.

Page: 13

Note-sheet.

No.8094 dt. 15.9.98
M.No.8095 dt.15.9.98 to Indrani Pattanaik
M.No.25883 dt. 26.9.98 from DM, Orissa.

Part of exchanged letter Page 59.

The details of sanctioned mining lease survey reports in favour of Smt. Indrani Pattanaik of 106.478 ha. area in Unchabali village, Keonjhar has been sent for execution to Directorate of Mines, Joda.

This has been produced only for information.

Joint Secretary

Page No.59-58 has been produced as per information.

Until getting the survey reports from Collector, Keonjhar and mine plan from the owner of Mining Lease, it should be waited.

Letter dated 6.1.99 from Smt. Indrani Pattanaik

Letter No.3565 dt. 21.12.98 from Collector, Keonjhar.

Sub-divisional Officer

With reference to letter Page 62 – 60.

Owner of Mining lease Smt. Indrani Pattanaik has submitted approved mining plan from IBM to acquire mining lease in Unchabali village for iron and manganese ore as per M.C. Rules 22 of 1960.

The necessary documents will be showed on page – 68-64 after detail survey, letter dt. 21.12.98 of the Collector, Keonjhar.

The remarks of the above letter on pg. 9, as per Govt. order the sanctioned letter has been dispatched on order letter pg.58-57 to the owner of mining lease Smt. Pattanaik, favouring 106.1127 ha. area for Iron and manganese ore. The permitted area is unforested land and the previous terms and condition was, the allottee should submit the mine plan before the proceeding of mining lease and allottee has submitted it.

The permitted area is remained unchanged 106.1127 ha. after the survey and demarcation. It can be showed on pg. 67-69 regarding survey plan. Boundary description and scheduled land. The Director of Mines, verified and signed mentioning the documents are correct, Simultaneously the owner of mining lease accepted and signed the document.

The Collector, Keonjhar, informed that client has deposited Rs.2000/- as security money, also mentioned that permanent cement pillars on boundary has been placed after survey. Therefore it implies that the owner of mining lease has accepted all the terms and conditions to complete the process.

It can be viewed from the letter pg.2-3 and pg. 44 that the Collector and forest officer has given report before sanction of mining lease, mentioning the area does not possess any forest.

The Govt. order also been taken regarding the matter on pg.9 but now the Collector has mentioned in his letter pg.68, that leased area is unforested land still some plots possess forests and forest officer also repeated the same in his letter pg.63 dt. 14.9.98. Soit is necessary to take permission from the forest officer before proceeding to work on that forested land.

In this regard we can permit lease owner Smt. Pattanaik to complete approval process of mining lease as per the recommendation of Collector.

Here it can be asked to the Collector to send four (4) copies of documents, after completion of the lease process.

Joint Secretary

Smt. Indrani Pattanaik has been permitted mining lease of 106.1127 ha. area for Iron and Manganse ore in Unchabali village, Dist. Keonjhar for 20 years, as per proceeding No.8094 dtd.15.9.98. The Collector, Keonjhar has sent the proposal, seeking permission after the survey of the area.

So, now Smt. Pattanaik can be permitted to finish the proceedings of mining lease. The Collector may be asked to send 4 copies of the detailed letter, after completion of the lease acquire process.

Joint Secretary.

Law Department has given their notings on page No.23 on the notings of this department on Page No.18-21. According to them, as per the advt. by State Govt. on dtd. 23.08.1991, the application of pre-inspection licence which has been received and put up on dtd. 29.10.1991 can be considered for approval on priority basis. But the application of M/s. Odisha Mining Corporation on dtd. 27.09.1994 should not be considered for this. Hence, in this situation, the application of Smt. Indrani Pattanaik and other 13 applicants whose applications were received on 29.10.1991 may be considered for approval of pre-inspection of iron and manganese ore in Unchabali village of Keonjhar district. Following brief notings are given on the applications.

Director (Mines and Geology) in his letter Pages 24-23 and page 35-34 has stated that Smt. Indrani Pattanaik and 13 other applicants have submitted applications for approval of pre-inspection licence of Iron and Manganese ores in Unchabali village of Keonjhar District. Apart from Smt. Indrani Pattanaik, the name of other 13 applicants are mentioned in Page No.22. Director of Mines has mentioned in page No.35 that the application of Smt. Indrani Pattanaik on 112.50 ha. land of a mismatching with the applicants of (3) Sh. Siabanda Pradhan, (4) Sh. K.B. Sihga and (5) Sh. Prabodh Mohanati. Hence, these applications will not come into consideration. Excluding these 5 applications, the other 8 applications whose applications are more or less matching with that of Smt. Indrani Pattanaik are mentioned on Page No.33-31 with a comparative description. After scrutinizing these 9 pre-inspection applications, Director has stated the following:-

“(1) M/s. R.B. Thakore; (2) M/s. Pacific Minerals; (3) Sh. C.P. Sharma; (4) Sh. Sudhansu Das; (5) Sh. S.N. Mohanty; (6) Sh. Basant Kumar

Mohanty; (7) Sh. Bimal Prasad Pattanaik (8) K.C. Pradhan” applicants’ applications are matching with the application of Smt. Pattanaik. But according to his view, Smt. I. Pattanaik is more experienced, more financially stable, etc. in comparison with other 8 applicants because her husband Sh. Dipti Ranjan Pattanaik is a Chemical Engineer and has a very long experience in mining activity. She has all necessary equipments and technical staffs for this mining activity. Hence due to these reasons, the above 8 applicants may not be considered for the time being and as per mineral law the application of Smt. Indrani Pattanaik who have also experience may be forwarded. But at later stage, comparative map, while reconsidering Page 29 and the report from Directorate of Mining Pg. 24, “A” Smt. Indrani Pattanaik may be granted advance lease of exposed 106.479 ha. out of 112.50 ha. for 2 years as per Govt. order and approval. It can be showed that the area does not possess any forest land (Reference to page. No.39 “B”) and the document maybe presented for the order.

Note: from Pg. 18-21 and the Remarks of Law Deptt. pg. 21-23.

Govt. has appealed application from public on adv. No.SR-647/91 dtd. 23.8.91 for same exposed area of metallic minerals as per Metallic Depreciation Law, 1960 (Act 59). As per the advertisement, 14 applications have been received for exploration of Iron and Manganese on the applicable area. At later stage (after dtd. 29.10.91) Orissa Mining Corporation also applied for the some applicable area on 27.9.94). It can be mentioned here that Mining Corporation has received the area as lease for 20 years from 11.5.62. But ie handed over on 1982. In the meantime, Corporation has signed MoU to provide Iron Ore to M/s. Sensco Sponge Iron Plant (for a collaborated project. The remarks and opion has been sought from the Law Deptt., whether to consider the application of Corporation on recovery basis or not as it is a Govt. organization. Dept. of Law accepted that, there is provision to consider as per priority basis on MM (R&D) Act, See 11 (2). Therefore, Dept. of

law has informed that Govt. of Orissa will recommend the application with justified and special reasons to consider on priority basis and the advance licence/mining lease will be sanctioned after the approval from Central Govt.

It is known that the area was given to Corporation for 20 years as mining lease, but the Corporation has handed over the area without exploitation of metallic ore. It can be a notable point that the Corporation has necessary experience and scope for mines work. But it is unfair to criticize on the application of private sector applicants, being a Corporation it has brought a huge loss of Govt. revenue by not exposing area for 20 years. So according to MM (DR) Act, 1957, Section 11, Sub-section 4 the work of Corporation is not satisfactory. So the application of the Corporation, cannot be considered as per priority basis.

Directorate of Mines and Geology, mentioned on Pg. 35-34 that 13 applicants have applied including Smt. On 29.10.91, Collector Keonjhar and Directorate of Mines and Geology have informed after inspection that the described area are mentioned areas have spread on following manner:-

- 1) The area mentioned by Smt. Indrani Pattanaik, Shri Ram Bahadur Thakur and M/s. Pacific Minerals Ltd. covers 124.177 Ha. land.
- 2) 39 ha. land of Sri C.C.Sharma has spread on the area of Smt. Indrani Pattanaik.
- 3) 55 ha. land applied by Sri Sudhansu Das is spreading over Smt. Indrani Pattanaik's applied area.
- 4) 45 ha. land applied by Sri B.K. Mohanty has merged with Smt. Pattanaik.

- 5) 32 ha. land applied by Sri K.C. Pradhan has merged with Smt. Pattanaik.
- 6) 42 ha. area of Sri S.N. Mohanty has merged with Smt. Pattanaik.
- 7) 48 ha. land applied by Sri B.P. Pattanaik has merged with Smt. Pattanaik.

Among them, two of the applicants are new to the field of mining named Sri Sudhansu Das and B.P. Pattanaik.

Director of Mines and Geology has recommended the application of Smt. Pattanaik as priority basis, as other 4 persons named Sri B.K. Mohanty, Shri K.C. Pradhan, Sri S.N. Mohanty and Sri C.P. Sharma having mining license on Orissa also husband of applicant Sri Diptirajan Pattanaik M/s. Tarini Minerals and in the name of Tarini Minerals have 100.733 ha. of Iron and Manganese lease. 136.763 ha. of Iron Ore Mines is present in his own name and he has enough financial scope to do the mine work.

The mining lease has been provided to M/s. Orissa Mining Limited before the area been applied. The validity has finished for Orissa Mining Ltd. on dated 6/8/1983. Corporation has handed over the land on 1/9/1982. So, the area has been thrown opened for the lease, but Corporation has again applied including the area 494.24 ha. on 27/9/1994. Corporation has mentioned in his application that it has to provide iron ore from Sponge Iron plants in coming days so Corporation has signed MOU with MESCO and requested to sanction the applicable area in its favour.

It has been asked to Directorate of Mines and Geology to give their opinion regarding the application of Corporation as per the order of then Administrative Secretary, Directorate of Mines and Geology has mentioned in their letter pg. 87-86 that the complained area has been "thrown opened" on 29/10/1991. Director of Mines and Geology has also mentioned that the respective area has 18.6 Billion Ton Iron Ore for which the Corporation is interested for. In the mean time the application, which Smt. Indrani Pattanaik has given possess 5.9 Billion Ton of Iron ore reserve. So there will be less chance of dispute in future if the sanction will be in support of Smt. Pattanaik and remaining area will be allotted to Corporation.

There were 14 application has been received on dated 29/10/1991 for the applicable area. Amongst them 5 applications of Sri S.D. Sharma, Sri Sabanand Pradhan, Sri Prabodh Mohanty, Sri Pragati Mohanty and Sri K.B. Sehgal has not merged with Smt. Pattanaik. So these applications has not been considered. There is comparative description of remaining two applications has mentioned in description "B". After comparative studies it is clear that M/s. Rambahadur Thakur Ltd. and M/s. Pacific Minerals belongs to a single owner, and 96.568 ha. of land has been sanctioned in favour of M/s. Rambahadur Thakur Ltd. for manganese or on Katasahi village, District Keonjhar.

Shri Chandiprasad Sharma has enough experience for mine work, but does not have necessary technical knowledge. Sir S.N. Mohanty has mining experience, but appointed temporary Geologists and Mining Engineer. Sir Sudhansu Das and Sri Bimal Prasad Pattanaik both are new and ill experienced on the field of mining. Sri Basant Kumar Mohanty has well experience in mining, but does not have necessary technology / technical knowledge. Sri K.C. Pradhan is having experience in mining, as he is a Mining Engineer, but he has many mining lease for iron and manganese ore in Sundargarh and after districts, but husband of Smt. Pattanaik, Sr. K.C. Pradhan and Sri S.N. Mohanty all have well experience in mining and financially bright enough to take out the more work. Again Smt. Pattanaik is a lady industrialist and still very few women could acquire mining lease. So in this regard the application of Smt. Pattanaik may be taken into account on priority basis.

As per the opinion of Directorate of Mines and Department of Law, Smt. Pattanaik is a female industrialist who applied for advance license for Iron and Manganese Ore in Unchabali village Keonjhar district on 29/10/1991. It will be decided later whether the application of Smt. Pattanaik will be recommended to Central Government.

Department of Law has asked to show the cause that why the late applicants to be approved license on priority basis, but Orissa Mining Corporation has not shown any special cause in the present case. Directorate has mentioned that including 5.9 billion ton in the applicable area, the rest of the area has 12.7 billion ton which can be available for Corporation. Mining Corporation has applied in their application to Export Iron Ore and to provide steel and storage Iron Plants. It is not justified to give priority for Export. Remains 12.7 bn. Ton will be available to provide the Steel Plants.

No. 19332041915197 from Director, Mines.

With reference to the letter No. - Pg. 93-93 & previous letter. Director of Mines has submitted location map of 106.472 hectare land for recommendation of the application of Smt. Pattanaik to Central Government. Now the letter with 3 copies of the map / plan may be dispatched for the approval of Central Government.

In this regard, it may be recommended to Central Government to provide mining lease in favour of Smt. Pattanaik.

Additional Chief Admn. Secretary

Chief Minister Orissa.

Location map may be asked from, Directorate of Mines of 106.472 Hectare area for the approval recommendation of Chief Minister.

With reference to Pg. 31, the advance license of 106.472 hectare land of Smt. Pattanaik has been sent dated 29/10/1991, for the approval of Central Government. The other 8 applications submitted along with Smt. Pattanaik could not be considered. As per the letter of Director of Mines pg. 35-34, comparative description pg. 33-31 and comparative map pg.29, it can be expected that some of applicants may get advance license for Iron & Manganese Ore among other 8 applications. If it is approved then the opinion and suggestion can be sought from the Director of Mines.

Joint Secretary

* * *

**M/s. B. D. Patnaik
Kalaparbat Iron Ore Mines
[25.633 ha. lease area granted in
Thakurani Reserve Forest]**

At the outset, it is stated that the findings recorded in this Chapter are based upon the information supplied by the various Departments of the State and Central Governments, lessee, MoEF, IBM, etc. It is for the competent authority to issue appropriate notices to the concerned party/lessee for taking action in accordance with law.

The Commission has also taken into consideration the Vigilance Enquiry Report of the State Government. It is stated that the facts, figures and comments which are noted hereinafter, are taken from the Vigilance Enquiry Report.

1. Notices dated 26.08.2011 and 12.02.2013 (read with 29.01.2013) issued to the lessee and personal hearing given to the lessee:--

At the outset, it is to be stated that on **26.08.2011**, the Commission issued **first notice** to the lessee, seeking information u/s. 4 of the Commission of Inquiry Act, 1952, on affidavit, as per **Proforma: A and B enclosed therewith**. In response thereto, one Shri Jitendra Nath Patnaik, S/o. late Shri Bansidhar Patnaik, aged about 56 years, resident of Boneikala, District: Keonjhar filed an affidavit dated 07.10.2011 before the Commission, claiming as the partner of M/s. B. D.

Patnaik (a partnership firm) and enclosed therewith the required information at Annexure: I.

Thereafter, on **29.01.2013**, the Commission issued **second notice** to the lessee, seeking information as per **Annexures: A to H**. Subsequently, on **12.02.2013**, the lessee was directed to remain present before the Commission on 28.02.2013 at State Guest House, Bhubaneswar along with the required information. For that purpose, a personal hearing was given by the Commission on **28.02.2013** at Bhubaneswar wherein the information was submitted along with supportive documents, in response to the aforesaid notice. In the said hearing, the Commission ordered for field verification. The State has given report and confirms the encroachment. The lessee denied that he has carried out this encroachment but all facts and circumstances clearly indicate that the encroachment is the extension of the leased area and do not support the claim of lessee. Since this Commission is recommending CBI inquiry, the same should be taken note of.

It is to state here that though the Commission has taken into consideration the records submitted by Shri Jitendra Nath Patnaik of M/s. B. D. Patnaik, it should not be taken recognition of Shri Jitendra Nath Patnaik as the successor of Shri B. D. Patnaik.

2. Mining lease over an area of 260.00 acres:--

On 10.12.1952, Shri B. D. Patnaik had applied for grant of mining lease over an area of 260.00 acres for a period of 20 years to the Secretary to Government, Revenue Department, Orissa in Kalaparbat area (Thakurani Reserve Forest in Lahanda Village) under Champau Sub-Division of Keonjhar District for Manganese and Iron Ores. However, vide order No.1658/Mines, dated 06.07.1953, the State Government rejected the said application on the ground that the area applied over-lapped with another application of Mr. M. A. Tulak.

But, subsequently, 260.00 acres had been granted in favour of Shri B. D. Patnaik vide proceeding No.6152, dated 16.08.1958 and order No.6166, dated 08.08.1958 for a period of 20 years for manganese and for a period of 30 years for iron ore, respectively. The Collector, Keonjhar executed mining lease deed agreement on 31.07.1959. The lessee subsequently surrendered the mineral rights of manganese and the same had been accepted by the Government. The lease period for iron ore mine expired on 30.07.1989.

Further, the Collector, Keonjhar granted surface rights for an area of 4.04 ha. vide letter

dated 29.04.1960 and 18.21 ha. vide letter dated 05.03.1966 with a condition that before entering into reserve forest, the prior permission of Divisional Forest Officer should be taken. However, no such permission was obtained.

3. First renewal of mining lease application:--

The lessee submitted renewal application on 30.07.1988 for reduced area of 36.569 ha. It is observed that the lessee had again reduced the area to 25.633 ha. The mining lease had not been renewed so far under the MM(DR) Act, 1957 and the rules thereunder.

It is pertinent to note here that the mining lease which expired on 30.07.1989 was not renewed **within six months as required under the then Sub-Rule (4) of Rule 24A of MCR, 1960 and came within the deemed refusal provision of Sub-Rule (5) of Rule 24A of MCR, 1960.** It is to note that the lease ceased to exist from 31.07.1989 under the then prevailing MCR, 1960.

It is to state here that the deemed extension under Rule 24A(6) can only be applicable for the leases which are subsisting and valid lease period on that date i.e., as on 27.09.1994, the date of enforcement of this Sub-Rule. No lease period can

be extended under this deeming provision which had already expired/ceased to exist before this date under the law. Hence, the present lease has been completely running illegally from 31.07.1989 onwards.

4. Temporary Working Permissions:--

It is observed from the Government records that the lessee was given temporary working permissions upto 26.12.1994 at intervals of six months each from time to time under the MCR, 1960. These temporary working permissions are unlawful, illegal and without authority vested with the State Government at that point of time. Moreover, the lessee has not obtained the approval under Section 2 of the Forest (Conservation) Act, 1980, which was required after 30.07.1989 (when the lease period expired), even for the broken up area. In this regard, the Order of the Honorable Supreme Court is reported as under:-

“Further a renewal of a lease is really the grant of a fresh lease, [See State of Tamil Nadu Vs Hind Stones etc. delivered on February 5, 1981 (S.C. Reports pp 742-70) and Samatha Vs State of Andhra Pradesh and others delivered on July 11, 1997]. The prior approval of the Central Government in terms of section 2 of the Forest (Conservation) Act, 1980

would be required when a mining lease granted before the commencement of the said Act is renewed after its coming into force.”

Further, the aforesaid working permissions were given by the State Government in violation of the FCA, 1980, too. There was no approval under the FCA in that period. All the production from 31.07.1989 to the last working permission in the year 2009, is illegal and without lawful authority. Hence, it attracts the provisions of Section 21(5) of MM(DR) Act, 1957.

5. Mining in reserved forest in violation of FCA till 03.09.1998 (i.e. the date of FC approval):--

This lease, where in the leased area is reserved forest, no mining operation could be carried out, including within the broken up forest areas that took place before 25.10.1980 after the date of expiry of lease period i.e. 30.07.1989 onwards. The MoEF has reminded time and again to the State Government, in this regard since the year 1982 onwards. This has been discussed in detail in the **first report of the Commission for the State of Odisha.**

It is further noted that the proposal for diversion of forest land submitted by lessee on

11.03.1993 was not processed timely but the lessee was allowed mining in violation of the provisions of the Forest (Conservation) Act, 1980 (FCA, 1980) till 03.09.1998 (i.e. the date of FC clearance). Therefore, action should be taken against those who are responsible for this act. This has been noted by the Commission in almost all such cases.

6. MoEF order dated 03.09.1998 granting approval for a period of 10 years:--

The MoEF, vide order dated 03.09.1998, has accorded approval under the FCA for a period of 10 years without observing that the lease in question does not exist. It seems that there was no proper communication between the Mines and Forest Departments.

Hence, the production and dispatch quantity of iron ore since 31.07.1989 was on the face of it illegal because the same was without the prior approval under Forest (Conservation) Act, 1980.

Further, the lease did not exist because renewal application was not decided within stipulated time under the then provisions of Rule 24A of MCR, 1960. Therefore, the production from 03.09.1998 till the stopping of mine in the year 2009, is also illegal, unlawful and without authority

in violation of the provisions of the MM(DR) Act, 1957; MCR ,1960 and FCA, 1980.

Secondly, it is also observed that the recommendation under the FCA was made for 10 years from 31.07.1989 to 31.07.1999 on 11.03.1993. If this is the case, then the diversion of forest land period expires on 31.07.1999 and not on 02.09.2008. The MoEF has approved diversion of forest land without specifying the effective date. Condition (vi) of the said approval dated 03.09.1998 (stipulating for the diversion period) reads as under:-

“Period of permission under the Forest (Cons.) Act, 1980 will be for 10 years co-terminus with the permission granted under the MMRD Act.”

The said condition is ambiguous and non specific due to non renewal under the MM(DR) Act. Hence, the question of co-terminus does not arise.

7. Violation of Rule 37 of MCR, 1960 (No decision, with regard to heirs of Shri B. D. Patnaik, was taken):--

It is to state here that Shri B. D. Patnaik was expired on 05.11.1995. The lease was in favour of B. D. Patnaik and after his death, the working of

mine by Shri Jitendera Nath Patnaik @ Shri Jitu Patnaik or J. N. Patnaik was in violation of Rule 37 of MCR, 1960, since there was no legal Will in favour of Shri J. N. Patnaik.

As per Form J (records submitted by Sri Jitendra Patnaik to the Commission, claiming as lessee), it is noted that this Form was signed and submitted by Shri Bansidhar Patnaik for renewal of mining lease on 30.07.1988 as a capacity of “private individual”. It is pertinent to note here that the lease has never been transferred in favour of **M/s. B. D. Patnaik**, the claimed partnership firm or **M/s. Patnaik Minerals Pvt. Ltd.**

It is surprising to note that how the State Government entertained the correspondence of Shri Jitendra Nath Patnaik, aged about 56 years, S/o. late Shri Bansidhar Patnaik, on behalf of **M/s. B. D. Patnaik** or **Patnaik Minerals Pvt. Ltd.** As stated earlier, vide affidavit dated 07.10.2011, Shri Jitendra Nath Patnaik claimed as a partner of M/s. B. D. Patnaik, a partnership firm and not as a legal heir. It is to state here that the claim of Shri Jitendra Nath Patnaik cannot be entertained without deciding the legal heirs of Shri B. D. Patnaik. The State Government has not decided the legal heir of the said lease but allowed Shri Jitendra

Nath Patnaik to carry on mining, after the death of lessee (i.e. since 05.11.1995).

It is pertinent to note here that Shri B. D. Patnaik, the ML holder died on 05.11.1995 without leaving any Will for his legal heirs for this mining lease. It is learnt that Shri Jitendra Nath Patnaik submitted the purported Will which was found subsequently forged Will. Hence, to allow to run the mine by Shri Jitendra Nath Patnaik by the State Government and his officials was blatantly illegal. It is seen in various records that Shri Jitendra Nath Patnaik had acted and entered to have correspondence with the State Government as a partner of M/s. B.D. Patnaik. As discussed in this chapter, the lease has never been transferred in favour of M/s. B. D. Patnaik, the partnership firm.

The renewal and allowing the working of lease by Shri Jitendra Nath Patnaik by the State Government was bad in law for yet another reason. The lease was granted to Shri Bansidhar Patnaik on whose demise in the year 1995, the lease ended. And Shri Jitendra Nath Patnaik could not have been permitted to work the mine as partner of M/s. B. D. Patnaik. It amounts to grant of lease to M/s. B. D. Patnaik without following due prescribed procedures. Hence, it is totally illegal to allow him to misuse the public property.

8. Encroachment (3.39 ha.):--

There is an encroachment of 3.39 ha. extending the pit from northern side boundary of lease in the form of pit, dumping and others. The quantity of iron ore extracted from the pit shall be measured and valued based on the market rate and should be recovered from the lessee with applying other penal provisions under the Forest Act, Mines Act and other applicable law.

9. Environmental Clearance (not obtained):--

As discussed above, the lease ceased to exist from 31.07.1989 but was running illegally thereafter. Be it what it was, the lessee was supposed to obtain environmental clearance under the EIA Notification dated 27.01.1994 but he failed to do so.

From the year 1994-95 to 2009-10, the lessee has extracted about **2,66,626 MT (Table: 1)** of iron ore without having environmental clearance. Hence, production during the period was without lawful authority and considered as illegal. This attracts the provisions of Section 21(5) of the MM(DR) Act, 1957.

Therefore, actions should be taken to recover the money equivalent to market value along with the applicable penalties and other panel actions.

The details of production from the year 1994-95 to 2011-12, as submitted by Director of Mines and Geology as well as by the lessee are given in the Table below.

Table: 1

Table showing year-wise production (as provided by DMG as well as by the Lessee) of iron ore without EC and lawful authority

Year	Production as per DMG (MT)	Production as per lessee (MT)
1994-95	6,938	6,937.500
1995-96	8,184	8,184.328
1996-97	8,190	8,190
1997-98	5,700	5,700
1998-99	5,850	5,850
1999-2000	6,350	7,850
2000-01	9,150	9,200
2001-02	8,515	8,465.120
2002-03	17,088	17,088.429
2003-04	19,060	19,060
2004-05	20,780	20,780
2005-06	51,100	43,000
2006-07	32,510	32,510
2007-08	30,821	30,821
2008-09	8,450	8,450
2009-10	27,940	27,940
2010-11	00	00
2011-12	00	00
Total:--	2,66,626	2,60,026.377

**10. Investigation / Enquiry carried out by the
Vigilance Department of the State Government
in P.S. Case No.51 dated 18.11.2009:--**

The illegalities and corruption charges against the officials of various Departments and ranks have been detailed in the investigation / enquiry carried out by Vigilance Department of the State Government in P.S. Case No.51, dated 18.11.2009 (Vigilance PS, Balasore) which shall be taken as part and parcel of this Report and contents should be taken for further action.

The Dy. Superintendent of Police, Vigilance Cell, Cuttack, after having investigation in the matter, has found substantial evidences on the allegations of corruption on illegal mining, theft and transportation of iron ore from B. D. Patnaik Mines located at Kalaparbat against the following officials and others in the Balasore Vigilance PS Case No.51 dated 18.11.2009:--

- (i) Sri Madan Mohan Biswal,
(DoB: 20.07.1962),
S/o. late Fakir Mohan Biswal;
- (ii) Sri Shashadhar Sahu,
(DoB: 08.03.1951),
S/o. late Jaydeb Sahu,

- (iii) Sri Purna Chandra Patra,
(DoB: 14.07.1954),
S/o. late Krushna Chandra Patra;
- (iv) Sri Bijay Kumar Nandy,
(DoB: 04.01.1957),
S/o. late Gangadhar Nandy;
- (v) Sri Manash Ranjan Mohanty,
(DoB: 03.01.1962),
S/o. late Dharmananda Mohanty;
- (vi) Sri Santanu Kumar Mohapatra,
(DoB: 06.01.1936),
S/o. late Ramesh Chandra Mohapatra;
- (vii) Sri Gangadhar Lenka,
(DoB: 03.05.1966),
S/o. late Gajendra Lenka;
- (viii) Sri Akhya Kumar Das,
(DoB: 23.03.1936),
S/o. late Raj Kishore Das;
- (ix) Sri Nityananda Mohanty,
(DoB: 15.03.1947),
S/o. late Dinabandhu Mohanty;
- (x) Sri Ashok Kumar Sahu,
(DoB: 19.04.1951),
S/o. late Jogendra Mohan Sahu;

- (xi) Sri Pranatanath Das,
(DoB: 01.04.1950),
S/o. late Somnath Dash;
- (xii) Sri Rabindra Kumar Sarangi,
(DoB: 29.12.1949),
S/o. late Jogeswar Sarangi;
- (xiii) Sri Gauranga Charan Sethi,
(DoB: 25.03.1968),
S/o. late Damodar Sethi;
- (xiv) Sri Anupam Nandy,
(DoB: 23.11.1960),
S/o. late Nirad Gopal Nandy;
- (xv) Sri Jitendra Nath Patnaik,
(DoB: 02.11.1955),
S/o. late Banshidhar Patnaik.

On perusal of the aforesaid Vigilance Report in this matter, it is observed that there are prima-facie involvements of various officials of the Mines, Forest, IBM and other Departments and Shri Jitendra Nath Patnaik / Shri Jitu Patnaik / Shri J. N. Patnaik and others in addition to the list given above. The State and Central Governments had not taken adequate action on this investigation/inquiry. The vigilance wing has estimated the loss to the State Government to the tune of **Rs.1,30,39,13,397/-** by various unlawful acts and illegalities. (For details, the report of the Vigilance Cell should be taken as part and parcel of this Chapter).

11. Recommendation:--

In view of the violations of:-

- (i) Rule 24A of MCR as it existed;
- (ii) Rule 37 of MCR, 1960;
- (iii) the provisions of FCA of not obtaining prior approval under FCA;
- (iv) the provisions of EPA and EIA Notification dated 27.01.1994 for not obtaining EC; and
- (v) Others, as discussed in this Chapter and in Vigilance Report,

the persons who were in occupation of mines have extracted large quantity of iron ore. For this, proceedings under Section 21(5) of the MM(DR) Act, 1957 should be initiated at the earliest.

Further, it is recommended that immediate action should be taken in the matter to recover the loss as estimated by the vigilance wing and a fresh inquiry from Central Agency preferably Central Bureau of Investigation (CBI) should be ordered by the competent authority, looking into the seriousness of the matter involving huge loss to the State wherein no action is taken so far by the State and seems to be not serious in the matter.

Action should be taken against erring personnel of the Central as well as State Governments for their omission, commission and misconduct.

* * *

**M/s. Mangilall Rungta
Siljora Kalimati Manganese & Iron Ore Mines
(715.639 ha.)**

Findings recorded in this Chapter are based upon the information supplied by the various Departments of the State and Central Governments, lessee, MoEF, IBM, etc. It is for the competent authority to issue appropriate notices to the concerned party/lessee for taking action in accordance with law.

Further, the Commission has also obtained and taken into consideration the vigilance enquiry report of the State Government as well as the assessment report of the Income Tax Department. It is stated that the facts, figures and comments which are noted hereinafter, are taken from the Vigilance Enquiry Report of the State Government as well as from the assessment report of the Income Tax Department.

I. First notice dated 24.08.2011 issued to the lessee:--

It is to be stated that on **24.08.2011**, the Commission issued **first notice** to the lessee, seeking information u/s. 4 of the Commission of Inquiry Act, 1952, on affidavit, as per **Proforma: A and B enclosed therewith**. In response to the said notice, one Shri Mahesh Dutt Rustagi, S/o. Late Mutsaddilall Rustagi, aged about 71 years, resident of Barbil, District Keonjhar, filed an affidavit dated 12.10.2011 before the Commission, claiming as “the authorized signatory of M/s. Mangilall Rungta” and enclosed therewith the required information.

II. Second notice dated 12.02.2013 and personal hearing given to the lessee:--

On **12.02.2013**, the Commission issued **second notice** to the lessee, seeking information as per **Annexures: A to H**. In the said notice, the lessee was directed to remain present before the Commission in the personal hearing to be held on **28.02.2013** at **State Guest House, Bhubaneswar** along with the required information. During the personal hearing on **28.02.2013** at **Bhubaneswar**, an application was submitted on behalf of the lessee, seeking eight weeks time to furnish the information sought by the aforesaid notice and contended *inter-alia* that “*the information/facts and figures as mentioned in the various annexures of the notice dated 12.02.2013 pertain to diverse subjects like forests, environment, etc. The same also relate to very old records/old data which are to be collected from our various offices. Thereafter, the same are to be studied, analyzed and tabulated.*”

Therefore, the Commission orally granted the time and the matter was then heard on **02.04.2013** wherein Ld. Sr. Counsel, Mr. Sanjit Mohanty appeared on behalf of the lessee and in the said hearing, necessary information to the aforesaid notice was submitted.

III. First renewal of the mining lease:--

M/s. Mangilall Rungta, PO–Chaibasa, District Singhbhoom (West), Jharkhand, is a Partnership Firm having its registered office at Kolkata. It is noted that the mining lease of an area of 715.639 ha. was held by Babu Mangilall Rungta since 01.01.1946 and M/s. Mangilall Rungta (a registered partnership firm) from 01.01.1956 for manganese ore.

The first renewal of mining lease was granted for a period of 20 years from 01.01.1956 to 01.01.1976.

IV. Second renewal of the mining lease:--

The second renewal was granted for a further period of 20 years i.e. up to 01.01.1996. A lease deed was executed on 21.11.1980 for manganese ore with retrospective effect signed by **Sri Sita Ram Rungta**. At the time of execution of the said lease deed, Sri Sita Ram Rungta was holding four other mining leases of the area of **1,682.074 ha.** which was more than **1,000 ha. (10 Sq. Kms.)** the limit fixed under Section 6(1)(b) and Section 6(3) of the MM(DR) Act, 1957 from the year 1972 onwards.

V. Law on the subject:--

Section 6(1) (b) of the Act provides that no person shall acquire in a State one or more mining leases covering a total area of more than 10 sq. kms.

However, **in the interest of development of any mineral by recording reasons in writing**, the Central Government may permit any person to acquire one or more mining leases covering an area in excess of 10 sq. kms. by an order.

Section 6(3) provides as under:–

“For the purposes of determining the total area referred to in sub-section (1), the area held under a [reconnaissance permit, prospecting licence or mining lease] by a person as a member of a co-operative society, company or other corporation, or a Hindu undivided family or a partner of a firm, shall be deducted from the area referred to in sub-section (1) so that the sum total of the area held by such person, under a [reconnaissance permit, prospecting licence or mining lease], whether as such member or partner, or individually may not, in any case, exceed the total area specified in sub-section (1).”

The aforesaid sub-section (3) provides for determination of total area which could be held by a person. If the lessee is a member of a co-operative society, company or other corporation or HUF or a partner of a firm, then the total area mentioned in sub-section (1) [10 sq. kms. is to be deducted] so that some total of the area held by such person may not in any case exceed the total area specified in sub-section (1), that is, 10 sq. kms.

In **Kaviraj Basudevanand Vs. Ahant Harihar Gir (dead) & ors. (1974 AIR 1991)**, the judgment of the Apex Court in **Bhubaneshwar v/s. Sidheswar (1971 3 SCR 639)** was followed wherein it was held that:-

“even if the appellants were in actual khas possession within the meaning of s. 2 (k) of the Act, it must be held that the plaintiff respondent, who was a co-sharer, was in constructive possession through the appellants, as, under the law, possession of one co-sharer is possession of all co-sharers. ... The deeming provision of s. 6 must, therefore, ensure for the benefit of all, who in the eyes of law would be regarded as in actual possessions.”

Sub-section (3) therefore *inter-alia* provides that for the purposes of determining the total area

held under mining lease by a person as a member of Company, shall be deducted from the area referred to in sub-section (1) so that the total area held by such person under lease may not exceed the total area specified.

On the aforesaid principle, the total area held by a person is required to be determined within 10 sq. kms.

In the present case, the names of the four leases, held by the then Sri Sita Ram Rungta as a key person with other Directors of his family, are as under:–

(i)	Kalmong Mn. Mines	292.18 ha;
(ii)	Jajang Iron/Mn. Mine	669.350 ha.;
(iii)	Katasahi Mn. Ore Mine	226.634 ha.; and
(iv)	Nadidiha Iron/Mn. Mine	493.910 ha.
Total		1,682.074 ha.

The aforesaid four leases were held in the name and style of **M/s. Rungta Mines Pvt. Ltd.** and **M/s. Bonai Industries Co. Ltd.** of which, **Sri S. R. Rungta** was one of the Directors till his death. All the lease deeds including this one, were executed by Sri S. R. Rungta. This lease was renewed in violation of Section 6(1) (b) and Section

6(3) of the MM(DR) Act, 1957 because the area exceeded to 10 sq. kms. **Therefore, the lease should be treated as void and of no effect from second renewal onwards under Section 19 of the MM(DR) Act, 1957.**

VI. Lease in favour of M/s. Mangilall Rungta:--

- (a)** M/s. M. L. Rungta, a registered partnership firm is holding a lease in the State of Orissa from 1st, 2nd and 3rd RML stage, as under:--

Name of lease	Total Area of lease (ha.) and Name of lessee			
	Original granted	1 st RML	2 nd RML	3 rd RML
Silijora- Kalimati Iron & Manganese Ore Mines	716.902	716.902	715.639	715.639
	Babu Mangilal Rungta	M/s. M. L. Rungta	M/s. M. L. Rungta	M/s. M. L. Rungta
	Lease Deed executed on 27.12.1947 [01.01.1946 to 31.12.1955]	Lease Deed executed on 29.12.1970 (01.01.1956 to 31.12.1975)	Lease Deed executed on 21.11.1980 (01.01.1976 to 31.12.1995)	Lease deed executed on 02.08.1999 (01.01.1996 to 31.12.2015)

From the above table, it is clear that initially, the lease was granted from 01.01.1946 in favour of Babu Mangilal Rungta by the then Maharaja of Keonjhar for a period of 10 years. The lease deed was executed on 27.12.1947.

(b) Observations for First RML:--

Subsequently, 1st RML was granted on 06.10.1970 by a proceeding No.6989 dated 10.10.1970 of State Government (Steel and Mines Department) in favour of M/s. Mangilall Rungta, a registered partnership firm. In the said proceeding, following had been stated:--

- ? Late Madan Gopal Rungta had applied to the State Government for grant of renewal of mining lease for manganese ore by his application dated 16.05.1955.
- ? Shri C. P. Rungta has been accepted by the State Government as successor of mining lease.
- ? Shri C. P. Rungta in his letter dated 26.07.1969 requested the State Government to grant renewal of M.L. in favour of M/s. Mangilall Rungta.
- ? M/s. Mangilall Rungta is a partnership firm.

- ? Government of India have conveyed the approval to the grant of renewal of mining lease under Section 8(2) of the MM(DR) Act, 1957 for a period of 20 years for manganese ore with effect from 01.01.1956 over 1,771.50 acres (date and in whose name the approval was given, is not stated). It is pertinent to note here that Shri C. P. Rungta in his letter dated 26.07.1969 had requested to the State Government to grant renewal of M.L. in favour of M/s. Mangilall Rungta which was much latter than the date of renewal application dated 16.05.1955.

How the lease was granted in favour of M/s. Mangilall Rungta (a registered partnership firm) without transfer under Rule 37 of MCR, 1960 is not known. On this ground itself, the lease should be treated as void and of no effect under Section 19 of the MM(DR) Act, 1957.

(c) First renewal was granted after lapse of 14 years:--

The 1st RML was granted vide proceedings No.6989 dated 06.10.1970 of Steel & Mines Department and the deed was executed on

29.12.1970 in favour of M/s. Mangilall Rungta, a Joint Hindu Family partnership firm represented by one of the partners, Shri S. R. Rungta with retrospective effect from 01.01.1956. **In fact, the lease came under the then deemed refusal provision of Rule 24(3) of MCR, 1960 (as on 06.10.1970) and hence, the lease was granted in violation of the then provisions of this Rule. Lease can not be renewed after such a long time.**

The then Sub-Rules (1) and (3) of Rule 24 of MCR, 1960 are reproduced as under:-

“24. Disposal of application for mining lease:-

- (1) *An application for grant of a mining lease shall be disposed of within twelve months from the date of its receipt.*

... ..

- (3) *In any application is not disposed of within the period specified in sub-rule (1), it shall be deemed to have been refused.”*

(d) Observations for Second RML:--

The Second RML was granted vide proceeding No.16451 dated 13.12.1979 wherein it is stated that:-

- “(i) Whereas M/s. Mangilall Rungta being a partnership firm registered in India;
- (ii) **Whereas the applicant by himself or with any person joint in interest with him does not, in respect of Manganese or related group of minerals held such area in the State as with the area over which the mining lease has now been asked for will, exceed ten square kms. in the aggregate.”**

This 2nd RML lease deed was executed on 21.11.1980 in favour of M/s. Mangilall Rungta (a partnership firm registered under Indian Partnership Act, 1932) with retrospective effect from 01.01.1976 and signed by one of the partners, **Shri S. R. Rungta** who was holding the **joint in interest with the all other leases of various companies like M/s. Rungta Mines (P) Ltd., M/s. Rungta Sons (P) Ltd., M/s. Feegrade & Co. Ltd. and M/s. Bonai Industries Co. Ltd.** in addition to the four leases stated above at various point of time much exceeding to total lease hold area of 10 square kilometers limit. The statement, regarding not having lease-hold rights for more than 10 sq. kms. in the proceedings dated 13.12.1979 and 21.01.1999, is incorrect/false.

It is to be highlighted that it was the duty of the concerned officers to verify the facts with regard to total holding as per the law, as renewal was a flagrant violation of Section 6(1)(b) and Section 6(3) of the MM(DR) Act, 1957.

On this ground,

- ? the renewal should be treated as void and of no effect under Section 19 of the MM(DR) Act, 1957; and
- ? action should be taken against the officials responsible for their omissions, commission and misconduct.

VII. Third renewal of the mining lease:--

The application dated 01.12.1994 of M/s. Mangilall Rungta for third renewal of mining lease was considered for granting the same for a period of 20 years w.e.f. 01.01.1996, vide Government Order No.476, dated 21.01.1999 in which the lessee was asked to submit compliance on 10 points of terms and conditions by 10.02.1999. But before receipt of any compliance, on the same date i.e. 21.01.1999, the mining lease was granted by Order No.490/SM III(A)SM-13/98, dated 21.01.1999 of Steel and Mines Department, Orissa.

? **Observations for Third RML:--**

The 3rd RML was granted vide proceeding No.490 dated 21.01.1999 in which it was stated that:-

- “(i) Whereas the applicant being a **Limited company** is incorporated and registered in India;
- (ii) Whereas the applicant by them do not in respect of manganese or related group of minerals held such area in the State as with the area over which the R.M.L. has now been asked for, will exceed ten square kilometers in the aggregate.”

The aforesaid statements are, on the face of it, incorrect/false to the knowledge of the Applicant.

Again, at this stage, it is required to state that the S. R. Group / Rungta family were holding the total lease area **3,658.194 ha.** in the country (Orissa and Jharkhand States). This matter is discussed separately in this report.

For this 3rd RML, lease deed was executed on 02.08.1999 in favour of M/s. Mangilall Rungta, a registered partnership firm under Indian Partnership Act, 1932 which consisting of partners

on that day, namely, **(i)** Shri Nandlal Rungta S/o. late Sitaram Rungta, and **(ii)** Shri Mukund Rungta S/o. late Sitaram Rungta. Supplementary lease deed was executed for inclusion of iron as 2nd mineral on 27.09.2003.

VIII. Diversion of forest land:--

Out of the total area of 715.639 ha.;

- (a)** 146.746 ha. is revenue forest land;
- (b)** 524.802 ha. is non-forest land; and
- (c)** 44.09 ha. is tenant land,

before classifying the Government land into DLC forest.

On the general direction of Hon'ble Supreme Court issued on **12.12.1996** in **W.P. No.202/1995**, the lessee had obtained diversion of forest land from Ministry of Environment & Forests (MoEF), Government of India, in its letter No.8-104/94/TC, dated 16.01.1998 for **139.739 ha.** of forest land (i.e. 95.857 ha. broken and 43.837 ha. virgin) by excluding the remaining portion of **7.010 ha.** as **safety zone.**

After the enforcement of the District Level Committee (DLC) recommendations in accordance

with the orders of the Hon'ble Supreme Court, an area of **313.059 ha.** (i.e. 206 ha. broken and 107.059 ha. virgin) out of the total non-forest area of 568.893 ha., was classified as DLC forest land as per letter No.352, dated 12.01.2000 of the DFO, Keonjhar, w.e.f. 29.08.1998.

While mining lease was granted and permission under DRP was given for extraction of manganese ore only, partner of M/s. Mangilall Rungta in his letter dated 09.04.2001 submitted an application to the Secretary to Government of Orissa, Steel and Mines Department to include iron ore in the lease deed. Sri P. C. Patra, the then Dy. Director, Mines in his letter No.8080/Mines, dated 30.04.2001, recommended that **“as because the area is broken prior to 1980, no DRP approval was required.”**

While examining the matter in the office of Director of Mines, the Jt. Director of Mines wrote in his noting by pointing out that the area might not have been broken prior to 25.10.1980 and sought for certain clarification for compliance before consideration of the application. But overlooking the remarks of the Jt. Director, Mines, the then Director, Mines, Sri Sasadhar Sahoo had recommended for inclusion of the iron ore and,

accordingly, the Government included iron ore vide its order No. III(A) / SM / 10 / 2001-9094, dated 27.09.2002.

The supplementary deed for inclusion of iron ore as second mineral in **Siljora Kalimati Mines** over an area of **715.639 ha.** in Keonjhar District, was executed on **27.09.2003** between the Collector, Keonjhar and Sri Nandalal Rungta, partner of M/s. Mangilall Rungta.

M/s. M. L. Rungta had extracted and dispatched the following quantities **+65% Fe** of iron ore from the year 2003 to 2009.

Year	Production (in MT)	Dispatch (in MT)
2003	8,000.00	25.600
2004	54175.00	45188.440
2005-06	82171.00	84290.460
2006-07	79014.00	87355.120
2007-08	26458.00	26084.560
2008-09	14494.00	18928.560
Total	2,64,312.00	2,61,872.799

In fact, the area of iron ore deposit should have been marked properly because the land in question was a forest land and, therefore, it attracts the provisions of the FCA, 1980.

Further, the Fe and Mn. minerals may coexist together separately but do not form the part of mixed veins and same quarry. The Fe and Mn. veins are found separately at different locations. Since this lease was only for manganese (before 25.10.1980), considering the area as broken up before 25.10.1980 for iron ore, is not at all justified.

The DFO, Keonjhar was wrongly intimidated by Sri P.C. Patra, Dy. Director (Mines) in his letter No. 11371/Mines dt. 18.06.2001 that since 206 ha. of land out of the DLC land, was broken up, there was no need to divert the same under FCA, 1980.

Sri Bikram Singh, the then DFO, Keonjhar Division, in his letter No.4415 dt. 06.08.2001, did not allow mining operation on virgin forest land (DLC) but at the same time, allowed the mining on the “broken forest land of DLC” which is technically incorrect as explained above for iron ore. There could not have been an area as broken up area for the location of iron ore reserve deposits.

In fact, this has been realized and subsequently, the then DFO, Keonjhar, in Memo No. 32 dt. 03.01.2005 had instructed the Range Officer, Champua Range to see that DLC area either broken or virgin should not be permitted for working.

IX. Environmental Clearance (EC):--

The lessee was supposed to obtain EC under the EIA Notification dated 27.01.1994 for the present lease, **Siljora Kalimati Mines** for an area of **715.639 ha**.

When the said EIA Notification was issued, the lessee was having mining lease of manganese ore only. The lease period expired on 01.01.1996. For excess production as well as for renewal of lease, it was mandatory for the lessee to obtain EC under the said EIA Notification. But the lessee failed to obtain the same for such a large extent of area.

EC was obtained only on **03.02.2009**, much delayed for manganese and iron ore minerals.

It is stated here that the inclusion of iron ore was permitted on **27.09.2003** for production. The iron ore production was started from 27.09.2003 onwards. The lessee was supposed to obtain EC mandatorily before starting production of iron ore under the said EIA Notification. However, he failed to obtain the EC and went on producing large quantity of iron ore along with manganese ore. The unauthorized and illegal production of iron ore and manganese ore has been worked out as mentioned in the following Table.

Year-wise unauthorized production done by the lessee without EC and in excess of EC

EC approval Order No., Date, Area and EC Limit (MT)	Excess and unauthorized production based on DMG Data for Iron (MT)	Excess and unauthorized production based on DMG Data for Manganese (MT)
J-11015/691/2007 IA-II (M), dated 03.02.2009 (715.639 ha.) (49,000 to 1,36,000 MT for Iron Ore) (60,000 to 1,89,000 MT for Manganese)	1993-94 to 2003-04 00 2004-05 54,725 2005-06 82,171 2006-07 79,014 2007-08 26,458 2008-09 to 2011-12 00 Total 2,42,368	1993-94 to 1995-96 00 1996-97 45,179 1997-98 54,792 1998-99 72,146 1999-2000 77,785 2000-01 75,214 2001-02 92,557 2002-03 87,000 2003-04 99,964 2004-05 96,079 2005-06 71,320 2006-07 99,287 2007-08 1,10,361 2008-09 to 2011-12 00 Total 9,81,684

From the aforesaid Table, it is apparent that a quantity of **2,42,368 MT** of **iron ore** and **9,81,684 MT** of **manganese ore** had been produced without obtaining EC and, therefore, it is unlawful. The said extraction of mineral is to be considered as **illegal production.**

Therefore, action should be taken under Section 21(5) of the MM(DR) Act, 1957 and the cost of mineral at the prevailing market rates together with applicable penalties should be recovered. Further, penal action should also be initiated against the lessee and the officials involved.

X. Vigilance enquiry:--

On the allegation of corruption in the matter of illegal mining by M/s. Mangilall Rungta over 715.639 ha. in village Silijoda and Kalimati under Champua Sub-Division and alleged role of different officials of Forest, Director of Mines, Revenue and Pollution Control Board in the illegal mining, a vigilance enquiry was ordered by the State Government.

The substance of the vigilance inquiry report is as under:--

(a) Joint Physical Verification (JPV):--

A JPV was done on 15.10.2009 and 16.10.2009 in Siljoda-Kalimati Manganese and Iron Mines over an area of 715.639 ha. in the presence of Dy. Director, Mines, Koida, Tahasildar, Barbil, Mining Officers, Forest Ranger, R.I., Forest Amin, Geologist of Directorate of Geology, Engineers and others.

During the said JPV, it was found as under:-

- (i)** From boundary Pillar No.6 to 7 of leasehold area, there is no safety zone pillar. The bush cutting between the aforesaid pillars and its extension were not done;
- (ii)** The common boundary line of the surface right area and the virgin forest area with that of non-forest surface right area from boundary Pillar No.7 to intermediate boundary Pillar Nos.98 and 99 was not made clear;
- (iii)** There was a big dump from Pillar No.87 at a distance of about 395.46 mtrs. inside the forest (DLC) land. The said pit stretched towards southern side for 259.74 mtrs. from the beginning of its point and it came under forest DLC broken area;

- (iv) On measurement of the iron pit, it was found that it came within the forest (DLC broken) land. Dumping yard near Puja pit was measured and it was found that it encroached to DLC virgin area to an extent of 25-30 mtrs. at a distance of 650 mtrs. from the referral point which was in between boundary Pillar Nos.28-A and 29;
- (v) As on 16.10.2009, **25,669.42 MT** of manganese ore and **1,853 MT** of iron ore were found at the field whereas as per the stock register entries of the Company, **27,380.969 MT** of manganese ore and **1,840.96 MT** of iron ore were noted. The manganese ore was of different grade and the shortage was **1,711.367 MT** which has been illegally dispatched without permission. The cost of such illegally dispatched manganese ore comes to **Rs.66,72,830.06 (approx)**;
- (vi) The extraction in the broken area in the forest land was only applicable for manganese ore for which the mining lease was granted originally before the enforcement of DLC **but not for iron ore for which the approval of the MoEF, GoI was essential; and**

- (vii) There is a technically serious reservation as regards the broken up area before the year 1980, as shown in the DLC forest land for iron ore quarry, since there was no lease and removal of iron ore at all before 27.09.2002. At the same time, no iron ore was discovered in the quarry pits of manganese but it was at different location. The iron ore was discovered, while prospecting the virgin lease area as reported by lessee.**

Hence, a quantity of **2,61,872.790 MT** of iron ore has been extracted and dispatched from the iron pit from the forest (DLC) land illegally by fabricating the records. The approximate cost of iron ore so dispatched illegally comes to **Rs.57,61,22,500/-** which is considered as a heavy loss to the State Exchequers.

(b) Criminal action recommended against the concerned officers:--

The Vigilance Department of the State Government, in its report, has recommended action against the concerned officers. The relevant para reads as under:--

*“From the facts and circumstances stated above, it is clear that Sri Sasadhar Sahu, the then Director, Mines, Sri P. C. Patra, Dy. Director Mines, Joda, Shri Manas Ranjan Mohanty, D.D.M., Joda, Shri Madan Mohan Biswal, DDM, Joda, Sri Bikram Singh, IFS, the then DFO of Keonjhar & others **being public servants have entered into criminal conspiracy with Sri Nandalal Rungta and Partners of M/s. Mangilal Rungta and granted iron lease by manipulating and fabricating the documents and allowing the lessee to carry on mining activities in the forest land in violation of rule.** Hence, they are liable u/s. 13(2) r/w. 13(1)(d) of P.C. Act, 1988/420/120-B IPC and 21 M.M.R.D. Act/Section-3 of Forest (Conservation) Act, 1980. Hence, request, that a criminal case may please be registered against them for investigation.”*

- (c) During investigation, it was found that M/s. Mangilal Rungta submitted application for 2nd RML on 30.12.1974 over an area of 1,771.5 Acres for manganese in Siljoda-Kalimati in Keonjhar District. The copy of application dated 30.12.1974 is not available in the files but as per the records, the Collector, Keonjhar had forwarded the application to Sr. Mining Officer, Joda in letter No.116 dated 31.01.1975.

The reports and records pertaining to the application reveal that the 1st term was completed on 31.12.1955 and the lease was renewed for a further period of 20 years w.e.f. 01.01.1956. The 1st RML was due to expire on 31.12.1975. The DFO, Keonjhar, in reply to the letter dated 31.01.1975 of the Collector, Keonjhar; intimated vide his letter No.6667, dated 30.08.1975 that the area applied was a Kheshra forest, containing vegetation of miscellaneous forest growth, hence only 5.00 Acres of land may be given on lease at a time, worked out area be surrendered for plantation and Rs.250/- per acre be collected for plantation.

(d) Working permission without authority:--

Pending grant of the 2nd RML application of M/s. M. L. Rungta, working permission for 9 times for the period from 01.01.1976 to 30.06.1980 was granted as mentioned below:--

- (i)** From 01.01.1976 to 30.06.1976, vide letter No.13591, dated 26.12.1975.
- (ii)** From 01.07.1976 till issue of final orders regarding RML vide letter No.6978, dated 30.06.1976. But in letter No.4806, dated 18.05.1978, the State Government limited the working permission up to 01.07.1978.

- (iii)** Extended working permission till 01.10.1978 vide Memo No.5688, dated 29.06.1978.
- (iv)** Till 01.12.1978 in Memo No.10052, dated 30.09.1978.
- (v)** Extended working permission till 28.02.1979 vide Memo No.11508, dated 25.11.1978.
- (vi)** Up to 31.05.1979, vide Memo No.2805, dated 19.02.1979.
- (vii)** Up to 31.08.1979, vide Memo No.6688, dated 30.05.1979.
- (viii)** Till 31.12.1979, vide Memo No.11138, dated 29.08.1979.
- (ix)** Up to 30.06.1980, vide Memo No.16414, dated 12.12.1979 awaiting approval of GoI.

It is to state here that the State Government does not have authority and competence to grant working permission in a lease which ceased to exist under the deemed refusal provision of Rule 24A of the MCR, 1960.

Moreover, the lessee was holding an area of more than 10 sq. kms. at that time. Hence, it was in violation of Section 6 (1)(b) and Section 6(3) r.w. Section 19 of the MM(DR) Act, 1957. The detailed discussion in this regard is made in a separate chapter in this report.

(e) Illegalities in 2nd RML:--

The State Government approved 2nd RML for 20 years w.e.f. 01.01.1976 vide Order No.16451, dtd. 13.12.1979, after receipt of the approval of GoI u/s. 8(2) of the MM(DR) Act, 1957. The working permission for mining operation for the period from 01.01.1976 till 30.06.1980 i.e. 4 years and 6 months had been given illegally in violation of the provision of Section 8 of the MM(DR) Act, 1957 and Rule 24A of MCR, 1960 which was effective during the relevant period. As per provisions of Section 8(2) of the MM(DR) Act, which was effective prior to the year 1999, the RML can only be granted with prior approval of the Central Government. So also, as per the then provisions of Rule 24A of MCR, 1960; the lease came under the provisions of deemed refusal and no authority including Central Government did have the power to overrule the law.

Thus, in no way, the mining operation should have been allowed to continue after 31.12.1976 (when the first renewal expired). The officials of the Steel & Mines Department, Director of Mines who had allowed such illegal operation, are liable for such lapses.

So also, the recommendation of the DFO regarding limiting the area to 5.00 Acres has not

been taken into account. But due to non-availability of records during the relevant period, it could not be possible to identify the official liable for the said lapses.

(f) Discovery of iron ore within DLC:--

M/s. M. L. Rungta, in his letter No.66 dtd. 09.04.2001, intimated the Secretary to Government, Steel & Mines Department, Odisha that during prospecting, iron ore had been discovered and requested to include iron ore in the lease deed dtd. 02.08.1999 as supplementary deed. Later on, M/s. M. L. Rungta submitted a letter to DDM, Joda by enclosing a geological report on availability of a quantity of **3,28,538 MT iron ore**. The said geological report was not submitted by any Technical Expert or not signed by any person. As per the said report, the iron ore occurred in the forest land (DLC forest). Sri P. C. Patra, DDM, Joda recommended for inclusion of iron ore in the M.L. Deed vide his letter No.8080, dtd. 30.04.2001 by writing that iron ore occurrence was found in the broken up DLC forest land and the MoEF, Government of India had accorded approval u/s. 2 of FCA, 1980 for the diversion of the included forest. This statement of DDM is factually incorrect, as the MoEF had only approved for the forest land (P.F.)

and not for DLC forest land. Rather, the DLC forest land had not been identified at that point of time, when MoEF approved the diversion proposal. The DRP for DLC was not processed or sent to the MoEF for approval, at all. Thus, Sri P. C. Patra, DDM, Joda had submitted false information in his recommendation to show undue favour to M/s. M. L. Rungta.

While dealing with the recommendations of Sri P. C. Patra, DDM, Joda, in the note-sheet dtd. 13.08.2001, the Section Officer of the O/o. the Director of Mines, Bhubaneswar had pointed out that:-

- “(i) the quantity raised during exploitation/ exploration has not been mentioned;*
- (ii) it is not clear whether the above Plot of Iron Ore zone coming under DLC land and included in the 1st Stage of clearance of MoEF (GoI); and*
- (iii) no geological report has been furnished, etc.”*

While dealing the matter in the note-sheet dtd. 28.08.2001, Sri Ganesh Mohanty, Joint Director of Mines, O/o. Director of Mines, Bhubaneswar, had stated that:-

- “(i) the IBM plan in respect of iron ore is wanting;*
- (ii) the recommendation of Collector, Keonjhar in respect of the DLC forest land is wanting;*
- (iii) the reports reveals that the area for iron ore has been broken first in the year 1991 but not prior to 1980;*
- (iv) the quantity of iron ore raised has not been reported.”*

By pointing out the shortcomings, Sri Ganesh Mohanty, Jt. Director suggested to call for a detail report to clarify on the aforementioned points. But without further examining the matter, without calling for clarification, without verification of the documents, Sri Sasadhar Sahu, the then Director recommended for inclusion of iron ore by endorsing the report of Shri Patra, DDM; in his letter No.10050/DM, dtd. 14.09.2001 to the Steel & Mines Department.

In compliance to the letter of GoI, Sri Mukund Rungta of M/s. M. L. Rungta filed an affidavit on 21.06.2001 stating that iron ore was discovered in the M.L. area on 05.03.2001. The GoI had approved the inclusion of iron ore in letter No.5/27/2002, dtd. 13.09.2002 and, accordingly, the Steel & Mines Department, Government of Odisha issued

proceeding vide No.9094, dtd. 27.09.2002 by stipulating that the M.L. deed would be executed after submission of approved mining plan.

M/s. M. L. Rungta submitted the approved mining plan dtd. 13.08.2003 for iron ore. The Collector, Keonjhar executed the M.L. deed for iron ore on 27.09.2003. The total reserve of iron ore was reported to be **3,75,273 MT** in the IBM plan against the total reserve **3,28,538 MT (which is 46,735 MT less)** shown in the geological plan submitted by M/s. M. L. Rungta on 09.04.2001.

(g) Forest Clearance for DLC:--

The prior approval of Central Government in terms of Section 2 of FCA, 1980 would not be required for mining and winning any new mineral from a forest land leased for mining before the commencement of the said Act during the lease period originally granted, if the said land is already broken up or cleared before the commencement of the Act. Otherwise, the prior approval of the Central Government u/s. 2 of the said Act would be required. The MoEF approved for Phase-1 approval over an area of 139.736 ha. was communicated in Order No.8-104/96, dtd. 16.12.1996. The 2nd Phase approval, in letter No.8-104/96, dtd. 16.01.1998 for

a period of 20 years w.e.f. 01.01.1996, was for the protected forest. The MoEF approval, in respect of 311.396 ha. of DLC land, was received vide letter No.8-104/96-FC, dtd. 22.10.2009 and Stage-2 approval was received vide letter No.8-104/96-FC, dtd. 12.11.2010 for the 3rd RML period for manganese and iron ore. Hence, there is no approval for DLC area wherein iron ore is extracted in this period (2003 to 2010). The land is actually not broken before 27.09.2003.

(h) Production from DLC Forest land:--

The production and dispatch of iron ore from the DLC forest land without MoEF approval from 27.09.2003 till 12.11.2010, are as under:--

Period	Production (in MT)	Dispatch (in MT)
From 27.09.2003 till 12.11.2010	2,67,835	2,65,994.14

The aforesaid production and dispatch are illegal. It is observed that **2,65,994.14 MT** of iron ore amounting to **Rs.53,19,88,280/-** had been produced and sold illegally in violation of the law causing loss to the Government. Sri Manas Ranjan Mohanty and Madan Mohan Biswal, DDMs had

issued dispatch permits and, therefore, they are responsible for the lapses and are required to be proceeded in accordance with law.

The production and dispatch of manganese ore from the year 1976 to 1992 is reported as under:-

Period	Production (in MT)	Dispatch (in MT)
From 1976		
To 1992	9,62,914	9,81,293.80

The opening balance as on 01.01.1976 is not available in any of the records. The above noted figures indicate that the mining lease holder had dispatched **18,379.80 MT** of manganese ore in excess against the production. But on 01.01.1993, the mining lease holder had shown a balance of **9,946.49 MT** of manganese which appears to be fabricated. However, in absence of Opening Balance as on 01.01.1976, the figure prior to 01.01.1993 is taken for accounting the year-wise production and dispatch only.

In order to quantify the book balance of manganese ore as on the date of JPV, the production and dispatch is calculated as below:-

Period	Production (in MT)	Dispatch (in MT)
From 01.01.1993 to 16.10.2009	12,75,245.66	12,47,837.00

Thus, the book balance as on 16.10.2009 comes to **27,408.66 MT** (i.e. 12,75,245.66 MT **minus** 12,47,837.00 MT). During JPV, a quantity of **25,669.42 MT** was found and, hence, there is a shortage of **1,739.24 MT** of manganese ore. For the said shortage quantity, the royalty to the tune of **Rs.50,437.96** and the sales tax to the tune of **Rs.3,47,848.00** had been evaded by dispatching the same (**1,739.24 MT**) without mentioning the same in the record for which the mining lease holder is liable.

The production and dispatch of iron ore after its discovery during the year 2001, is found as below as per the records (available to JPV) during course of investigation by vigilance team.

Period	Production (in MT)	Dispatch (in MT)
From 27.09.2003 to 15.10.2009	2,67,835	2,65,994

Thus, the book balance as on 16.10.2009 comes to **1,841 MT** (00.00 MT + 2,67,835 MT –

2,65,994 MT). During JPV, a quantity of **1,853 MT** was found in the physical stock and, hence, there was a shortage of 12 MT of iron ore. The discrepancy in the physical stock is marginal and also the quantity in the physical stock has been assessed in approximation by accounting 195 trips lying scattered in the mining leased area. Hence, no liability can be attributed for such marginal shortage.

(i) IBM Reports:--

During the enquiry and investigation, it is found that the mining lease holder had submitted a total 7 nos. of IBM Plans, the details of which (as compiled by the vigilance team of the State Government) is given as below:–

Year	IBM Plan Reference	Manganese		Iron		Remarks
		IBM Estimate In MT	Actual Production In MT	IBM Estimate In MT	Actual Production In MT	
1994–1995	Without approved mining plan	53,534.000	41,851.000	–	–	IBM plan approved on 26.04.1995
1995–1996	For the period from 1994–1995 to 1998–1999, approved vide No.CAL/KJ/mn/MT/367 dated 26.04.1995 for manganese ore only	60,000.000	36,961.580	–	–	In this report, there is mention of presence/discovery of iron ore in massive laterite, shaly, float, powdery form.
1996–1997		61,000.000	45,209.000	–	–	

Year	IBM Plan Reference	Manganese		Iron		Remarks
		IBM Estimate In MT	Actual Production In MT	IBM Estimate In MT	Actual Production In MT	
1997- 1998		54,000.000	54,792.000	-	-	
1998- 1999		60,000.00	72,173.000	-	-	12,173.000 Excess
1999- 2000	No mining plan	-	77,783.540	-	-	
2000- 2001	For the period from 2000- 2001 to 2004-05, approved vide No.BBS/ KJ/mn/MS/51 dated 16.10.2001 for manganese ore only	88,064.000	75,227.000	-	-	
2001- 2002		87,785.000	92,457.000	-	-	Excess 4,672.000
2002- 2003		88,807.000	87,002.000	-	-	

Year	IBM Plan Reference	Manganese		Iron		Remarks
		IBM Estimate In MT	Actual Production In MT	IBM Estimate In MT	Actual Production In MT	
2003- 2004	For the period from 2003-2004 to 2007-2008, vide No.BBS/KJ/ Fe/MP-156 dated 13.08.2003 for iron ore	93,496.000	99,964.000	23,373.000	22,300.00	Excess 6,468.000
2004- 2005		92,859.000	77,571.000	34,738.000	54,725.00	Excess 19,987.000 Iron Ore
2005- 2006	For the period from 2005-06 to 2009-10, Approved Scheme of mining plan vide No.BBS/KJ/Fe/MP-136 dated 07.07.2005 for both Mn. & Iron ore	1,26,610.000	71,320.000	$\frac{38,602.000}{1,19,236.000}$	67,321.00	Excess 28,719.000 iron ore
2006- 2007		1,31,578.000	99,287.000	$\frac{48,893.000}{1,20,794.000}$	79,014.00	Excess 30,121.000 Iron ore
2007- 2008		1,34,999.000	1,10,361.000	$\frac{49,066.000}{58,018.000}$	26,458.00	

Year	IBM Plan Reference	Manganese		Iron		Remarks
		IBM Estimate In MT	Actual Production In MT	IBM Estimate In MT	Actual Production In MT	
2008– 2009	No approval IBM plan for iron ore	1,38,893.000	1,08,025.000	<u>Not given</u>	14,494.000	14,494.000
2009– 2010	Modified scheme of mining vide MJM/OTP–MCECS/34–ORI/BV–2009–10 dtd. 27.01.2010 for iron ore only	1,40,671.000	37,815.000	<u>Not given</u> 35,994.000	3,523.000 upto 14.10.2009	
	For the period from 2010–11 to 2014–15, Approved Scheme of mining plan vide No.MS/OTF–MECH/05–ORI/BHU/2010 dated 10.05.2010 for both Mn & Iron ore					
2010– 2011	Modified scheme of mining plan vide MSM/O7E–MECH/32–ORI/BHU/2010–2011 dtd. 07.01.2011 for iron ore only			<u>27,006.000</u> 1,22,730.000		

In view of the aforesaid IBM approved plans and details, it is to be stated that:--

1. During the year 1994-95, a quantity of **41,851 MT** manganese ore had been allowed to be produced without having approved IBM plan. The DDM, Sri Sasadhar Sahoo who had allowed despatch of **34,237.4 MT** of manganese ore, is liable for criminal misconduct.
2. During the year 1999-2000, a quantity of **77,783.540 MT** of manganese ore had been allowed to be produced without approved IBM plan. The DDM, Sri Purna Chandra Patra who had allowed despatch of **70,257.600 MT** of manganese ore, is liable for criminal misconduct.
3. During the year 2008-09, a quantity of **1,08,025 MT** of **manganese ore** had been allowed to be produced and **82,590.100 MT** had been despatched without approved IBM plan. The DDM, Sri Madan Mohan Biswal who had allowed such dispatch, is liable for criminal misconduct.
4. During the year 2008-09, a quantity of **14,494 MT** of **iron ore** had been allowed to be produced and **18,919.550 MT** had been despatched without approved IBM estimation. The DDM, Sri Madan Mohan Biswal who had allowed such despatch, is liable for criminal misconduct.

5. The IBM plan dtd. 07.07.2005 had been approved by Sri M. K. Parasher, Regional Controller of Mines (NR) Nagpur by approving a total quantity of **2,98,048 MT** production for 2005-06, 2006-07 and 2007-08 i.e. for **three years only**. The production estimate for the year 2008-09 and 2009-10 has not been given, though the mining plan is for five year i.e. from 2005-06 to 2009-10.

It is found that the recoverable reserve of iron ore has been calculated to be **3,67,768 MT** in the original IBM plan dtd. 13.08.2003 for iron ore against the iron reserve of **3,28,538 MT** calculated by the mining lease holder in his geological plan submitted on 09.04.2001. If at all, the maximum reserve quantity of **3,67,768 MT** is taken into account, then by the year 2005-06, a quantity of **77,025 MT** of iron ore has already been despatched during the years 2003-04 and 2004-05, then a quantity of **2,90,743 MT** of reserve of iron ore can be recoverable.

Hence, the estimated production cannot be kept as **2,98,048 MT** against the recoverable reserve of **2,90,743 MT**. Thus, the IBM plan for iron ore from the year 2005-06 to 2009-10, was prepared with an ulterior motive by allowing the mining lease holder to carry on production and despatch of excess iron ore to meet with the high

demand of iron ore which is in excess of the original approved plan dtd. 13.08.2003, knowingly that the total iron reserve is to be exhausted by the year 2007-08. As there is no iron ore available for the years 2008-09 and 2009-10, no production estimate quantity has been kept in the IBM plan dtd. 07.07.2005. The IBM plan is unrealistic and not based on scientific assessment. Hence, action should be taken for sanctioning faulty mining plan.

6. Sri Debadurllav Das, Jr. Mining Geologist, IBM, Bhubaneswar conducted inspection on 06.06.2008 and submitted the report on 22.08.2008. He has submitted report by writing that there is no violation of MCDR Rules by accepting in toto the MCDR data base submitted by M/s. M. L. Rungta.

As stated earlier, the mining lease holder had produced **14,494 MT** of iron ore during the year 2008-09 without approval of IBM Plan. As per records, the lessee had been carrying on extraction of iron ore illegally since **01.04.2008**, with production of **3,279 MT** during **April, 2008** and **2,300 MT** during **May, 2008**. Without taking any action to stop illegal mining operation, Sri Debadurllay Das, Jr. Mining Geologist, IBM, Bhubaneswar suppressed the facts of illegal mining operation and submitted an incorrect report. Hence,

Sri Das is liable to be proceeded in accordance with Rules.

7. The IBM plan dtd. 27.01.2010 was approved by Sri Singa Tiu, Regional Controller of Mines, IBM, Bhubaneswar with estimated production of **35,994 MT** for the year 2009-10, overlooking the illegal production of **14,494 MT** of iron ore during the year 2008-09. This illegal production was pointed out by Sri T. K. Rath, Dy. Controller of Mines, IBM in his report dtd. 27.10.2009 on the basis of the inspection conducted on 06.09.2009. This illegal mining in violation of the mining plan has been reported to Sri Singa Tiu, RCM who submitted his report to the Controller of Mines, Nagpur by report dtd. 04.11.2009. The mining lease holder was asked to explain for punishment under Rule 58 of MCDR, 1988 in the letter No.ORI/MN/Iron/KGR/MCDR-20/BBSR Vol.II dtd. 26.10.2009. The mining lease holder submitted reply on 03.01.2009 by stating that he has submitted modified scheme for approval. Sri Singa Tiu, RCM approved the mining plan for the year 2009-10 without taking any legal action and without modification of the production of the year 2008-09.

Hence, action of RCM, Sri Tiu is unjustified and it may amount to favour to M/s. M. L. Rungta.

XI. Trading of ore and Evasion of Income Tax & other taxes:--

Based on the search & seizure of the Income Tax Department and the findings of the Vigilance Cell Unit, Bhubaneswar in First Information Report No.52 dated 18.11.2009, the I.T. Department has made analysis of assets and documents found/seized/impounded in Chapter VII of their Appraisal Report. The relevant part of the said Appraisal Report reads as under:-

“A mining lease of an area of 715.639 ha. was held by M/s. Mangilal Rungta since 01.01.1946. The first renewal of mining lease was granted for 20 years from 01.01.1956 to 01.01.1976 and 2nd renewal was granted for 20 years upto 01.01.1996. The 3rd renewal of mining lease was considered for granting for a period of 20 years w.e.f. 01.01.1996.

This mining lease is situated at Siljoda-Kalimati Mines and Manganese ores and Iron ores were being extracted from this mines by M/s. Mangilal Rungta.

*A joint physical verification was conducted on 15.10.2009 and 16.10.2009 in Siljoda-Kalimati Manganese and Iron Mines over the lease area of 715.639 ha. by a Committee comprises of **Dy. Director Mines, Koira, Tahsildar, Barbil, Mining Officers, Forest Ranger, R.I. Forest Amin, Geologist of Directorate of Geology and Engineers.***

(i) On physical verification as on 16.10.2009, 25,669.42 MT of manganese ore and 1,853

MT of iron ore was found in the mines area. However, as per the stock register of the mines, **27,380.969 MT of manganese ore** and **1,840.96 MT of iron ore** was found. **The manganese ore was of a different grade and the shortage was 1,711.549 MT (27,380.969 MT -- 25,669.42 MT) which were illegally despatched & sold without recording into the books of accounts.** The sale value of such unaccounted ore was taken at **Rs.66,72,830/-** by the vigilance team @ **Rs.3,899/-** per MT.

However, the average sale rate of manganese ore was **Rs.5,342/-** per MT (Rs.7,38,96,734/13,834.85 MT) as per Audit report (Schedule-xxi-15D) of Rungta Mines Ltd. for the financial year 2009-10. If the sale rate of the manganese ore is taken from the books of Rungta Group itself, then the unaccounted sale of manganese ore comes out to **Rs.91,43,095/-** (Rs.5,342 X 1,711.549 MT). This sale of manganese ore has not been taken by M/s. Mangilal Rungta in its books of account.

The AO should therefore consider the amount of Rs.91,43,095/- as unaccounted income of the M/s. Mangilal Rungta for the financial year 2009-10 and add to the total income of the assessee.

- (ii) The enquiry committee also found that a quantity of **2,61,872.790 MT of iron ore** has

been extracted illegally by encroaching the forest virgin land and despatched from the mines illegally by fabricating records. The approximate cost of iron ore so despatched illegally came to **Rs.57,61,22,500/- during the period from the year 2003 to financial year 2008-09.**

The AO should examine and ascertain whether the above sales of iron ore have not been accounted for in the books of accounts and work out the quantity of iron ore illegally mined and despatched them during financial year 2005-06 to 2008-09 and same may be added to the total income of the assessee in appropriate assessment years.

- (iii) Page No.34 at (Serial No.4) of RH-26** mentions the details of case: BLS Vig. PS Case No.52, dt. 18.11.2009 u/s. 13(2) r/w. 13(1)(d) of P.C. Act, 1988/420/120-B of IPC/21 of MMDR Act/Sec. 3 of Forest (Conservation) Act, 1980 against Siljora & Kalimati Iron & Manganese Mines of M/s. Mangilal Rungta. The findings of the case, after due investigation, have been made by the vigilance are as under:-
 ‘During investigation, it was found that **14,409.64 MT** of manganese ore amounting to **Rs.14,40,96,400/-**, **9,986.00 MT** of iron ore amounting to **Rs.1,44,58,160/-** have been excavated illegally from the proposed mining area of Rungta Mines, forest land, Government land. Suppression of Sales Tax

Rs.15,85,54,560/-. Investigation is almost completed.'

The AO is requested to consider the above suppression of sales of Rs.15,85,54,560/- (Rs.14,40,96,400/- + Rs.1,44,58,160/-); while making the assessment of M/s. Mangilal Rungta and same may be added to the total income of the assessee.

In this respect, the AO should make further enquiry as mentioned below:-

- (i)** Requisition the copy of seized documents from vigilance team, Orissa and Commercial Tax Department, Orissa.
- (ii)** Requisition the minutes of joint physical verifications by vigilance and other team members.
- (iii)** Gather the details of measurement of extraction of illegal iron ore and manganese ore and measurement of stocks by vigilance team.
- (iv)** Ask for the details for working of shortage of stocks of manganese ore and quantity of illegally mined iron/manganese ore from forest land by vigilance team.

After gathering the above evidences and examination of the same, AO should take necessary action as per provisions of the Income Tax Act, 1961."

The details mentioned above have been obtained by the Commission from the Income Tax Department and the same has been reproduced for perusal and further needful action by the concerned Departments including the Income Tax Department in a time bound manner. The findings for other leases of S. R. Rungta Group by the Income Tax Department which are not discussed herein should also be treated as part and parcel for further needful action. Further, the findings of the Income Tax Department are inconclusive.

XII. Recommendation:--

In view of the aforesaid facts and Vigilance Enquiry Report as well as findings of the Income Tax Department, it is noted that various violations of the provisions of the Acts and/or Rules have been committed by various officers of the concerned Departments as well as the lessee, as mentioned hereinabove. Therefore, action should be taken against them in accordance with law. The State Government should initiate action to recover the losses caused to State Exchequer. Action should also be initiated under Section 6(1)(b) and (3) of MM(DR) Act, 1957.

Further, like in similar other matters, the Commission recommends to hand over this matter also to the Central Bureau of Investigation.

* * *

**M/s. Rungta Mines Private Ltd.
Kolmang Manganese Mine
672.00 Acres – Kolmong area**

Findings recorded in this Chapter are based upon the information supplied by the various Departments of the State and Central Governments, lessee, MoEF, IBM, etc. It is for the competent authority to issue appropriate notices to the concerned party/lessee for taking action in accordance with law.

For collecting the required information/data, the Commission issued notices to the lessee in the month of August, 2011 and February, 2013. The lessee through its Ld. Counsel has submitted voluminous records. He was also heard exhaustively during the hearing held on **02.04.2013** with regard to information of the **Annexures: A, B, C, E, F, G and H of the notice (February, 2013)** and others, as submitted. Further, some more information was also obtained from the lessee. All the records submitted by the lessee have been taken into consideration, while making following observations for further needful:-

I. Lease dated 08.05.1939 for 30 years:--

A mining lease for manganese mineral for an area of 271.95 ha. (672.00 acres) was granted and lease deed was executed on 08.05.1939 for a period of 30 years w.e.f. 01.01.1937. As per the lease deed indenture made on 08.05.1939 the lease deed was signed between Rai Bahadur Madan Gopal Rungta, a partner of the firm of Harkarandas Mangilall of Chaibasa and the Raja of Bonai.

The lessee has not submitted the order of grant of lease. Further, it seems that the lease was in two blocks. The information for Block-1 i.e. Kolmong area for 490 (190) acres has been submitted but information for the second block, the schedule of land is missing from the copy of the lease deed submitted by authorized signatory of M/s. Rungta Mines Limited. It is noted here that there is illegibility of the figures for the Kolmong area. The lessee claims that it is 490.00 acres.

II. First renewal – deemed refusal:--

It is further stated that the application for renewal was made by Shri Madan Gopal Rungta on 08.09.1959 and the State Government had rejected the said renewal application under the Rule 24(3) of MCR, 1960 and issued order in this regard vide dated 17.09.1962. This has been appealed by Shri T.P. Rungta and the Central Government under Rule 55 of MCR, 1960 set aside the order of State Government and directed to grant the renewal for 672.00 acres only.

The renewal was accorded in favour Shri Tribeni Prasad Rungta, S/o. Shri Madan Gopal Rungta because of the death of Shri Madan Gopal Rungta in October, 1962.

However, first RML was granted by an order dated 14.11.1975 of State Government after much delay and against the then provisions of Rule 24(3) of the MCR, 1960 which provided for deemed

refusal. It seems that the renewal was granted after having received the direction from the Government of India under the then Rule 55 of MCR, 1960 vide their letter No.9233/MG dated 17.09.1962. It is further stated that no action was taken from 17.09.1962 to 14.11.1975 and hence attracted the deemed refusal provisions under the then Rule 24(3) of MCR, 1960.

III. Increase in area:--

It is stated here that the State Government has granted 722.00 acres of land instead 672.00 acres originally granted (1st lease grant deed dated 08.05.1939). There is overall increase of 50.00 acres of leased area. The State Government did not have power to increase the area over the original grant. It is an undue favour to lessee.

It is further stated that there is no power with the Central Government either to increase the area during renewal under Section 8 of the MM(DR) Act, 1957. There is no approval under Section 5 of MM(DR) Act, 1957 for this increased 50.00 acres. The 50.00 acres of land is presently a part of the Kolmong Lease of 218.00 ha. This 50.00 acres is totally illegal area occupied by the lessee.

IV. Not matching without boundary description:--

On perusal of the original schedule of area (lease deed dated 08.05.1939), it is noted that the present leasehold area does not match with the boundary description i.e. from 1st renewal onwards. All the manganese ore removed from this area is illegal (the northern sub-block of the present leasehold area).

It is noted here that this sub-block on the northern side of the lease which was in excess illegally granted during the 1st renewal and subsequent.

The State Government should take immediate action to take back this sub-block and also initiate action against those who are responsible for it. It is seen that presently some of the leased area of the southern sub-block is reduced to rectify the mistake committed in past. This is not correct. The upper northern sub-block should only be deleted.

The details of the second block have not been submitted by the lessee and missing from the original lease deed dated 08.05.1939. This block is about 5-6 Kms. away from the Kolmong block. It may be the Kanther-Koirra block which is now given a new lease to the Rungta Mines Pvt. Ltd. The

details of the lease boundary for this block may be read as part and parcel of the present lease of Kanther-Koira block of the lessee.

After grant of the 1st renewal on 14.11.1975 a indenture of lease deed was signed on 22.12.1978 after a gap of about 3 years. The delay in grant order and then lease deed agreement could be attributed to the diversion of attention from the applicability of Section 6(1)(b) of MM(DR) Act, 1957. **The detailed discussion, in this regard, is made in a separate chapter in this report.**

V. Second renewal application:--

A renewal application was filed by Shri S.R. Rungta, the Attorney of Shri T.P. Rungta on 28.12.1978 for 722.00 acres of leasehold area (Kolmong and Kanther-Koira Blocks for manganese ore).

The Government of India had given approval for 722.00 acres under Section 8(3) of MM(DR) Act, 1957. In compliance to this, the State Government issued an order dated 15.12.1981 for an area of 722.00 acres in Kolmong village of Sundargarh District.

An indenture for the lease deed was signed on 14.06.1982 between Governor of Orissa and Shri

Sitaram Rungta, S/o. Late Mangilall Rungta Attorney of Shri Tribeni Prasad Rungta, S/o. Late Madan Gopal Rungta w.e.f. 01.01.1980 for 20 years. It is noted from the lease deed agreement that the deed was signed for 540.00 acres (218.53 ha.) but the grant was made to 722.00 acres (?). It seems that for remaining area of 182.00 acres at Kanther-Koira villages another separate lease deed was signed. It is not known from the records whether such approvals have been obtained from a competent authority and if yes, under which provisions? As such, there is no provision for granting two leases against the sanctioned for a single lease.

This block of Kolmong area (218.53 ha.) consists of 2.206 ha. revenue forest, 127.298 ha. DLC land, 22.124 ha. non-forest land and 66.902 ha. non-forest tenant land. It is to state here that though there was a revenue forest land no FC approval has been obtained because the grant of lease and execution of lease deed. Hence, there was a violation of Section 2 of F.C. Act, 1980.

VI. Transfer:--

Shri T.P. Rungta had applied on 05.12.1983 for the transfer of two leases i.e. (1) the lease of

Kolmong area admeasuring 540.00 acres and (2) the lease of Kanther-Koira area admeasuring 182.00 acres. Both the leases have been granted for 2nd renewal as a single block but lease deeds were signed separately. The State Government vide its order dated 09.03.1984 has agreed a transfer lease from Shri T.P. Rungta to M/s. Rungta Mines Pvt. Ltd. **It is observed that when this lease was transferred in favour of M/s. Rungta Mines Pvt. Ltd., its one of the director / partner Shri Sitaram Rungta, S/o. Late Mangilall Rungta is also partner / director in all the 14 leases (iron and / or manganese mines) in the Orissa State, thereby exceeding the limits of 10 Sq. Kms. in violation of Section 6(1)(b) of MM(DR) Act, 1957.**

After approval of transfer of the lease an indenture was made on 06.06.1984 through constituted attorney Shri Sitaram Rungta, S/o. Late Mangilall Rungta (age about 62 years) for Shri T.P. Rungta, S/o. Late Madan Gopal Rungta (age about 62 years) on one part and one of the directors Shri Rajendra Prasad Rungta, S/o. Late G.P. Rungta (age about 40 years) (all are from a joint family).

It is noted here that Shri T.P. Rungta who was one of the founder director / partner of M/s. Rungta Mines Pvt. Ltd. was the transferor of both the

leases. Shri Sitaram Rungta, the constituted attorney of Shri T.P. Rungta who was the signatory as transferor was one of the director / partner of M/s. Rungta Mines Pvt. Ltd. Not only this, Shri R.P. Rungta who had signed as transferee on behalf of M/s. Rungta Mines Pvt. Ltd. is also one of the director / partner of the said company. On looking a face of it, it is a gross of misuse of Rule 37 of MCR, 1960. One director of the same company transfers to another director of the said company. This appears to have been done to divert the attention and to escape from the clutches of Section 6(1)(b) of MM(DR) Act, 1957 wherein an area of more than 10 Sq. Kms. cannot be acquired by a single person. The matter, in this regard, is discussed separately.

VII. Third renewal:--

An application for renewal of mining lease for 3rd time was filed in Form J on 14.12.1998 over an area of 218.530 ha. by M/s. Rungta Mines Ltd. for 20 years. It is to be stated that there is no transfer of lease from M/s. Rungta Mines Pvt. Ltd., a private limited company to M/s. Rungta Mines Ltd., a public limited company. This is in violation of Rule 37 of MCR, 1960.

The State Government has issued terms and conditions for 113.373 ha. on 21.08.2001. The

terms and conditions are in violation of the applied area of 218.530 ha. This is an undue favour extended to lessee in neglect of the applicable provisions relating to surrender of area wherein the closure plan is required to be obtained from IBM and its implementation. The lessee has accepted the terms and conditions vide letter dated 22.08.2001, **but grant order has not been issued till date.** Hence, lessee continued in possession of 218.530 ha. on the basis of deemed extension.

Total area of the lease is 218. 53 ha. Out of which,

- (i) Revenue Forest land 2.206 ha.;
- (ii) DLC land 127.298 ha.;
- (iii) Non-Forest Govt. land 22.124 ha.; and
- (iv) Non-Forest Tenanted Land 66.902 ha.

As per the information submitted by the lessee, following was the total area of lease at Kolmong Block of leasehold area:--

Lease area (ha.)	Original lease (ha.)	First RML (ha.) (From 01.01.1960 to 31.12.1979)	Second RML (ha.) (From 01.01.1980 to 31.12.1999) (Kolmong Block)	Third RML (ha.) (From 01.01.2000 to deemed extension)
	271.95	292.183	218.53	Applied for 218.53 but TAC for 133.375

Further, 113.375 ha. of the leased area for which the lessee claims to have held after the end of second renewal period consists of 0.380 ha. revenue forest and 85.187 ha. DLC forest.

The application of the Forest (Conservation) Act, 1980 starts from the end of the period of second renewal i.e. 01.01.2000 onwards in 127.298 ha. DLC forest land irrespective of whether the area is broken or otherwise.

VIII. Surrender:--

On the request of the lessee, the MoEF, vide its letter dated 25.09.2003, has asked the user agency **to surrender forest area of 69.309 ha. to the Forest Department.** Accordingly, the lessee claims that he has surrendered the area.

But, it is to be stated that the area under MM(DR) Act, 1957 remains the same i.e. 218.53 ha. and no follow-up action has been taken under the said Act and also the rest of area of non-forest remained to be surrendered (35.846 ha.) under the law.

Hence, for all purposes under the MM(DR) Act, 1957 and Rules thereunder, the area remains 218.53 ha. There is no direction from any agency to

surrender non-forest land as claimed by the lessee in his **Annexure: B** submitted to the Commission.

It is observed from the approval dated 16.03.2006 of MoEF, Government of India for diversion of 53.55 ha. of forest land within mining lease area of 218.530 ha. of manganese ore in Kolmong village. As per the said approval (condition No.7), the user agency shall surrender 69.309 ha. of forest area to the State forest department. The surrendered area shall be reclaimed and rehabilitated at the project cost.

However, surprisingly, the lessee has again submitted proposal for diversion of 32.017 ha. of additional forest area including 6.645 ha. safety zone out of the 69.309 ha. to be surrendered areas and even, the Government of India (MoEF) has agreed to give approval for 32.017 ha. of forest land overruling their earlier approval dated 16.03.2006. In principle approval in this regard has been accorded by MoEF on 25.10.2011. It is also observed that EC approval has been given for the 113.375 ha. (60.195 ha. is forest and 53.18 ha. others). It is further observed that the lessee has already obtained approval under FC for an area of 85.55 ha. (including in principle approval). In the FC approval (16.03.2006), there is no condition

acquiring the lessee to obtain the EC, though it is mandatory as per the MoEF guidelines existing at that time. **Hence, it appears that there is rule of law, is not observed for reasons not known.**

IX. Illegal Production:--

The Kolmong Block of 218.54 ha. consists of 127.59 ha. of DLC forest land which has come into existence from 29.08.1998. The F.C. Act, 1980 is applicable for the DLC land since 01.01.2000 onwards (the date on which the second renewal period expires). The lessee did not obtain FC approval for the said area and continued his mining operations till 16.03.2006. During the period the lessee has extracted the quantity of 43119 MT **(Table 1)** from the DLC forest land illegally and without any lawful authority over the land.

The production from the forest area has been cross-verified with the land use plan map, broken up area map submitted by Forest Department and Satellite imaginaries. Hence, it attracts the provisions of Section 21(5) of the MM(DR) Act, 1957 wherein the costs of the mineral should be recovered from the lessee at market value.

Therefore, actions under **Sections 3A and 3B of F.C. Act** should also be taken against the lessee and the officers responsible for operating and allowing the mine to operate respectively in the forest area without having approval under the F.C. Act.

And action should also be taken for non-implementing the direction of MoEF to surrender the land admeasuring 69.309 ha. of the forest area.

Table: 1

Year	Production
2001-2002	12,996
2002-2003	7,077
2003-2004	5,791
2004-2005	8,100
2005-2006	9,155
TOTAL	43,119

X. Violation of EC:--

It is to be stated that production for the year of 1993-94 in the leased area was 3,990 MT per annum. There is increase in the production in subsequent years. Hence, it attracts EIA Notification dated 27.01.1994. EC is required to be obtained for the project including the mining project for the enhanced production, as per the said Notification.

Therefore, there is violation of EIA Notification. Further, the production of 1,42,030 MT (**Table: 2**) from the year 1994-95 to 11.02.2009 is illegal and recovery of the value equivalent to market price should also be made for this illegal production.

There is no basis for taking 12,000 tonnes for base production to enhance to 40,100 MT. As per the notifications, it should have been 3,990 MT (to production for the year of 1993-94). Hence, the EC approved by the MoEF is erroneous and should be re-examined with appropriate action against those who are responsible for it.

E.C. was granted on 11.02.2009 for enhancement of production of manganese ore from 12,000 TPA to 40,100 TPA. In the E.C., distribution of area is shown as under:-

(i)	Forest land	:	60.195 ha.; and
(ii)	Other lands	:	53.18 ha.
	Total	:	113.375 ha.

EC was granted with a following specific condition amongst others:-

“E.C. is subject to grant of F.C. Necessary F.C. under the F.C. Act, 1980, for an area of 60.195 ha. forest land involved in the forest shall be obtained before

starting mining operation in that area. Till such date mining operation shall be restricted to 53.55 ha. Forest Land (0.05 ha. already broken up protected forest + 53.5 ha. deemed forest of DLC Forest). For which Forestry clearance was obtained on 16.03.2006. No Mining shall be undertaken in the forest area without obtaining requisite prior forestry clearance.”

Second RML period of lease expired on 31.12.1999. So, from 01.01.2000 onwards, there was no EC up to 11.02.2009 and no FC up to 16.03.2006, but the mining operations continued illegally resorting to deemed extension provision.

- (i)** So, production from 01.01.2000 to 16.03.2006 is in violation of FCA, 1980; and
- (ii)** from 27.01.1994 to 11.02.2009 in violation of EP Act, 1986 and EIA Notification, mining operations have been carried out.

Table: 2

Year	Production as per lessee
1994-95	2362
1995-96	5088
1996-97	9100
1997-98	11372
1998-99	7223
1999-00	12916
2000-01	12462
2001-02	12996
2002-03	7077
2003-04	5791
2004-05	8100
2005-06	9155
2006-07	9823
2007-08	16724
2008-09	11841
TOTAL	142030

It is to be stated that the lessee has been working in the leased area during the deemed extension period without having the approval under FCA, 1980 for DLC and EIA Notification dated 27.01.1994. Hence, it is illegal mining carried out by lessee, as per the letter No.16/12/2009-M VI (part XV) Vol. VI, dated 18.05.2011 of the Ministry of Mines, Government of India.

XI. Violation of Rule 37 of MCR, 1960:--

The illegal mining took place, when there was a “China Boom” running in the country and the illegal mining activities were at their peak in the State.

It is to be stated that the Mining Lease Deed was executed between the Governor of Orissa and Shri T.P. Rungta vide Registered Deed No.1152, dated 14.06.1982 for a period of 20 years for the first renewal of Kolmong Manganese in favour of Shri T.P. Rungta, a legal heir of the original lessee.

Subsequently, the said mining lease has been transferred from Shri T.P. Rungta, S/o. Late Madan Gopal Rungta to M/s. Rungta Mines Private Limited, a private company registered under Indian Companies Act, 1957 and having its registered office at E/16, Kalakaar Street, Calcutta on 06.06.1984.

Thereafter, it is to be stated that for the second renewal, an application in Form J was submitted on 14.12.1998 by M/s. Rungta Mines Limited, a Public Limited Company registered office situated at 2nd Floor, P-564, Lake Road, Calcutta - 29, even though the lease is in the name of M/s. Rungta Mines (Private) Limited.

How could M/s. Rungta Mines Ltd. have filed Form J without transfer under Rule 37 from State Government?

The acceptance of Form J as submitted by M/s. Rungta Mines Ltd. by the Collector is illegal and is an undue favour.

On seeing the annual returns of production filed by the lessee from the year 1998 onwards till date, M/s. Rungta Mines Ltd. is operated by the lessee on behalf of “M/s. Rungta Mines (P) Ltd.” Hence, the lease was operated, managed, controlled and administered by M/s. Rungta Mines Limited in violation of Rule 37 of MCR, 1960.

Secondly, as per the transfer lease deed dated 06.06.1984, the lessee has agreed as per the Para 3(v) which reads as under:-

“A transferee further declares that he is financially capable of and will directly undertake mining operations.”

But, as per the **Annexure: E**, M/s. Rungta Mines Limited has engaged raising contractors for carrying all the mining operations from the year 2005-06 to till date. The raising contractors are:-

- (i)** Kanakdhara Mining & Minerals Pvt. Ltd.;
- (ii)** Konark Mining Company;
- (iii)** Nigam Enterprises;
- (iv)** Vikash Construction Co.; and
- (v)** Shivam Transport.

Hence, there is the breach of agreement made by the transferor and transferee in respect to

directly undertaking mining operations. Therefore, again, there is a violation of Rule 37 of MCR, 1960.

It is further noted that the diversion of forest land admeasuring 32.017 ha. was approved under FCA, 1680 vide letter dated 16.03.2006 of the MoEF. On 25.10.2011 and EC approval dated 11.02.2009 by MoEF, Government of India are in the name of M/s. Rungta Mines Limited. Since the lease is not transferred in favour of M/s. Rungta Mines Limited, all the above approvals become infructuous. Action should be taken to cancel these approvals and also, action should be taken against the officers responsible for recommending and approving forest diversion proposals.

Hence, action should be taken as per Rule 37 of MCR, 1960 and also against officials for their commissions and omissions for allowing the mining lease to be operated, approvals granted etc. in favour of M/s. Rungta Mines Limited.

XII. Recommendation:--

With the above facts and circumstances, the State/Central Government and other competent authorities should initiate action, as suggested in this chapter for all the issues.

Violation and misuse of sub-sections (1) and (3) of Section 6 of the MM(DR) Act, 1957

1. For the regulation and development of minerals, an Act was brought into force in the year 1948 as **Mines and Minerals (Development and Regulation) Act, 1948** (LIII of 1948). Subsequently, another Act 67 of 1957 has been passed by the Parliament w.e.f. 29.05.1958 as the Mines and Minerals (Development and Regulation) Act, 1957 in place of earlier Act. The first Act (1948) remains for the oil fields only.
2. Under Section 6(1) of the said Act, limitations for acquiring the lease/leases areas in respect of mining lease by a person or a group of persons including company was restricted to an area of 10 Sq. Miles in a State till the year 1972.
3. From the record, it is apparent that Rungta Family either in the Partnership or by way of Company/ Corporation was admittedly holding more than 10 sq. kms. in the State of Odisha. This holding by S. R. Rungta Group (Sita Ram Rungta and family) is apparently in violation of Section 6(3) of the MM(DR) Act, 1957 which provides that no person shall hold mining lease/leases covering total area of more than 10 sq. kms. for a mineral and associate minerals.

Sub-section (3) of Section 6 specifically makes it clear that a person would include co-operative society, company or other corporation or Hindu undivided Family or a partnership firm. In the present case, admittedly and also on the basis of the information provided, Rungta family is holding more than 10 sq. kms. of lease area in the State of Odisha. The State Government has completely ignored this fact.

The interpretation with regard to Section 6 of the MM(DR) Act, 1957 is given by the Supreme Court in the case of **Kaviraj Basudevanand V/s. Ahant Harihar Gir (dead) & Ors. (AIR 1974 SC 1991)**, by stating that, “... .. *the mining lease will have to conform to the provisions of s. 6 of the Mines and Minerals (Regulation & Development) Act regarding the maximum area for which the mining lease will have effect.*”

In **Kaviraj Basudevanand (Supra)**, the judgment of the Apex Court in **Bhubaneshwar Vs. Sidheswar [(1971) 3 SCR 639]** was followed wherein it was held that:-

“even if the appellants were in actual khas possession within the meaning of s. 2 (k) of the Act, it must be held that the plaintiff respondent, who was a co-sharer, was in constructive possession through the appellants, as, under the law, possession of one

co-sharer is possession of all co-sharers. The deeming provision of s. 6 must, therefore, ensure for the benefit of all, who in the eyes of law would be regarded as in actual possession.”

4(A) Section 6, as applicable in the beginning [The Mines and Minerals (Regulation and Development) Act, 1957 (Act LXVII of 1957, dated 28.12.1957)], is reproduced as under:-

“6. Maximum area for which a prospecting licence or mining lease may be granted-

- (1) **No person** shall acquire in any **one State** in respect of any mineral or prescribed group of associated minerals-
 - (a) one or more prospecting licences covering a total area of more than fifty square miles, or
 - (b) one or more mining leases covering a total area of more than ten square miles;

Provided that if the Central Government is of opinion that in the interests of mineral development it is necessary so to do, it may, for reasons to be recorded, permit any person to acquire one or more prospecting licences or mining leases covering an area in excess of the aforesaid maximum.

- (c) *For the purposes of this section, a person acquiring by, or in the name of, another person a prospecting licence or mining lease which is intended for himself shall be deemed to be acquiring it himself.”*

4(B) Subsequently, the said Section 6(1)(b) was amended to restrict the prescribed 10 Sq. Miles to 10 Sq. Kms. area within the State by **amendment Act 56 of 1972**. The said provision is *inter-alia* reproduced as under:-

“6. Maximum area for which a prospecting licence of mining may be granted-

- (1) **No person** shall acquire in **any one State** in respect of any mineral or prescribed group of associated minerals-

... ..

- (b) *one or more mining leases covering a total area of more than ten square kilometers.*

Provided that if the Central Government is of opinion that in the interests of the development of any mineral, it is necessary so to do, it may, for reasons to be recorded by it, in writing, permit any person to acquire one or more prospecting licences or mining leases covering an

area in excess of the aforesaid total area;

(c)

- (2) For the purposes of this section, a person acquiring by, or in the name of, another person a prospecting licence or mining lease which is intended for himself shall be deemed to be acquiring it himself.
- (3) For the purposes of determining the total area referred to in sub-section (1), the area held under a prospecting licence or mining lease **by a person as a member of a co-operative society, company or other corporation, or a Hindu undivided family or a partner of a firm shall be deducted** from the area referred to in sub-section (1) so that the sum total of the area held by such person, under a prospecting licence or mining lease, whether as such member or partner, or individually, may not, in any case, exceed the total area specified in sub-section (1). **[Ins. by Act 56 of 1972. Sec. 3]**

For the purposes of determining the total area referred to in sub-section (1)(b) of Section 6, the area held under a prospecting licence or mining lease **by a person** as a member of a co-operative society, company or other corporation, or a Hindu

Undivided Family or a partner of a firm shall be deducted from the area referred to in sub-section (1) of Section 6 so that the total of the area held by such person, may not, in any case, exceed the total area specified in sub-section (1).

4(C) Further, the restriction “**within the State**” has been deleted by an amendment **Act 37 of 1986** (w.e.f. 10.02.1987). This would mean that the person can not acquire more than 10 sq. kms. of mining lease all over the country. The said provision is *inter-alia* reproduced as under:-

“6. Maximum area for which a prospecting licence of mining may be granted -

(1) **No person** shall acquire in respect of any mineral or prescribed group of associated minerals-

... ..

(b) one or more mining leases covering a total area **of more than ten square kilometers.**

Provided that if the Central Government is of opinion that in the interests of the development of any mineral, it is necessary so to do, it may, for reasons to be recorded by it, in writing, permit any person to acquire one or more prospecting licences or mining leases

covering an area in excess of the aforesaid total area;

... ..

- (2) For the purposes of this section, a person acquiring by, or in the name of, another person a prospecting licence or mining lease which is intended for himself shall be deemed to be acquiring it himself.*
- (3) For the purposes of determining the total area referred to in sub-section (1), the area held under a prospecting licence or mining lease by a person as a member of a co-operative society, company or other corporation, or a Hindu undivided family or a partner of a firm shall be deducted from the area referred to in sub-section (1) so that the sum total of the area held by such person, under a prospecting licence or mining lease, whether as such member or partner, or individually, may not, in any case, **exceed the total area specified in sub-section (1). [Ins. by Act 56 of 1972. Sec. 3]***

4(D) Thereafter, again, the said provision has been amended and the area of 10 Sq. Kms. was limited to within a State by an amendment **Act 38 of 1999** (w.e.f. 18.12.1999). The said provision is *inter-alia* reproduced as under:—

“6. Maximum area for which a prospecting licence of mining may be granted–

- (1) **No person** shall acquire in respect of any mineral or prescribed group of associated minerals **in a State–**

... ..

- (b) one or more mining leases covering a total area of more than ten square kilometers.

Provided that if the Central Government is of opinion that in the interests of the development of any mineral, it is necessary so to do, it may, for reasons to be recorded by it, in writing, permit any person to acquire one or more prospecting licences or mining leases covering an area in excess of the aforesaid total area;

... ..

- (2) For the purposes of this section, a person acquiring by, or in the name of, another person a prospecting licence or mining lease which is intended for himself shall be deemed to be acquiring it himself.
- (3) For the purposes of determining the total area referred to in sub-section (1), the area held under a prospecting licence or mining lease by a person as a member of

a co-operative society, company or other corporation, or a Hindu undivided family or a partner of a firm shall be deducted from the area referred to in sub-section (1) so that the sum total of the area held by such person, under a prospecting licence or mining lease, whether as such member or partner, or individually, may not, in any case, exceed the total area specified in sub-section (1). [Ins. by Act 56 of 1972. Sec. 3]

5. On perusal of Section 6(1)(b) since its inception, there is no doubt that there is restriction for acquiring the mining lease area within 10 sq. miles upto year 1972, and thereafter 10 sq. kms. **This restriction of acquiring mining lease was only with regard to one State from the year 1957 to 1987 and thereafter within the country upto the year 1999.** The applicability of said provisions includes for the new grants and renewal of the lease/leases. The case law, in this regard, is reproduced as under:-

“It is not correct to say that renewal can never operate as a grant. A renewal in a given circumstance may also be a grant of mining lease. The expression “acquire” in Section 6(1)(b) applies to renewal of a mining lease also, even though there is no mention about renewal in the said provision. Bindeshwari Jha vs. Union of India, 1985 PLJR 256. Also see N.S. Sethna vs. V.H. Lal, AIR 1967 SC 1036.

The State Government not only has power to reject an application for renewal of mining lease but it also has the power to grant it after reducing the area under lease, thereby bringing it in conformity with the provisions of the Act and the rules framed thereunder. It is not correct to say that the renewal application has to be either allowed or rejected in its entirety. Ibid]

- 6. From the aforesaid provision of the Act and its interpretation, it is apparent that a person cannot acquire more than 10 sq. kms. of mining lease. The person includes society, company, corporation, Hindu Undivided Family or a partner of a firm.**

The Act was amended by Act 56 of 1972 and the word '**any State**' was removed. This would mean that the legislature wanted to amend in such a way that no person can acquire mining lease of any mineral or associate mineral of more than 10 sq. kms. in the country as a whole.

If that provision is applied strictly in the present case, S. R. Rungta Group/Family members/Partnership Firm/Company was/were holding more than 10 sq. kms. from **10.02.1987 to 18.12.1999.**

In addition to holding mining lease area of 3,339.23 ha. in the State of Orissa, the said Group/family members/firm/Company was/were also holding leased area of 322.94 ha. in the State of Jharkhand.

It is apparent that nobody has bothered for verifying the total area of holding by S. R. Rungta Group for years together. Further, even if they verified, they permitted the said Group to continue in possession of the mines and permitted extraction of iron ore and manganese from this lease area in violation of the said Section 6(1)(b) and (3).

The Commission is not aware of the fact that who were benefitted from the said apparent illegalities and a matter of further investigation by a Central Agency. But it is a known fact that because of China Boom export, at least, S. R. Rungta Group/family members obtained large amount by looting the national non-renewal assets.

In any set of circumstances, as on today, S. R. Rungta Group is holding more than 10 sq. kms. of mining leases in the State of Orissa & Jharkhand and therefore excess mining lease is required to be determined and possession thereof is required to be taken by the State at the earliest.

7. Detailed analysis of the holding by S. R. Rungta Group / Family members / Partnership Firm/ Company:--

The total holding of mining lease by S. R. Rungta Group/Company:--

7.1 Renewal/fresh grants within the State from the year 1972 to 1987:--

Mining leases granted / renewed after the enforcement of restrictions of 10 Sq. Kms. under Section 6(1)(b) & (3) of the MM(DR) Act, 1957 from the year 1972 to 1987 in the ascending years of renewal/fresh grants **within the State** for single mineral and associated mineral (i.e. iron and manganese ores) is given in the following Table.

Table: 1

Sr. No.	Name of the lease and lessee of S. R. Rungta Group	Date of Fresh Grant/ Renewal	Director / Partner on the date at Col. (3)		Area (ha.)
1	2	3	4		5
1	Silijora – Kalimati Iron & Manganese Ore Mines – M/s. Mangilall Rungta	01.01.1976	(i)	Bhagwati Prasad Rungta	715.63
			(ii)	Biswanath Rungta	
			(iii)	Satyanarain Rungta	
			(iv)	Sitaram Rungta	

1	2	3	4		5
2	Jajang Iron & Manganese Ore Mines – Rungta Mines Pvt. Ltd.	13.02.1977	(i)	Rajendra Prasad Rungta	669.36
			(ii)	Satya-narayan Rungta	
			(iii)	Sitaram Rungta	
3	Katasahi Manganese Ore Mines – Rungta Mines Pvt. Ltd.	13.02.1977	(i)	Rajendra Prasad Rungta	226.62
			(ii)	Satya-narayan Rungta	
			(iii)	Sitaram Rungta	
4	Nadidiha Iron/Mn. Mines – M/s. Feegrade & Co. Ltd.	18.12.1979	(i)	Bhagwati Prasad Rungta	121.40
			(ii)	Sitaram Rungta	
5	Kolmang Mn. Mines – Rungta Mines Pvt. Ltd.	01.01.1980	(i)	Rajendra Prasad Rungta	218.53
			(ii)	Satya-narayan Rungta	
			(iii)	Sitaram Rungta	
6	Kanter – Koira Mn. Mines – Rungta Mines Pvt. Ltd.	01.01.1980	(i)	Rajendra Prasad Rungta	73.65
			(ii)	Satya-narayan Rungta	
			(iii)	Sitaram Rungta	

1	2	3	4		5
7	Sarkunda Iron/Mn. Mines – M/s. Feegrade & Co. Ltd.	20.12.1980	(i)	Bhagwati Prasad Rungta	393.55
			(ii)	Sitaram Rungta	
8	Kusumdihi Bauxite/Mn. Mines – M/s. Bonai Industries Co. Ltd. (BICO)	14.01.1981	(i)	B. K. Pani	52.17
			(ii)	Bhagwati Prasad Rungta	
			(iii)	Mangovind Mohanty	
			(iv)	Sitaram Rungta	
9	Tehrai Iron / Mn. Mines – M/s. Bonai Industries Co. Ltd. (BICO)	01.01.1982	(i)	B.K. Pani	140.91
			(ii)	Bhagwati Prasad Rungta	
			(iii)	Sitaram Rungta	
10	Oraghat Iron Ore Mines – Rungta Sons Pvt. Ltd.	10.12.1982	(i)	Bhagwati Prasad Rungta	82.96
			(ii)	Biswanath Rungta	
			(iii)	Satyanarain Rungta	
			(iv)	Sitaram Rungta	

1	2	3	4		5
11	Sanindipur Iron / Bauxite Ore Mines – Rungta Sons Pvt. Ltd.	06.09.1985	(i)	Bhagwati Prasad Rungta	147.10
			(ii)	Biswanath Rungta	
			(iii)	Satyanarain Rungta	
			(iv)	Sitaram Rungta	
12	Nadidiha Iron/Mn. Mines – M/s. Bonai Industries Co. Ltd. (BICO)	11.12.1987	(i)	B. K. Pani	497.35
			(ii)	Bhagwati Prasad Rungta	
			(iii)	N. L. Rungta	
			(iv)	Sitaram Rungta	
TOTAL:--					3,339.23

7.2 Renewal/Grant within the Country from the year 1987 to 1999 and continuing thereafter:--

Mining leases granted / renewed after the enforcement of restrictions of 10 Sq. Kms. under Section 6(1)(b) & (3) of MM(DR) Act, 1957 from the year 1987 to 1999 **within the Country** for single mineral and associated mineral (i.e. iron and manganese ores) is given in the following Table.

Table: 2

Sr. No.	Name of the lease and lessee of S. R. Rungta Group	Date of Fresh Grant/ Renewal	Director / Partner on the date at Col. (3)		Area (ha.)
1	2	3	4		5
1	Silijora – Kalimati Iron & Manganese Ore Mines – M/s. Mangilall Rungta	01.01.1976	(i)	Bhagwati Prasad Rungta	715.63
			(ii)	Biswanath Rungta	
			(iii)	Satyanarain Rungta	
			(iv)	Sitaram Rungta	
2	Jajang Iron & Manganese Ore Mines – Rungta Mines Pvt. Ltd.	13.02.1977	(i)	Rajendra Prasad Rungta	669.36
			(ii)	Satya-narayan Rungta	
			(iii)	Sitaram Rungta	
3	Katasahi Manganese Ore Mines – Rungta Mines Pvt. Ltd.	13.02.1977	(i)	Rajendra Prasad Rungta	226.62
			(ii)	Satya-narayan Rungta	
			(iii)	Sitaram Rungta	
4	Nadidiha Iron/Mn. Mines – M/s. Feegrade & Co. Ltd.	18.12.1979	(i)	Bhagwati Prasad Rungta	121.40
			(ii)	Sitaram Rungta	

1	2	3	4		5
5	Kolmang Mn. Mines – Rungta Mines Pvt. Ltd.	01.01.1980	(i)	Rajendra Prasad Rungta	218.53
			(ii)	Satya-narayan Rungta	
			(iii)	Sitaram Rungta	
6	Kanthar – Koira Mn. Mines – Rungta Mines Pvt. Ltd.	01.01.1980	(i)	Rajendra Prasad Rungta	73.65
			(ii)	Satya-narayan Rungta	
			(iii)	Sitaram Rungta	
7	Sarkunda Iron/Mn. Mines – M/s. Feegrade & Co. Ltd.	20.12.1980	(i)	Bhagwati Prasad Rungta	393.55
			(ii)	Sitaram Rungta	
8	Kusumdihi Bauxite/Mn. Mines – M/s. Bonai Industries Co. Ltd. (BICO)	14.01.1981	(i)	B. K. Pani	52.17
			(ii)	Bhagwati Prasad Rungta	
			(iii)	Mangovind Mohanty	
			(iv)	Sitaram Rungta	
9	Tehrai Iron / Mn. Mines – M/s. Bonai Industries Co. Ltd. (BICO)	01.01.1982	(i)	B.K. Pani	140.91
			(ii)	Bhagwati Prasad Rungta	
			(iii)	Sitaram Rungta	

1	2	3	4		5
10	Oraghat Iron Ore Mines – Rungta Sons Pvt. Ltd.	10.12.1982	(i)	Bhagwati Prasad Rungta	82.96
			(ii)	Biswanath Rungta	
			(iii)	Satyanarain Rungta	
			(iv)	Sitaram Rungta	
11	Sanindipur Iron / Bauxite Ore Mines – Rungta Sons Pvt. Ltd.	06.09.1985	(i)	Bhagwati Prasad Rungta	147.10
			(ii)	Biswanath Rungta	
			(iii)	Satyanarain Rungta	
			(iv)	Sitaram Rungta	
12	Nadidiha Iron/Mn. Mines – M/s. Bonai Industries Co. Ltd. (BICO)	11.12.1987	(i)	B. K. Pani	497.35
			(ii)	Bhagwati Prasad Rungta	
			(iii)	N. L. Rungta	
			(iv)	Sitaram Rungta	
Total (a):--					3,339.23

Apart from the aforesaid holding of mining lease in the State of Orissa, S. R. Rungta Group is holding 322.94 ha. of mining leases in the State of Jharkhand which is as under:--

1	2	3	4		5
13	Ghatkuri Iron Ore Mines	10.10.1993	(i)	Mukund Rungta	120.60
			(ii)	Nandlal Rungta	
			(iii)	Sitaram Rungta	
14	Merelgora – Barabauori Iron & Mn. Mines	22.11.1994	(i)	Ajay Kumar Rungta	202.34
			(ii)	Mukund Rungta	
			(iii)	Nandlal Rungta	
			(iv)	Shyamal Kumar Sen	
Total (b):--					322.94

If the aforesaid area of 322.94 ha. of land is added with the total area held by S. R. Rungta Group in State of Orisha, the total would be **3339.23 ha. + 322.94 ha. = 3,662.17 ha.**

Hence, at least, the aforesaid acquisition of mining lease upto 18.12.1999 would be illegal. The concerned officers of the States of Orissa and Jharkhand would be responsible for the said illegalities. If the acquisition of mining lease in Jharkhand State is excluded, then also the concerned officers are responsible for the grant of mining lease for the excess holding by S. R. Rungta

Group in State of Orissa. Not only this, the value equivalent to market rate for the production from excess mining lease area is required to be recovered from the lessee u/s. 21(5) of the MM(DR) Act, 1957.

7.3 In addition, S. R. Rungta Group is holding 43.06 ha. of land of Bauxite mines:--

M/s. Rungta & Sons Pvt. Ltd. has acquired Mn. Bauxite Mines for an area of 43.06 ha. from U.C. Mishra. Kusumdihi – Kamanda Mn. / Bauxite Mines was transferred in favour of the Rungta Sons Pvt. Ltd. on 22.03.2003 from U. C. Mishra. As on date, S. R. Rungta Group was having an area of **3,335.251 ha.** under its possession in the State of Orissa.

Hence, the aforesaid lease of Bauxite mines was transferred in violation of Section 6(1)(b) and (3) of MM(DR) Act, 1957 and, therefore, the same should be treated as void and of no effect under Section 19 of the MM(DR) Act, 1957. Not only this but from the facts and circumstances discussed above, it is the duty of the State Government to initiate action for determining the leases which were granted / renewed, in excess to 10 Sq. Kms. The State Government should take possession of the excess area.

8. Detailed analysis with regard to acquisition of the holding of S. R. Rungta Group/family members:--

8.1 Deed of Transfer dated 02.02.1966:--

Following details are taken from the deed of transfer executed on 02.02.1966 for the mining lease Meralgora – Barabaljorl Iron and Manganese Ore Mines of M/s. Rungta Mines Private Limited; submitted by the lessee on 05.05.2012 to this Commission.

On the basis of the said transfer of lease deed, it is observed that the family of Mangilall Rungta (as on 02.02.1966) was comprising of:--

- (i)** Madan Gopal Rungta (since deceased) and his sons Tribeni Prasad and grandsons Basant Kumar, Santosh Kumar, Tushar Kant & Rajkumar;
- (ii)** Chandi Prasad Rungta and his sons Ajoy Kumar, Krishna Kumar and Ashok Kumar and grandsons Sanjeev & Rajeev;
- (iii)** Bhagwati Prasad Rungta, S/o. Gouri Prasad Rungta, his sons Sashikant & Ramakant and his brother Rajendra Prasad and his widowed mother Srimati Jiwani Devi;
- (iv)** Biswanath Rungta and his sons Ghanshyamdas & Susil Kumar;

- (v) Sitaram Rungta and his sons Nandkishore & Mukundlall; and
- (vi) Satyanarain Rungta and his sons Prabhat Kumar & Prakash Kumar.

Sri Madan Gopal Rungta was the eldest member and the karta of the family. After the demise of Madan Gopal Rungta on 16th October, 1962, **(i)** Chandi Prasad Rungta, **(ii)** Bhagwati Prasad Rungta, **(iii)** Biswanath Rungta, **(iv)** Sitaram Rungta, **(v)** Satyanarain Rungta and Tribeni Prasad Rungta, sons and successor of Madan Gopal Rungta, as Karta of their respective branch of Mitakshara Joint Family continued to be the lessee and carried out the mining business in the name and style of MADAN GOPAL RUNGTA/M. G. RUNGTA and on **10.11.1962**, a formal deed of Partnership was duly executed between:-

- (i)** Tribeni Prasad Rungta, son of Madan Gopal Rungta, deceased, Karta of the Mitakshara Joint Family consisting of himself and his sons Basant Kumar, Santosh Kumar, Tushar Kant & Rajkumar;
- (ii)** Chandi Prasad Rungta, son of Mangilall Rungta deceased as Karta of his branch of Mitakshara Joint family consisting of himself and his sons, Ajoy Kumar, Krishna Kumar & Ashok Kumar and his grandsons Sanjeev & Rajeev;

- (iii)** Bhagwati Prasad Rungta, son of Gouri Prasad Rungta deceased as Karta of his branch of Mitakshara Joint family consisting of himself, his sons Sashi Kant & Ramkant and his brother Rajendra Prasad, son of said Gouri Prasad Rungta and his widowed mother Srimati Jiwani Devi;
- (iv)** Biswanath Rungta, son of Mangilall Rungta deceased, as Karta of his branch of Mitakshara Joint family consisting of himself and his minor sons, Ghanshyamdas & Sushil Kumar;
- (v)** Sitaram Rungta, son of Mangilall Rungta deceased, as Karta of his branch of Mitakshara Joint family consisting of himself and his sons Nandkishore & Mukundlall;
- (vi)** Satyanarain Rungta, son of Mangilall Rungta deceased, as Karta of his branch of Mitakshara Joint family consisting of himself, his sons Prabhat Kumar & Prakash Kumar.

A Private Limited Company has been promoted by the said **(i)** Chandi Prasad Rungta, **(ii)** Bhagwati Prasad Rungta, **(iii)** Biswanath Rungta, **(iv)** Sitaram Rungta, **(v)** Satyanarain Rungta and Tribeni Prasad Rungta in the name and style “RUNGTA MINES PRIVATE LIMITED” to take over the mining business and mining leases of MADAN GOPAL RUNGTA and HARKARANDASS MANGILALL.

Mitakshara Joint Family of Rungta Group
(as submitted by lessees)

Table: 3

Sr. No.	Name
1.	Mangilal Rungta, S/o. late Harkarandas Rungta
2.	Madan Gopal Rungta, S/o. late Mangilal Rungta
3.	Chandi Prasad Rungta, S/o. late Mangilal Rungta
4.	Sitaram Rungta, S/o. late Mangilal Rungta
5.	Satyanarain Rungta, S/o. late Mangilal Rungta
6.	Biswanath Rungta, S/o. late Mangilal Rungta
7.	Gouriprasad Rungta, S/o. late Mangilal Rungta
8.	Tribeni Prasad Rungta, S/o. Madan Gopal Rungta
9.	Rajendra Prasad Rungta, S/o. late Gouriprasad Rungta
10.	Bhagwatiprasad Rungta, S/o. late Gouriprasad Rungta
11.	Nandlal Rungta, S/o. late Sitaram Rungta
12.	Mukund Rungta, S/o. late Sitaram Rungta
13.	Ajay Kumar Rungta, S/o. late Chandi Prasad Rungta
14.	Siddharth Rungta, S/o. Sri Nandlal Rungta

8.2 Key management persons in the Companies of S. R. Rungta Group and Enterprises:--

From the Balance Sheets of the companies of S. R. Rungta Group for the year of 2009-10, the following observations regarding key management persons in the companies of S. R. Rungta Group and Enterprises over which key management personnel has significant influence, are made in in the following Table.

Table: 4

Key Management Personnel		Enterprises over which Key Management Personnel have significant influence	
(i) Bonai Industrial Co. Ltd.:--			
a.	Shri Nandlal Rungta	a.	Rungta Mines Limited
b.	Shri Mukund Rungta	b.	Rungta Sons Private Limited
c.	Shri Siddhartha Rungta	c.	Feegrade & Co. Private Limited
		d.	Mangilall Rungta
(ii) Feegrade & Co. (P) Ltd.:--			
a.	Shri Nandlal Rungta	a.	Rungta Mines Limited
b.	Shri Mukund Rungta	b.	Rungta Sons (P) Limited
c.	Shri Siddhartha Runga	c.	Bonai Industrial Co. Ltd.
d.	Mr. M. D. Rastogi	d.	M/s. Mangilall Rungta
		e.	And others...

Key Management Personnel	Enterprises over which Key Management Personnel have significant influence
(iii) M/s. Rungta Mines Private Limited (M/s. Rungta Mines Limited):--	
a. Shri Nandlal Rungta	a. Rungta Sons (P) Limited
b. Shri Mukund Rungta	b. Bonai Industrial Co. Ltd.
c. Shri Siddhartha Rungta	c. Mangilall Rungta
	d. Feegrade & Co. Pvt. Ltd.
	e. Others
(iv) M/s. Rungta Sons Private Limited:--	
a. Shri Nandlal Rungta	a. Rungta Mines Limited
b. Shri Mukund Rungta	b. Bonai Industrial Co. Ltd.
c. Shri Siddhartha Runga	c. Mangilall Rungta
	d. Feegrade & Co. Pvt. Ltd.
	e. Others

Since there is no balance sheet of M/s. Mangilall Rungta, a registered partnership firm, the details are not noted.

8.3 The lessees of S. R. Rungta Group have submitted the details of Partners/Directors to the Commission for the firms/companies owned by S. R. Rungta Group from their date of constitution till date. The list thereof is reproduced for comparative analysis in the following **Tables 5(a) and 5(b)**. From the said Tables, it is observed that very recently, some other Directors than their family are introduced in the companies. Almost throughout the life of the leases, the members of Rungta family are in full control, managed financially to all the leases mainly by Shri S. R. Rungta, his sons, brothers, grandsons, etc.

For comparison of partners/directors of the Partnership Firm/Company, following Tables would establish beyond doubt that most of the partners/directors are common.

Table: 5 (a)

List of partners or directors since its inceptions for the firms / companies having mining leases of S. R. Rungta Group till date

Partners of Mangilall Rungta		Directors of Feegrade & Co. Pvt. Ltd.		Directors of Bonai Industrial Co. Ltd.	
1	2	3	4	5	6
Date	Shri	Date	Shri	Date	Shri
16.10.1962	Bhagwati Prasad Rungta	14.09.1964	Mrs. A.M. D'Sena	06.10.1939	Gopinath Purohit
	Biswanath Rungta		Mrs. M.H. Feegrade		Kumar Harish Chandra Deo
	Chandi Prasad Rungta		O.A. Feegrade		Loknath Biswal
	Satyanarain Rungta	19.05.1969	Mrs. A.M. D'Sena		Mangovind Mohanty
	Sitaram Rungta		Mrs. M.H. Feegrade		
	Tribeni Prasad Rungta		Sitaram Rungta		

Partners of Mangilall Rungta		Directors of Feegrade & Co. Pvt. Ltd.		Directors of Bonai Industrial Co. Ltd.	
1	2	3	4	5	6
Date	Shri	Date	Shri	Date	Shri
20.06.1966	Bhagwati Prasad Rungta	03.07.1970	B.P. Rungta	05.09.1940	Gopinath Purohit
	Biswanath Rungta		Mrs. M.H. Feegrade		Kumar Harish Chandra Deo
	Satyanarain Rungta		Sitaram Rungta		Loknath Biswal
	Sitaram Rungta	03.01.1974	B.P. Rungta		M.A. Tulloch
01.01.1992	Bhagwati Prasad Rungta		Sitaram Rungta		Mangovind Mohanty
	Biswanath Rungta	05.01.1983	B.P. Rungta	23.06.1941	Gopinath Purohit
	Mukund Rungta		Nandlal Rungta		Kumar Harish Chandra Deo
	Nandlal Rungta		Sitaram Rungta		Mangovind Mohanty
	Satyanarain Rungta	29.06.1992	Mukund Rungta		Sree Charan Das
	Sitaram Rungta		Nandlal Rungta	14.03.1944	Gopinath Purohit
			Sitaram Rungta		Kumar Harish Chandra Deo
22.03.1992	Mukund Rungta	17.04.1994	Mukund Rungta	01.11.1948	Mangovind Mohanty
	Nandlal Rungta		Nandlal Rungta		Bireswar Panda
	Sitarm Rungta				Gopinath Purohit
					Kumar Harish Chandra Deo
					Mangovind Mohanty

Partners of Mangilall Rungta		Directors of Feegrade & Co. Pvt. Ltd.		Directors of Bonai Industrial Co. Ltd.	
1	2	3	4	5	6
Date	Shri	Date	Shri	Date	Shri
24.06.1992	Bhagwati Prasad Rungta	01.12.1995	Mangi Lal Chawla	05.10.1951	Bireswar Panda
	Biswanath Rungta		Mukund Rungta		Kumar Harish Chandra Deo
	Chandi Prasad Rungta		Nandlal Rungta		Mangovind Mohanty
	Madan Gopal Rungta	26.03.1999	Mangi Lal Chawla	14.07.1962	Bireswar Panda
	Satyanarain Rungta		Mukund Rungta		Kumar Harish Chandra Deo
	Sitaram Rungta		Nandlal Rungta		Mangovind Mohanty
			R.C.B. Srivastava		Sitaram Rungta
17.04.1994	Mukund Rungta	04.05.2005	Mangi Lal Chawla	06.08.1962	Bireswar Panda
	Nandlal Rungta		Mukund Rungta		Mangovind Mohanty
			Nandlal Rungta		Sitaram Rungta
			R.C.B. Srivastava	28.09.1964	A.K. Rungta
			Siddharth Rungta		Bireswar Panda
	Mangovind Mohanty				
		Sitaram Rungta			30.09.1964
		Mangovind Mohanty			
		Sitaram Rungta			

Partners of Mangilall Rungta		Directors of Feegrade & Co. Pvt. Ltd.		Directors of Bonai Industrial Co. Ltd.		
1	2	3	4	5	6	
Date	Shri	Date	Shri	Date	Shri	
21.05.2013	Mukund Rungta	01.01.2008	Mangi Lal Chawla	12.10.1972	B.P. Rungta	
	Nandlal Rungta		Mukund Rungta		Mangovind Mohanty	
	Siddharth Rungta		Nandlal Rungta		Sitaram Rungta	
			Siddharth Rungta	Siddharth Rungta	25.06.1980	B.K. Pani
						B.P. Rungta
						Mangovind Mohanty
						Sitaram Rungta
					31.03.1981	B.K. Pani
						B.P. Rungta
						Sitaram Rungta
					15.10.1984	B.K. Pani
						B.P. Rungta
						N.L. Rungta
						Sitaram Rungta
					27.06.1992	B.K. Pani
						Mukund Rungta
						N.L. Rungta
	Sitaram Rungta					

Partners of Mangilall Rungta		Directors of Feegrade & Co. Pvt. Ltd.		Directors of Bonai Industrial Co. Ltd.	
1	2	3	4	5	6
Date	Shri	Date	Shri	Date	Shri
27.05.2013	Mukund Rungta	12.01.2008	Mahesh Dutt Rustagi	17.04.1994	B.K. Pani
	Nandlal Rungta		Mangi Lal Chawla		Mukund Rungta
	Siddharth Rungta		Mukund Rungta		N.L. Rungta
			Nandlal Rungta	30.03.1999	B.K. Pani
			Siddharth Rungta		Mukund Rungta
					N.L. Rungta
					R.C.B. Srivastava
			04.04.1999	Mukund Rungta	
				N.L. Rungta	
				R.C.B. Srivastava	
			30.04.2005	Mukund Rungta	
				N.L. Rungta	
	R.C.B. Srivastava				
Siddharth Rungta					
01.01.2008	Mukund Rungta				
	N.L. Rungta				
	Siddharth Rungta				

Partners of Mangilall Rungta		Directors of Feegrade & Co. Pvt. Ltd.		Directors of Bonai Industrial Co. Ltd.	
1	2	3	4	5	6
Date	Shri	Date	Shri	Date	Shri
–	–	–	–	10.01.2008	M.D. Rustagi
					Mukund Rungta
					N.L. Rungta
					Siddharth Rungta
				26.02.2011	Ashutosh Mohanty
					Devi Ram Ojha
					M.D. Rustagi
					Mukund Rungta
					N.L. Rungta
					Siddharth Rungta
				30.04.2013	Ashutosh Mohanty
					Devi Ram Ojha
					M.D. Rustagi
					Mukund Rungta
					N.L. Rungta
					Siddharth Rungta

Table: 5 (b)

Directors of Rungta Mines Pvt. Ltd.		Directors of Rungta Mines Ltd.		Directors of Rungta Sons Pvt. Ltd.	
1	2	3	4	5	6
Date	Shri	Date	Shri	Date	Shri
01.12.1962	Chandi Prasad Rungta	03.04.1998	Ajay Kumar Rungta	03.06.1957	Bhagwati Prasad Rungta
	Sitaram Rungta		Mukund Rungta		Biswanath Rungta
	Tribeni Prasad Rungta		Nandlal Rungta		Chandi Prasad Rungta
15.07.1967	Chandi Prasad Rungta		Shyamal Kumar Sen		Madan Gopal Rungta
	Rajendra Prasad Rungta	26.03.1999	Ajay Kumar Rungta		Satyanarain Rungta
	Sitaram Rungta		Mukund Rungta		Sitaram Rungta
	Tribeni Prasad Rungta		Nandlal Rungta		Tribeni Prasad Rungta
			R.C.B. Srivastava	15.10.1962	Bhagwati Prasad Rungta
			Shyamal Kumar Sen		Biswanath Rungta
					Chandi Prasad Rungta
					Satyanarain Rungta
					Sitaram Rungta
					Tribeni Prasad Rungta
				05.11.1962	Ajay Kumar Rungta
					Bhagwati Prasad Rungta
					Biswanath Rungta
					Chandi Prasad Rungta
					Satyanarain Rungta
					Sitaram Rungta
					Tribeni Prasad Rungta

Directors of Rungta Mines Pvt. Ltd.		Directors of Rungta Mines Ltd.		Directors of Rungta Sons Pvt. Ltd.	
1	2	3	4	5	6
Date	Shri	Date	Shri	Date	Shri
23.08.1967	Rajendra Prasad Rungta	03.07.2001	Ajay Kumar Rungta	23.08.1967	Ajay Kumar Rungta
	Sitaram Rungta		Mukund Rungta		Bhagwati Prasad Rungta
07.09.1967	Rajendra Prasad Rungta		Nandlal Rungta		Biswanath Rungta
	Satyanarayan Rungta		R.C.B. Srivastava		Satyanarayan Rungta
	Sitaram Rungta		Shyamal Kumar Sen		Sitaram Rungta
07.01.1985	Nandlal Rungta		28.08.2001	Siddharth Rungta	05.10.1972
	Rajendra Prasad Rungta	Ajay Kumar Rungta		Biswanath Rungta	
	Satyanarayan Rungta	Mukund Rungta		Satyanarayan Rungta	
	Sitaram Rungta	Nandlal Rungta		Sitaram Rungta	
		R.C.B. Srivastava		08.03.1987	Bhagwati Prasad Rungta
		Siddharth Rungta			Biswanath Rungta
		01.01.2008	Ajay Kumar Rungta		Nandlal Rungta
	Mukund Rungta		Satyanarayan Rungta		
	Nandlal Rungta		Sitaram Rungta		
	Siddharth Rungta		30.06.1992	Mukund Rungta	
	Nandlal Rungta				
	Sitaram Rungta				

Directors of Rungta Mines Pvt. Ltd.		Directors of Rungta Mines Ltd.		Directors of Rungta Sons Pvt. Ltd.		
1	2	3	4	5	6	
Date	Shri	Date	Shri	Date	Shri	
30.06.1992	Mukund Rungta	12.01.2008	Ajay Kumar Rungta	17.09.1994	Mukund Rungta	
	Nandlal Rungta		Mahesh Dutt Rustagi		Nandlal Rungta	
	Sitaram Rungta		Mukund Rungta	27.03.1999	Mukund Rungta	
17.04.1994	Mukund Rungta		Nandlal Rungta		Nandlal Rungta	
	Nandlal Rungta		Siddharth Rungta		R.C.B. Srivastava	
28.06.1994	Ajay Kumar Rungta	07.02.2011	Ajay Kumar Rungta	04.05.2005	Mukund Rungta	
	Mukund Rungta		Hirak Mazumder		Nandlal Rungta	
	Nandlal Rungta		Mahesh Dutt Rustagi		R.C.B. Srivastava	
			Mukund Rungta		Siddharth Rungta	
			Nandlal Rungta	01.01.2008	Mukund Rungta	
			Siddharth Rungta		Nandlal Rungta	
					Siddharth Rungta	Siddharth Rungta
						12.01.2008
	Mukund Rungta					
	Nandlal Rungta					
Siddharth Rungta						

Directors of Rungta Mines Pvt. Ltd.		Directors of Rungta Mines Ltd.		Directors of Rungta Sons Pvt. Ltd.	
1	2	3	4	5	6
Date	Shri	Date	Shri	Date	Shri
17.09.1994	Ajay Kumar Rungta	01.07.2012	Ajay Kumar Rungta	14.02.2011	Deo Kumar Singh
	Mukund Rungta		Ashutosh Mohanty		Hari Prasad Sakunia
	Nandlal Rungta		Hirak Mazumder		Mahesh Dutt Rustagi
	Shyamal Kumar Sen		Mahesh Dutt Rustagi		Mukund Rungta
			Mukund Rungta		Nandlal Rungta
			Nandlal Rungta		Siddharth Rungta
			Ram Shankar Chaudhary	16.05.2012	Ashutosh Mohanty
			Siddharth Rungta		Deo Kumar Singh
			Vikesh Singh		Hari Prasad Sakunia
	13.08.2012	Ashutosh Mohanty	Mahesh Dutt Rustagi		
		Hirak Mazumder	Mukund Rungta		
		Mahesh Dutt Rustagi	Nandlal Rungta		
		Mukund Rungta	Siddharth Rungta		
		Nandlal Rungta			
		Ram Shankar Chaudhary			
	Siddharth Rungta				
	Vikesh Singh				

Directors of Rungta Mines Pvt. Ltd.		Directors of Rungta Mines Ltd.		Directors of Rungta Sons Pvt. Ltd.	
1	2	3	4	5	6
Date	Shri	Date	Shri	Date	Shri
02.04.1998	Ajay Kumar Rungta	27.05.2013	Ashutosh Mohanty	27.05.2013	Ashutosh Mohanty
	Mukund Rungta		Hirak Mazumder		Deo Kumar Singh
	Nandlal Rungta		Mahesh Dutt Rustagi		Hari Prasad Sakunia
	Shyamal Kumar Sen		Mukund Rungta		Mahesh Dutt Rustagi
			Nandlal Rungta		Mukund Rungta
			Ram Shankar Chaudhary		Nandlal Rungta
			Siddharth Rungta		Siddharth Rungta
			Vikesh Singh		
		23.07.2013	Ashutosh Mohanty		
			Hirak Mazumder		
	Mahesh Dutt Rustagi				
	Mukund Rungta				
	Nandlal Rungta				
	Ram Shankar Chaudhary				
	Siddharth Rungta				
	Vikesh Singh				

8.4 S.R. Rungta Group of Company is presently holding the following 15 mining leases of iron ore/manganese in the States of Orissa and Jharkhand. An abstract from the balance sheets of the companies for the year 2009-10 is reproduced as under:-

Table: 6			
Sr. No.	Name of sub group of S.R. Rungta	Numbers of leases which is presently operated by S.R. Rungta group	Name of the Directors
1	<p>M/s. Rungta Mines Ltd. [Public Limited company]</p> <p>1. Registered office: 8A- Express Tower, 42/A, Shakespeare Sarani, Kolkata-17.</p> <p>2. Key management personal: MUKUND RUNGTA SIDDHARTH RUNGTA NANDLAL RUNGTA</p> <p>3. Enterprise over which key management personal have significant influence: a) Rungta Sons Pvt. Ltd. b) Bonai Industrial Company Ltd. c) Feegrade & Co Pvt. Ltd. d) Mangilal Estates (P) Ltd.</p>	<p>ORISSA STATE</p> <p>1. Jajang Iron & Manganese Ore Mines 2. Kanther-Koira Mn. Mines 3. Kolmang Mn Mines</p> <p>JHARKHAND STATE</p> <p>4. Merelgora – Barabauori Iron & Mn. Mines 5. Ghatkuri Iron Ore Mines</p>	<p>1. Name of directors of M/s. Rungta Mines Ltd.</p> <p>1. MUKUND RUNGTA 2. SIDDHARTH RUNGTA 3. NANDLAL RUNGTA 4. VIKASH SINGH 5. MAHESH DUTT RUSTAGI 6. ASHUTOSH MOHANTY 7. HIRAK MAZUMDAR 8. RAM SHANKAR CHATURVEDI 9. ASHOK KUMAR</p> <p>[NOTE: as per Balance sheet director at Sr. No. 4, 5, 7 & 8 DSC registration not done]</p> <p>2. Name of directors of M/s. Rungta Mines pvt. Ltd.</p> <p>1. Chandi Prasad Rungta 2. Treveni Prasad Rungta 3. Vishvanath Rungta 4. Satyanarayan Rungta 5. Bhagwati Prasad Rungta 6. Sita Ram Rungta</p>

Sr. No.	Name of sub group of S.R. Rungta	Numbers of leases which is presently operated by S.R. Rungta group	Name of the Directors
2	<p>M/s. Rungta Sons (P) Ltd [Private Limited company]</p> <p>1. Registered office : 8A- Express Tower , 42/ A shakespere sarani, Kolkata-17</p> <p>2. Key management personal : MUKUND RUNGTA SIDDHARTH RUNGTA NANDLAL RUNGTA</p> <p>3. Enterprise over which key management personal have significant influence:</p> <p>a) Rungta Mines Ltd. b) Bonai Industrial Company Ltd. c) Feegrade & Co Pvt. Ltd. d) Mangilal Rungta e) Mangilal Estates (p) Ltd.</p>	<p>1. Oraghat Iron Ore Mines</p> <p>2. Sanindipur Iron/Bauxite Mines</p> <p>3. Katasahi Manganese Ore Mines[till 4/1/1984 in the name of M/s Rungta Mines Ltd]</p> <p>4. Kusumdihi – Kamanda Mn./Bauxite Mines</p> <p>5. Bhulabeda iron ore mine (claimed as surrendered)</p>	<p>1. MUKUND RUNGTA</p> <p>2. SIDDHARTH RUNGTA</p> <p>3. NANDLAL RUNGTA</p> <p>4. HARI PRASAD SAKUNIA</p> <p>5. MAHESH DUTT RUSTAGI</p> <p>6. ASHUTOSH MOHANTY</p> <p>7. DEO KUMAR SINGH</p>
3	M/s. M.L Rungta	1. Silijora-Kalimati Iron & Manganese Ore Mines	M/s. Mangilal Rungta (registered under Indian Partnership Act, 1932) partnership firm consisting of partners (1) Shri Nandlal Rungta S/o. late Sitaram Rungta, (2) Shri Mukund Rungta S/o. late Sitaram Rungta

Sr. No.	Name of sub group of S.R. Rungta	Numbers of leases which is presently operated by S.R. Rungta group	Name of the Directors
4	<p>M/s. Feegrade & Co. Ltd. [Private Limited Company]</p> <p>1. Registered office: 8A-Express Tower, 42/ A Shakespere Sarani, Kolkata-17</p> <p>2. Key management personal: MUKUND RUNGTA SIDDHARTH RUNGTA NANDLAL RUNGTA MAHESH DUTT RUSTAGI</p> <p>3. Enterprise over which key management personal have significant influence:</p> <p>a. Rungta Mines Limited b. Rungta Sons Pvt. Ltd. c. Mangilal Rungta d. Bonai Industries Co Ltd. e. Mangilal Estate Pvt. Ltd.</p>	<p>1. Nadidiha Iron/Mn. Mines 2. Sarkunda Iron/Mn. Mines</p>	<p>1. MUKUND RUNGTA 2. SIDDHARTH RUNGTA 3. NANDLAL RUNGTA 4. MAHESH DUTT RUSTAGI 5. KAMLESHKUMAR CHATURVEDI 6. ASHUTOSH MOHANTY</p> <p>[NOTE: as per Balance sheet director at sr. no 4 & 5 DSC registration not done]</p>

Sr. No.	Name of sub group of S.R. Rungta	Numbers of leases which is presently operated by S.R. Rungta group	Name of the Directors
5	<p>M/s. Bonai Industires Co. Ltd. [Public Limited company]</p> <ol style="list-style-type: none"> 1. Registered office: At: Main Road Po. Barbil, Keonjhar-Orissa. 2. Key management personal: MUKUND RUNGTA SIDDHARTH RUNGTA NANDLAL RUNGTA 3. Enterprise over which key management personal have significant influence: <ol style="list-style-type: none"> a. Rungta Mines Limited b. Rungta Sons Pvt. Ltd. c. Mangilal Rungta d. Feegrade & Co Pvt. Ltd. 	<ol style="list-style-type: none"> 1. Nadidiha Iron/Mn. Mines 2. Tehrai Iron / Mn. Mines 3. Kusumdiha Bauxite/Mn. Mines 	<ol style="list-style-type: none"> 1. MUKUND RUNGTA 2. SIDDHARTH RUNGTA 3. NANDLAL RUNGTA 4. DEVILAL OJHA 5. MAHESH DUTT RUSTAGI 6. MANOJKUMAR KEDIA 7. ASHUTOSH MOHANTY <p>[NOTE: as per Balance sheet director at sr. no 4, 5 & 7 DSC registration not done]</p>
6	<p>Mangilal Estate Pvt. Ltd. [Private Limited Company]</p> <p>Registered office: 8A-Express Tower, 42/A, Shakespere Sarani, Kolkata-17</p>	---	<ol style="list-style-type: none"> 1. MUKUND RUNGTA 2. SIDDHARTH RUNGTA 3. NANDLAL RUNGTA

8.5 Sri Sitaram Rungta was one of the Directors for more than 30 years in all the companies / firms holding the iron / manganese ore leases in Orissa and Bihar States. This indicates that various companies are floated to misuse the law. The details are given as under:-

Period as Director, Shri Sitaram Rungta in the five companies / firms who possess the mining leases:-

Table: 7

Sr. No.	Name of Companies/ Firms	From	To
1	M/s. Mangilall Rungta	16.10.1962	16.04.1994
2	M/s. Rungta Mines Pvt. Ltd.	01.12.1962	16.04.1994
3	M/s. Rungta Sons Pvt. Ltd.	03.06.1957	16.04.1994
4	M/s. Bonai Industries Co. Ltd.	14.07.1962	16.04.1994
5	M/s. Feegrade & Co. Pvt. Ltd.	19.05.1969	16.04.1994

8.6 After the death of Shri Sitaram Rungta (S. R. Rungta), all the companies and firms were in the possession of the two sons of late Shri S. R. Rungta i.e. (i) Shri Mukund Rungta and (ii) Shri Nandlal Rungta. Subsequently, his grandson, Shri Sidharth Rungta, son of Shri N. L. Rungta joined as key person. The details in this regard are given as under:-

Table: 8

Sr. No.	Name of Companies / Firms	Date	Name of Directors
1	M/s. Mangilall Rungta	17.04.1994	i. Shri Mukund Rungta ii. Shri Nandlal Rungta
2	M/s. Rungta Mines Pvt. Ltd.	17.04.1994	i. Shri Mukund Rungta ii. Shri Nandlal Rungta
3	M/s. Rungta Sons Pvt. Ltd.	17.04.1994	i. Shri Mukund Rungta ii. Shri Nandlal Rungta
4	M/s. Bonai Industries Co. Ltd.	17.04.1994	i. Shri Mukund Rungta ii. Shri Nandlal Rungta iii. B.K. Pani
5	M/s. Feegrade & Co. Pvt. Ltd.	17.04.1994	i. Shri Mukund Rungta ii. Shri Nandlal Rungta

8.7 The details of date of Lease Deed Agreements, renewals of leases for 1st, 2nd and 3rd and transfer of lease from one Company to other or from one person to Companies for the adjustment of the areas in such a manner which appears to look superficially as if they are being held / hold by different entities (Table: 9). The deliberate strategic misuse and violation of Section 6(1)(b) and Section 6(3) of the MM(DR) Act, 1957 by as Director(s) / Power of Attorney, are quite apparent from the said Table.

Table: 9

Sr. No.	Name of Lease and Name of Lessee	Original Grant / Area (ha.)	1st Renewal / Area (ha.)	2nd Renewal / Area (ha.)	Transfer data / Addition of New Minerals
1	2	3	4	5	6
1	Kolmang Mn. Mines; Rungta Mines Pvt. Ltd. and M/s. Rungta Mines Ltd. from 03.04.98 in violation of Rule 37 of MCR, 1960	08.05.39, Madan Gopal Rungta, 271.00 ha.	22.10.78, From 01.01.60, for 20 years, S.R. Rungta , 292.18 ha.	14.06.82, From 01.01.80 for 20 years, S.R. Rungta , P.A. to T.P. Rungta, 218.53 ha.	06.06.84, From T.P. Rungta, by his Power of Attorney S.R. Rungta, S/o. Madan Gopal Rungta to Rungta Mines Pvt. Ltd., signed by his director R.P. Rungta. One Director of the Company transfer the lease to the other Director in the same Company. Both of them are the directors of M/s. Rungta Mines Pvt. Ltd.

Sr. No.	Name of Lease and Name of Lessee	Original Grant / Area (ha.)	1st Renewal / Area (ha.)	2nd Renewal / Area (ha.)	Transfer data / Addition of New Minerals
1 Cntd.	Kanther – Koira Mn. Mines; Rungta Mines Pvt. Ltd. and M/s. Rungta Mines Ltd. from 03.04.98 in violation of Rule 37 of MCR, 1960	###	###	15.06.82, From 01.01.80 for 20 years, S.R. Rungta , P.A. to T.P. Rungta, 73.613 ha.	06.06.84, From T.P. Rungta, by his Power of Attorney S.R. Rungta, S/o. Madan Gopal Rungta to Rungta Mines Pvt. Ltd., by his director R.P. Rungta. One Director of the Company transfer the lease to the other Director in the same Company. Both of them are the directors of M/s. Rungta Mines Pvt. Ltd.
	Jajang Iron & Manganese Ore Mines; Rungta Mines Pvt. Ltd. and M/s. Rungta Mines Ltd. from 03.04.98 in violation of Rule 37 of MCR, 1960	20.06.61 to 13.02.77, S.R. Rungta , 669.364 ha.	29.10.79, From 03.02.77 for 20 years, S.R. Rungta , 669.350 ha.	24.11.05, From 03.02.97 for 20 years, Mangilall Rungta, 669.350 ha.	25.10.67, From S.R. Rungta to Rungta Mines Pvt. Ltd., by his director S.N. Rungta. One Director of the Company transfer the lease to the other Director in the same Company. Both of them were the directors of M/s. Rungta Mines Pvt. Ltd.

Sr. No.	Name of Lease and Name of Lessee	Original Grant / Area (ha.)	1st Renewal / Area (ha.)	2nd Renewal / Area (ha.)	Transfer data / Addition of New Minerals
1 Cntd.	Katasahi Manganese Ore Mines; Rungta Mines Pvt. Ltd. and M/s. Rungta Mines Ltd. from 03.04.98 in violation of Rule 37 of MCR, 1960	12.02.57, S.R. Rungta , for 20 years, 560.00 acres (226.634 ha.)	08.09.80, From 30.02.77 for 20 years, S.R. Rungta , Rungta Mines Pvt. Ltd. 226.634 ha., Subtotal = 1188.164 ha. of RMPL	###	(i) 25.10.67, Transfer deed signed by S.R. Rungta, for T.P. Rungta to M/s. Rungta Mines Pvt. Ltd., signed by S.N. Rungta. One Director of the Company transfer the lease to the other Director in the same Company. Shri S.N. Rungta and Shri S.R. Rungta were the directors in the M/s. Rungta Mines Pvt. Ltd. on 25.10.1967. (ii) 05.01.84, M/s. Rungta Mines Pvt. Ltd., signed by R.P. Rungta to Rungta Sons Pvt. Ltd., S.R. Rungta. One Director of the Company transfer the lease to the other Director in this Company. It is noted that Shri S.R. Rungta, S.N. Rungta and R.P. Rungta were the directors in the M/s. Rungta Mines Pvt. Ltd. on 05.01.1984 and Shri R.P. Rungta was director on 25.10.1967. The Rule 37 of MCR, 1960 for transfer of leases had been misused in all the transfer cases of leases pertaining to S.R. Rungta Group / Rungta family.

Sr. No.	Name of Lease and Name of Lessee	Original Grant / Area (ha.)	1st Renewal / Area (ha.)	2nd Renewal / Area (ha.)	Transfer data / Addition of New Minerals
2	Oraghat Iron Ore Mines Rungta Sons Pvt. Ltd.	10.12.82, S.R. Rungta , for 30 years, 82.961 ha.	###	###	###
	Sanindipur Iron / Bauxite Ore Mines Rungta Sons Pvt. Ltd.	06.09.85, S.R. Rungta , Iron ore, for 20 years, 147.10 ha.	###	###	05.09.93, Inclusion of Bauxite Ore, P.A. Shri Krishan Kumar Lodha, 147.10 ha.
	Katasahi Manganese Ore Mines Rungta Sons Pvt. Ltd.	###	05.01.84, M/s. Rungta Mines Pvt. Ltd., R.P. Rungta to Rungta Sons Pvt. Ltd., S.R. Rungta , 226.634 ha.	15.11.03, Nandalal Rungta of Rungta Sons Pvt. Ltd., From 13.02.97 for 20 years, 196.86 ha.	05.01.84, M/s. Rungta Mines Pvt. Ltd., R.P. Rungta to Rungta Sons Pvt. Ltd., S.R. Rungta, 226.634 ha.
	Kusumdihi – Kamanda Mn. / Bauxite Mines Rungta Sons Pvt. Ltd.	26.02.85, Umesh Chandra Mishra, From 26.02.85 for 20 years, 43.067 ha.	###	###	22.03.03, From Umesh Chandra Mishra to Rungta Sons Pvt. Ltd., P.A. Shri Krishan Kumar Lodha, 43.067 ha.

Sr. No.	Name of Lease and Name of Lessee	Original Grant / Area (ha.)	1st Renewal / Area (ha.)	2nd Renewal / Area (ha.)	Transfer data / Addition of New Minerals
2 Cntd.	Bhulabeda Iron & Mn. Ore Mine and Rungta Sons Pvt. Ltd.	Information not submitted. (Claimed as surrendered but no Government order)	### Subtotal = 273.127 ha. of RSPL	###	###
3	Silijora – Kalimati Iron & Manganese Ore Mines and M/s. Mangilall Rungta	27.12.47, Mangilall Rungta, From 01.01.46 for 10 years, 1771.50 acres.	29.12.70, S.R. Rungta , From 01.01.56 for 20 years, 716.902 ha. Subtotal = 716.902 ha. MLR	21.11.80, S.R. Rungta , From 01.01.76 for 20 years, 715.639 ha. 02.08.99, Nandalal Rungta S/o. S.R. Rungta , From 01.01.96 for 20 years, 715.639 ha.	Inclusion of Iron Ore from 27.09.2003, Nandalal Rungta S/o. S.R. Rungta.

Sr. No.	Name of Lease and Name of Lessee	Original Grant / Area (ha.)	1st Renewal / Area (ha.)	2nd Renewal / Area (ha.)	Transfer data / Addition of New Minerals
4	Nadidiha Iron / Mn. Mines M/s. Bonai Industries Co. Ltd. (BICO)	11.12.47, BICO - Dharnidhar Indra Deb, for 30 years, 1213.00 acres.	13.08.65 to 11.12.67, M. Mohanty, 493.91 ha. Iron Ore	05.02.73, S.R. Rungta , From 11.12.67 for 20 years, 497.357 ha. 25.10.04, Iron & Mn. Ore, P.A. Shri Krishan Kumar Lodha, From 11.12.87 for 20 years, 73.855 ha.	###
	Tehrai Iron / Mn. Mines M/s. Bonai Industries Co. Ltd. (BICO)	Not Submitted	17.09.63, Bireshwar Panda, From 01.01.62 for 20 years, 140.91 ha.	28.06.84, S.R. Rungta , From 01.01.82 for 20 years, 137.46 ha.	From Kumar Harish Chandra Deb to BICO on 18.07.53, 370.00 acres.
	Kusumdih Bauxite / Mn. Mines; M/s. Bonai Industries Co. Ltd. (BICO)	14.01.61, P.A. Bireshwar Panda, From 14.01.61 for 20 years for Mn. Ore, 52.176 ha.	08.03.84, S.R. Rungta , From 14.01.81 for 20 years, 52.176 ha. Subtotal = 686.996 ha. BICO	Deemed Extension 52.176 ha.	Bauxite Ore added on 03.11.93, P.A. Shri Krishan Kumar Lodha.

Sr. No.	Name of Lease and Name of Lessee	Original Grant / Area (ha.)	1st Renewal / Area (ha.)	2nd Renewal / Area (ha.)	Transfer data / Addition of New Minerals
5	Nadidiha Iron / Mn. Mines; M/s. Feegrade & Co. Ltd.	31.10.44 to 30.10.64, A.C. Feegrade for Mn. Ore, 113.31 ha. <i>There is large number of corrections / overwritings in the lease deed indenture.</i>	(i) 18.12.59, Mrs. M.H. Feegrade W/o. A.C. Feegrade on 20.12.60 for 20 years for Iron Ore, 121.405 ha. (ii) 21.12.70 to 17.12.79, Mrs. M.H. Feegrade, Mn. Ore, 121.405 ha.	14.06.82, S.R. Rungta, M/s. Feegrade & Co. Ltd. from 18.12.79 for 20 years, 121.405 ha.	(i) 28.10.69, (Iron Ore Mine) Mrs. M.H. Feegrade to BICO signed by director S.R. Rungta, Mrs. M.H. Feegrade and Shri S.R. Rungta were the directors of M/s. Feegrade & Co. Ltd. when transfer was effected. (ii) 30.12.70, (Mn. Mine) Mrs. M.H. Feegrade by her Power of Attorney S.R. Rungta, to BICO, B.P. Rungta S/o. G.P. Rungta, Shri S.R. Rungta, B.P. Rungta and Mrs. M.H. Feegrade were the directors on that date. It is observed that One Director of the Company transfer the lease to the other Director in the same Company (M/s. Feegrade & Co. Ltd.).

Sr. No.	Name of Lease and Name of Lessee	Original Grant / Area (ha.)	1st Renewal / Area (ha.)	2nd Renewal / Area (ha.)	Transfer data / Addition of New Minerals
5 Cntd.	Sarkunda Iron / Mn. Mines; M/s. Feegrade & Co. Ltd.	22.12.65, Mrs. M.H. Feegrade W/o. A.C. Feegrade on 20.12.60 for 20 years for Mn. Ore, 389.59 ha.	04.03.83, S.R. Rungta on 20.12.80 for 20 years for Mn. Ore, 393.556 ha. Subtotal = 514.961 ha. FCL	Deemed Extension 393.556 ha.	28.10.69, Mrs. M.H. Feegrade to BICO, S.R. Rungta (Director), 393.556 ha. Inclusion of Iron Ore on 24.02.83.
		Grand Total::	3380.150 ha.		

From the above Table, it is apparent that:-

- [1] Shri Mukund Rungta;
- [2] Shri Siddharth Rungta; &
- [3] Shri Nandlal Rungta

are the key management personal in all the companies / firms who are having iron / manganese ore mining leases in Orissa and Jharkhand in the names and style of:

- 1. M/s. Rungta Mines Ltd;
- 2. M/s. Rungta Sons Pvt. Ltd.;
- 3. M/s. M. L. Rungta;
- 4. M/s. Fee grade & Co Pvt. Ltd.;
- 5. M/s. Bonai Industrial Co. Ltd.;

Registered office of the all above at Sr. Nos.1, 2, 3 & 4 are at: 8A-Express Tower, 42/A, Shakespere Sarani, Kolkata-17.

All the submissions before the Commission are made as S. R. Rungta Group of companies by a Single Power of Attorney for all.

Enterprises over which key management personals have significant influence in all the above Companies / firms (**Table: 6**). So, it is inferred that all 14 or 15 leases for the area of 3,662.17 ha. are/were in direct control of Shri Mukund Rungta, Shri Siddharth Rungta & Shri Nandlal Rungta in violation of Section 6(1)(b) & Section 6(3) of MM(DR) Act, 1957.

8.8 Two more mines in the possession of M/s. Rungta Mines Pvt. Ltd. in Jharkhand State, the then Bihar State of a total extent 322.93 ha. By adding the extent of theirs between 1987 to 1999, the total extent goes to 3,658.194 ha. (3,662.17 ha.). During this period (1987 to 1999), the restriction of upper limit was 10 Sq. Kms. in the whole country. Hence, the S. R. Rungta Group (Sita Ram & Family) was holding an area of 2,658.194 ha. excess in violation of Section 6(1)(b) & (3) of MM(DR) Act, 1957 during that period.

Table: 10 Extent of areas of all leases in possession of S. R. Rungta Group / Rungta family in Orissa and Jharkhand States during 1972 to 1987 and 1987 to 1999

Sr. No.	Name of Lessee	Name of Lease	Extent (Ha) between 1972 to 1987	Dates of Grants / Renewal	Extent (Ha) between 1987 to 1999	Dates of Grants / Renewal		
1	2	3	4	5	6	7	8	9
1	RMPvt. Ltd.	Kolmong Mn Mines	271.000	1.1.60 1.1.80	218.000	1.1.80 1.1.2000		
2	=DO=	Kanthar Mn Mines	000.000	1.1.60 1.1.80	073.613	1.1.80 1.1.2000		
3	=DO=	Jojang Iron and Mn Mines	669.364	20.6.61 3.2.77	669.350	3.2.77 3.2.99		
4	=DO=	Katashahi Mn Mines	226.634	12.2.57 11.2.77	226.634	11.2.77 5.1.84		
5	RSPL	Oraghat Iron Ore Mines			082.961	10.12.82 10.12.2012		
6	=DO=	Saninopur Iron/Bauxite Mines			147.100	6.9.85 6.9.2005		
7	=DO=	Kusumdihi Mn/Bauxite Mines					43.067	22.3.03

Sr. No.	Name of Lessee	Name of Lease	Extent (Ha) between 1972 to 1987	Dates of Grants / Renewal	Extent (Ha) between 1987 to 1999	Dates of Grants / Renewal		
8	MLR	Silizora Kalimate Iron/Mn Mines	716.902	27.12.47 1.1.56 1.1.76	715.639	1.1.76 1.1.96		
9	BICO	Nadidihi Iron/Mn Mines	493.910	11.12.47 13.8.65 11.12.67	497.357	11.12.67 11.12.87		
10	=DO=	Tehrai Mn Mines	140.910	1.1.62 1.1.82	137.460	1.1.82 1.1.2002		
11	=DO=	Kusumdihi Mn/Bauxite Mines	52.176	14.1.61 14.1.81	052.176	14.1.81 14.1.2001		
12	Fegrade & Co. Ltd	Nadidihi Iron/Mn Mines	121.405	18.12.59 18.12.79	121.405	18.12.79 18.12.99		
13	=DO=	Sarkunda Iron/Mn Mines	389.590	18.10.69	393.556	20.12.80 20.12.00		
	Total of Orissa State		3081.891		3335.251			

Sr. No.	Name of Lessee	Name of Lease	Extent (Ha) between 1972 to 1987	Dates of Grants / Renewal	Extent (Ha) between 1987 to 1999	Dates of Grants / Renewal		
14	Rungta Mines Pvt. Ltd. (Jharkhand State)	Merelgora – Barabauori Iron & Mn. Mines	120.60	22.11.54 21.11.74	120.60	22.11.74 21.11.94		
15	=DO=	Ghatkuri Iron Ore Mines	202.343	10.10.53 09.10.73	202.343	10.10.73 09.10.93		
	Total of Jharkhand State		322.943		322.943			
	Grand Total of Orissa & Jharkhand States		3404.834		3658.194			

- 8.9** Before 1960, Shri Madan Gopal Rungta S/o. Mangilall Rungta was having six leases of an area of 1,490.00 ha. for iron ore and/or manganese in Orissa and the then Bihar State now the Jharkhand State. The leases were transferred to M/s. Rungta Mines Pvt. Ltd. The details are given in the following **Table.**

Table: 11

Sr. No.	Name of the lease	Area (in ha.)	Date of Transfer of Lease
1	Kolmong Mn. Mines / Kanther Koira Mn. Mines (2 blocks)	271.95	06.06.1984
2	Jajang Iron Ore Mines	669.36	25.10.1967
3	Katasahi Mn. Ore Mines	226.62	25.10.1967
4	Merelgora – Barabauori Iron & Mn. Mines (Jharkhand State)	120.60	25.10.1965
5	Ghatkuri Iron Ore Mines – Jharkhand State	202.343	07.12.1965
Total Area		1490.873	

After the death of Shri Madan Gopal Rungta on 16.10.1962 all these leases have been inherited by Shri T.P. Rungta and other family members including Shri S.R. Rungta and then transferred in favour of M/s. Rungta Mines Pvt. Ltd. on various dates wherein Shri Sitaram Rungta was one of the directors in the M/s. Rungta Mines Pvt. Ltd. alongwith his other family members as directors.

8.10 M/s. Rungta Mines Pvt. Ltd. has been holding following leases in the State of Orissa for 1st, 2nd and 3rd RML.

Table: 12 Leases in possession of Shri Madan Gopal Rungta and subsequent transfers:

Sr. No.	Name of lease	Total Area of lease (Ha)				
		Original granted	1 st RML	2 nd RML	3 rd RML	
1	Jajang Iron & Manganese Ore Mines	669.364	669.350	666.150	–	–
		[Shri Madan Gopal Rungta] 13.02/57 to 12.02.77]	29.10.79 to M/s. Rungta Mines (P) Ltd. 13.02.77 to 12.02.97	Lease deed executed on 24.11.05 to M/s. Rungta Mines Ltd 13.02.97 to 12.02.2017	–	Transfer to M/s. Rungta Mines (P) Ltd on 25.10.67
2	Kanter Koiran Mn. Mines	0.00	0.00	73.653	73.653	
		Shri Madan Gopal Rungta 01.01.39 to 31.12.68	01.01.60 to 31.12.79	Lease deed executed on 14.06.82 01.01.80 to 31.12.99	J-form applied on 14.12.98	Transfer to M/s. Rungta Mines (P) Ltd. on 06.06.84

Sr. No.	Name of lease	Total Area of lease (Ha)				
		Original granted	1 st RML	2 nd RML	3 rd RML	
3	Kolmang Mn. Mines	271.95	292.183	218.53	103.375	Transfer to M/s. Rungta Mines (P) Ltd on 06.06.84
		Shri Madan Gopal Rungta 08.05.39 to 31.12.68	01.01.60 to 31.12.79	Lease deed executed on 14.06.82 01.01.80 to 31.12.99	J-form applied on 14.12.98	
4	Katasahi Manganese Ore Mines	226.624	226.624	0.00	-	Transfer to M/s. Rungta Mines (p) Ltd on 25.10.67 & M/s. Rungta Sons (P) Ltd on 05.01.84
		Shri Madan Gopal Rungta 13.02.57 to 12.02.77	Lease deed executed on 08.09.80 13.02.77 to 12.02.97	Lease deed executed on 15.11.03 13.02.97 to 12.02.2017		
	TOTAL AREA	1167.938	1188.157	958.333		

- (a) It is to state here that Kolmong Kanther Mn. Mines (2 blocks of an area of 292.00 ha.) was bifurcated and accorded approval for 2 leases from 01.01.1980. These two mines were kept continued in the name of Shri Madan Gopal Rungta till 06.06.1984. Before this date, the Katasahi Mn. Ore Mines (226.62 ha.) which was transferred in favour of M/s. Rungta Mines Pvt. Ltd. on 25.10.1967, has been again transferred (second time) in favour of **M/s. Rungta Sons Pvt. Ltd. on 05.01.1984** with a contrived strategy that leasehold area against the name of M/s. Rungta Mines Pvt. Ltd. do not exceed more than 10 Sq. Kms. in favour of M/s. Rungta Mines Pvt. Ltd. After this transfer, the 2 leases i.e. Kolmong Mn. Mines and Kanther Koira Mn. Mines of a total area of 292.18 ha. have been then transferred in favour of M/s. Rungta Mines Pvt. Ltd. on **06.06.1984** from Shri T.P. Rungta, one of the sons of Mangilall Rungta and brother of Madan Gopal Rungta. This has been done deliberately to escape from the clutches of the restrictions imposed under Section 6(1)(b) for 10 Sq. Kms. within the State from 1972 to 1987. The total area for these 4 leases was 1,188.157 ha. as stated in the above **Table: 12**. The officials of the State Government and the Steel and Mines Department were fully aware about these facts and

circumstances but conspired with the company and granted the areas more than the prescribed limits within the State in the above manner. It is stated here that in all the four leases, Shri S. R. Rungta was one of the Directors or signatory of lease deeds.

- (b) From the above **Table: 12**, it is also clear that lease at Sr. No.1 was transferred on 25.10.1967, lease at Sr. Nos.2 & 3 were transferred on 06.06.1984 and lease at Sr. No.4 was transferred on 25.10.1967 to **M/s. Rungta Mines (P) Ltd.** So, from 25.10.1967 onwards, lease area held by M/s. Rungta Mines (P) Ltd., was exceeding 10 Sq. Kms. To escape from this, the lease at Sr. No.4 was again (second time) transferred to the M/s. Rungta Sons (P) Ltd on **05.01.1984**. This whole exercise had been done to facilitate the lessee, M/s. Rungta Mines (P) Ltd. (S. R. Rungta Group) to keep the leasehold area within 10 Sq. Kms. to escape from violation of Section 6(1)(b) of MM(DR) Act, 1957 for M/s. Rungta Mines Pvt. Ltd. It has also ignored the provisions of Section 6(3) of the Act along with others, as discussed in this chapter. The State machinery had fully cooperated in this exercise. **This was a blatant misuse of Section 6(1)(b) and Rule 37 of the MCR, 1960.**

- (c) Further, the 2st RML was granted for Sr. No.2 & Sr. No.3 [218.53 + 196.86] leases and for both of them, lease deeds have been executed on **14.06.1982** in violation of FCA, 1980. Further, these two leases were transferred to M/s. Rungta Mines (P) Ltd. on **06.06.1984** in violation of FCA, 1980.

9. Nadidiha Iron / Mn. Mines of BICO:—

A mining lease of an extent of 497.35 ha. had been granted in favour of BICO from 11.12.1947. The Directors of BICO on that date (i.e. 11.12.1947) were Kumar Harish Chandra Deo, Gopinath Purohit and Mangovind Mohanty. Subsequently, on 14.07.1962, Shri Sitaram Rungta had been made one of the Directors of the said Company. Subsequently, on **31.03.1981**, all the original Directors have been replaced and the Company was captured by the family members of Rungta Group. Hence, the entire lease which was in the possession of Shri Kumar Harish Chandra Deo has been now captured by Shri Mukund Rungta, M.L. Rungta, Sidharth Rungta and others. **This is nothing but a “back door entry” to capture the lease by the Karta of Sitaram Rungta. Further, the violation and misuse of Section 6(1)(b) and (3) of MM(DR) Act, 1957 is on the lines, as discussed for all the leases.**

10. Kusumdihi Bauxite / Mn. Mines of BICO:—

Another lease of an area of 52.17 ha. was granted in favour of BICO on **14.01.1961**. The Directors, at that time, were Kumar Harish Chandra Deo, Mangovind Mohanty and Bireswar Panda. Subsequently, Shri Sitaram Rungta was entered as one of the Directors on **14.07.1962** and remains continuously one of the Directors till 16.04.1994. The other Directors, other than Shri Sitaram Rungta, were also replaced by the family members of the Karta of S. R. Rungta. **This lease was also in the same manner as discussed above, captured through “back door entry” by S. R. Rungta family.**

11. Nadidiha Iron/Mn. Mines of Feegrade & Co. Ltd.:—

An area of 113.31 ha. had been granted in favour of Shri A. C. Feegrade on **07.10.1944**. The said lease had been transferred in favour of **M/s. Feegrade & Co. Ltd.** on 28.10.1969. On the date of transfer, Mrs. M. H. Feegrade, Mrs. A. M. D'Sena and Shri Sitaram Rungta were the Directors (**See Tables**). **Subsequently, the other Directors (other than Sitaram Rungta) were replaced by the members of Rungta family on 03.01.1974 and the lease had been captured through “back door entry”.**

12. Sarkunda Iron / Mn. Mines of Feegrade & Co. Ltd.:—

The mining lease for an area of 389.51 ha. had been granted in favour of Mrs. M. H. Feegrade from **20.12.1960** for a period of 20 years. The said lease was transferred in favour of Feegrade & Co. Ltd. on 28.10.1969. The Directors, from 19.05.1969 to 03.07.1970, were Mrs. M. H. Feegrade, Mrs. A. M. D'Sena and Shri Sitaram Rungta. **Subsequently, the two Directors were replaced by the family members of Rungta Group on 03.01.1974 and lease was fully captured through back door entry.**

Hence, it is seen from the facts of the leases of M/s. BICO and M/s. Feegrade & Co. Ltd. that Rule 37 of MCR, 1960 is misused and violated and, therefore, action should be taken as per Rule 37(3) of MCR, 1960 and Section 19 of MM(DR) Act, 1957.

The Directors for BICO and Feegrade & Co. Ltd., as submitted by the lessee, can be seen from the **Table: 5)a).**

The violation of Section 6(1)(b) and (3) of MM(DR) Act, 1957 for the leases of M/s. Feegrade & Co. Ltd. and M/s. BICO is observed as discussed in this chapter along with other companies.

13. M/s. Rungta Mines Pvt. Ltd.:—

It is to state that 5 iron ore mining leases were granted in favour of Shri Madan Gopal Rungta / Shri Mangilall Rungta. The leases were inherited by his sons after his death. Subsequently, all these leases were transferred in favour of **M/s. Rungta Mines Pvt. Ltd.** on various dates in the States of Orissa and Jharkhand both.

The lessee made his submission that from 1998, M/s. Rungta Mines Pvt. Ltd. has been changed to M/s. Rungta Mines Ltd. under the Companies Act, 1956. It is observed here that the Company has changed from private limited to public limited and thereby considered as a change to another independent entity. **In such circumstances, the lessee should have obtained the transfer of all the leases in favour of M/s. Rungta Mines Ltd. under Rule 37 of MCR, 1960. No such approval has been obtained.**

Hence, it is a violation of Rule 37(1) of MCR, 1960 and attracts the provisions of Rule 37(3) of MCR, 1960. The State Government should initiate the action, in this regard, along with actions against the officials responsible for allowing the leases to operate the leases. Action should also be initiated against the officials of MoEF who have issued approvals under FC and EC in favour of M/s. Rungta Mines Ltd. without having got transferred of lease under Rule 37 of MCR, 1960.

14. M/s. M. L. Rugta:—

M/s. M. L. Rugta, a registered partnership firm is holding a lease in the State of Orissa at 1st, 2nd and 3rd RML stage as under:—

Name of lease	Total Area of lease (ha.) and Name of lessee			
	Original granted	1 st RML	2 nd RML	3 rd RML
Silijora – Kalimati Iron & Manganese Ore Mines	716.902	716.902	715.639	715.639
	Babu Mangilal Rugta	M/s. M.L. Rugta	M/s. M.L. Rugta	M/s. M.L. Rugta
	Lease Deed executed on 27.12.47 01.01.46 to 31.12.55	Lease deed executed on 29.12.70 01.01.56 to 31.12.75	Lease deed executed on 21.11.80 01.01.76 to 31.12.95	Lease deed executed on 02.08.99 01.01.96 to 31.12.15

From the above Table, it is clear that the lease was granted from 01.01.1946 to Babu Mangilal Rugta by the then Maharaja of Keonjhar for 10 years. The lease deed was executed on 27.12.1947. Subsequently, 1st RML was granted on 06.10.1970 by a proceeding No.6989 dated 10.10.1970 of State

Government (Steel and Mines Department) in favour of M/s. Mangilall Rungta, a registered partnership firm. In the said proceeding, following had been stated:—

- (i) Late Madan Gopal Rungta had applied to the State Government for grant of renewal of mining lease for Manganese ore by his application dated 16.05.1955.
- (ii) Shri C. P. Rungta has been accepted by the State Government as successor of mining lease.
- (iii) Shri C. P. Rungta in his letter dated 26.07.1969 requested the State Government to grant renewal of ML in favour of M/s. Mangilall Rungta.
- (iv) M/s. Mangilall Rungta is a partnership firm.
- (v) Government of India have conveyed the approval to the grant of renewal of mining lease under Section 8(2) of the MM(DR) Act, 1957 for a period of 20 years for manganese ore with effect from 01.01.1956 over 1771.50 acres (**date not given** & also in whose name the approval was given is not stated). It is pertinent to note here that Shri C. P. Rungta in his letter dated 26.07.1969 had requested to

the State Government to grant renewal of ML in favour of M/s. Mangilal Rungta which was much later than the date of renewal application dated 16.05.1955. **How the lease was granted in favour of M/s. Mangilall Rungta (a partnership registered firm) without transfer under Rule 37 of MCR, 1960?** On this ground itself, the lease should be treated as void and of no effect under Section 19 of the MM(DR) Act, 1957.

First RML:—

The deed for 1st RML was executed on 29.12.1970 in favour of M/s. Mangilal Rungta, a Joint Hindu Family partnership firm represented by one of the partner, Shri S. R. Rungta with retrospective effect from **01.01.1956. In fact, the lease came under the then deemed refusal provision of Rule 24(3) of MCR, 1960 and hence, granted in violation of the then provisions of this Rule.**

Second RML:—

The Second RML was granted vide proceeding No.16451 dated 13.12.1979 wherein it is stated that, *“(i) Whereas M/s. Mangilal Rungta being a partnership firm registered in India; (ii) **whereas the applicant by himself or with any person joint in***

interest with him does not in respect of Manganese or related group of minerals held such area in the State as with the area over which the mining lease has now been asked for will exceed ten square Kms. in the aggregate”.

The deed for 2nd RML was executed on **21.11.1980** in favour of M/s. Mangilal Rungta (registered under Indian Partnership Act, 1932) partnership firm with retrospective effect from **01.01.1976** and signed by one of the partner, **Shri S. R. Rungta**.

The second renewal was granted for a further period of 20 years i.e. up to **01.01.1996**. A lease deed was executed on **21.11.1980** for manganese ore with retrospective effect by **Sri Sita Ram Rungta**. At the time of execution of the said lease deed, Sri Sita Ram Rungta was holding four other mining leases of the area of 1,685.521 ha. which was more than 1,000 ha. (10 Sq. Kms.) that was limited under Section 6(1)(b) and Section 6(3) of the MM(DR) Act, 1957.

The names of the said four leases along with the area are as under:-

(a)	Kalmong Mn. Mines	292.18 ha;
(b)	Jajang Iron/Mn. Mine	669.350 ha.;
(c)	Katasahi Mn. Ore Mine	226.634 ha.; and
(d)	Nadidiha Iron/Mn. Mine	493.910 ha.
	Total	1,682.074 ha.

Shri S. R. Rungta, partner of the firm was holding the joint in interest with the all other leases of various companies like M/s. Rungta Mines (P) Ltd., M/s. Rungta Sons (P) Ltd., M/s. Feegrade & Co. Ltd. and M/s. Bonai Industries Co. Ltd. in addition to the four leases, as stated above at various point of time much exceeding to total lease hold area of 10 square kilometers limit. Hence, it was a flagrant violation of Section 6(1)(b) & (3) of MM(DR) Act, 1957 and on this ground, the renewal should be treated as void and of no effect under Section 19 of the MM(DR) Act, 1957.

Third RML:—

The 3rd RML was granted vide proceeding No.490 dated 21.01.1999 in which it was stated that, **(i)** Whereas the applicant being a **Limited company** is incorporated and registered in India, **(ii)** Whereas the applicant by them do not in respect of manganese or related group of minerals held such area in the State as with the area over which the R.M.L. has now been asked for will exceed ten square kilometers in the aggregate.

At this stage also, S. R. Group / Rungta family was holding the total lease area **3,658.194 ha.** in the Country (Orissa and Jharkhand). For this RML, lease deed was executed on 02.08.1999 in favour of M/s. Mangilal Rungta (registered under Indian Partnership Act, 1932) **partnership firm consisting** of partners (1) Shri Nandlal Rungta, S/o. late Sitaram Rungta, (2) Sri Mukund Rungta, S/o. late Sitaram Rungta. Supplementary lease deed was executed for inclusion of iron as 2nd mineral on **27.09.2003.**

15. M/s. Rungta Sons Pvt. Ltd.:—

M/s. Rungta Sons (P) Limited is holding following leases in the State of Orissa. The details with regard to original grant, 1st and 2nd RML are given in the following Table.

Table: 13

Sr. No.	Name of lease	Total Area of lease (ha.)		
		Original grant	1 st RML	2 nd RML
1	Oraghat Iron Ore Mines	82.961 10.12.82 to 09.12.12	82.961 J-Form applied on 26.11.11	
2	Sanindipur Iron/Bauxite Mines	147.100 Lease deed executed 06.09.85 to 05.09.05	147.10 J-Form applied on 04.02.04	—
3	Katasahi Manganese Ore Mines Transfer to M/s. Rungta Mines Ltd. on 25.10.67 & then to M/s. Rungta Sons (P) Ltd. on 05.01.84	226.624 Shri Madan Gopal Rungta 13.02.57 to 12.02.77	226.624 Lease deed executed on 08.09.80 13.02.77 to 12.02.97	196.860 Lease deed executed on 15.11.03 13.02.97 to 12.02.17
4	Kusumdihi – Kamanda Mn./Bauxite Mines Transferred to M/s. Rungta Sons (P) Ltd. on 22.03.03	43.067 Shri U.C. Mishra 26.02.85 to 25.02.05	43.067 J-Form applied on 08.01.04	

From the above Table, it is apparently clear that leases at Sr. Nos.1, 2 and 3 had been granted on 10.12.1982, 06.09.1985, 05.01.1984 [transfer to M/s. Rungta Sons (P) Ltd.] in favour of M/s. Rungta Sons (P) Ltd. Shri S. R. Rungta was one of the Directors at that period and also a key person in the Company. As discussed, Shri S. R. Rungta was also a Director in all other Companies of S. R. Rungta Group. Before all these grants, the Rungta Group of Shri S. R. Rungta was holding an area of **2,582.139 ha.**

Hence, all these leases were granted in violation of Section 6(1)(b) & (3) of MM(DR) Act, 1957 and attracts the provisions of Section 19 of the said Act. All these leases which were granted over and above to the 10 Sq. Kms. limit are void and of no effect under the said Section 19 of the MM(DR) Act, 1957 from their respective date of grant and transfer.

* * *

**Daitari BOT Project of Orissa Mining Corporation
worth Rs.400 Crores to Kalinga Commercial
Corporation Limited**

**I. Irregularities/Illegalities in awarding the
Contract to M/s. Kalinga Commercial
Corporation Limited:--**

During the visits of the Commission to Orissa State, various complaints were received regarding irregularities/illegalities in awarding the contract to M/s. Kalinga Commercial Corporation Limited (KCC Ltd.) on BOT (Build, Operate and Transfer) basis. The Commission has also received oral complaints, in this matter. To enquire into these complaints, the Commission has asked for the pertaining records from the Orissa Mining Corporation (OMC), Commercial Taxes Department, Orissa and other connected Departments of the State Government. All the records obtained from the above have been perused and analysed. This issue was also discussed with the officials of the OMC at regular intervals.

II. Inferences:--

On perusal of the records, the following inferences in brief have been drawn for further needful action:--

- (a) The OMC entered into a Contract (or Concession Agreement) with KCC Ltd., Bhubaneswar to off-load the existing departmental production and associated work of Daitari Iron Ore Mine on BOT (Build, Operate and Transfer) basis. The said contract, 1/BOT/OMC/MAT/08, was signed between KCC and OMC on 16.04.2010 and was supposed to be operational for a period of 10 years from the date of commencement of the contract with a provision to be further extended by one year at a time, subject to mutual agreement. According to this BOT agreement, M/s. KCC Ltd. was to take over the existing plant and machinery of OMC at Daitari site, make its own investment towards certain additional equipments required to achieve a rated production of 0.64 Million Tonne Per Annum (MTPA) for the first 2 years and 2.0 MTPA thereafter. As per this BOT, the price to be paid by OMC to M/s. KCC Ltd., was Rs.243/- per MT for delivery of ore upto 150% of the rated capacity at the delivery point. If the said ore is supplied to OMC by the contractor at Daitari Railway siding, then the payable price per MT was to be an additional Rs.46/- per MT.

The approximate financial implication of the above BOT agreement (for OMC) at a unit purchase rate of Rs.243/- per MT of Iron Ore delivery was

Rs.31.1 Crores for the first two years and Rs.388.8 Crores for subsequent 8 years, **taking the total to Rs.420 Crores approximately. This was possibly the largest iron ore raising contract handed over to anybody by the OMC Management.**

- (b) As per terms of the BOT agreement, M/s. KCC Ltd. was to complete all the work by 04.04.2011 [within six months from 04.10.2010 i.e. the date of taking over the Plant & Machinery and the site]. The agency could not complete the work and applied for extension up to 30.09.2011 which was approved by OMC Ltd. However, on 29.09.2011, the Dy. Director of Mines, J. K. Road banned activities at Baliparbat Stock yard, Daitari due to non obtaining Forest Clearance from MoEF.
- (c) Meantime, although the main goal of BOT to produce a certain annual quantity of iron ore and delivering the same to OMC could not be achieved at all, the contractor made a surprising claim to the OMC administration that they had already made substantial investment in various plants and machinery and incurred huge expense for watch and ward which should be paid back to them. In all, Rs.74 Crores were claimed by M/s. KCC Ltd. to OMC during March and April, 2012. While analysing such an unusual request from the

contractor, the Dy. Manager (Mechanical) clearly stated that there was no provision in the BOT agreement for making such kind of payment to the contractor, as the basic objective of the contract had not been realized. On the note of Dy. Manager, the following was recorded by DGM (Matl) of OMC:–

“In view of the letter from KCC wherein they had requested OMC Management for release of capital investment as well as monthly expenses incurred towards administrative and security charges, it is worthwhile to mention that there is no such clause under BOT Agreement to commensurate the request of the agency.”

- (d)** However, for some reasons, the management of OMC Ltd. thought that banning of activities at Baliparbat Stock Yard, Daitari by the Dy. Director of Mines, J.K. Road due to non obtaining Forest Clearance (letter dated 29.09.2011) amounted to a “force-majeure” event under Clause 8.1(e) of the Agreement. Accordingly, a Chartered Accountants firm namely, M/s. Venkataraman & Verma, Bhubaneswar, was appointed to calculate the buy-out price, etc. The said appointed Accounting Firm opined, in definitive terms, that the situation on 29.09.2011 when DDM, J.K. Road banned mining activities due to lack of Forest Clearance from MoEF

could not be construed as a “force-majeure event”. The accounting firm stated that as the MoEF clearance did not exist even when tender was being floated / BOT concluded **[a fact which had been made clear in the tender document itself]**, there had been no change in the position on 29.09.2011, warranting declaration of force-majeure. The said views of the accounting firm on this issue were clear and categorical. Nevertheless, the OMC management constituted a committee with the intention to issue force-majeure notice and to consider the strange request of the contractor to pay for the capital investment as an interim measure. Most of the members of the committee were in favour of issuing notice under force-majeure clause under Article 8.1(e) of the agreement against the opinion from their own appointed accounting firm.

- (e) **But the real issue emerged, when the actual claim of the contractor towards its so called capital investments – submitted in the form of several procurement invoices, was examined by this Chartered Accountant Firm. What they found is of profound importance, especially considering the past history and conduct of this particular company – M/s. KCC Ltd. as elaborated below.**

Revelation from the submitted bills of KCC:-

In support of the claim of having made huge capital investment, M/s. KCC Ltd. had submitted several invoices of materials, SUPPOSED TO HAVE BEEN PURCHASED BY THEM AND USED AT DAITARI SITE IN CONNECTION WITH DISCHARGING THEIR BOT OBLIGATION to OMC Management. Most of these bills, which represented expenses incurred by KCC for the so called BOT Project, belonged to certain Kolkata-based suppliers. The OMC Management had asked the Chartered Accountant Firm, Venkataraman & Verma, to examine these bills. Out of the total submitted bills worth nearly Rs.74.15 Crores, the said accounting firm has found the bills of certain suppliers of Kolkata, amounting to Rs.36 Crores to be highly questionable. The findings of the said accounting firm had been intimated to the OMC Management in no uncertain manner. The names of such suppliers whose sale-invoices had been furnished by M/s. KCC requesting payment and were found to be of suspicious / questionable nature by examining said accounting firm, are as follows:-

Sl. No.	Name of the Vendor	Bill Amount (Approx.)
1	Baijnath Mishra & Sons, Kolkata	5.05 Crores
2	R J Mishra & Co, Kolkata	10.87 Crores
3	Universal Trading Corporation, Kolkata	11.43 Crores
4	M R Enterprises, Kolkata	3.63 Crores
5	Automotive Supply Agency, Kolkata	2.50 Crores
6	Shri Poonam Tools, Kolkata	1.35 Crores
7	R J Enterprises, Kolkata	0.29 Crores
8	Vishal Enterprise, Kolkata	1.11 Crores
	Total	36.23 Crores

The above bills contain entries wherein 4% West Bengal VAT has been charged for supplies to Orissa which should be at 2% CST. Further, the bills do not show evidence of manner of transportation of goods from West Bengal to Orissa. These were clear pointers to the possibility of these being fabricated bills with no physical movement of materials. When the said accounting firm asked for copies of the Way-Bills and 'C' forms from this contractor and wanted to examine their books in respect of these fraudulent transactions, the contractor simply tried to stonewall the accountant.

III. Random verification of KCC's bill by Commission:--

The Commission asked for the key documents and files connected with this BOT Project from OMC authorities and made checks on some of the bills submitted by KCC. These bills were from 4 suppliers of Kolkata from whom KCC was supposed to have **procured approximately Rs. 30 Crores of material** for use at Daitari BOT Project. The Commission 's first point of check was to find out whether the materials contained in the submitted invoice had been indeed entered into Orissa from West Bengal through any check gate. This is an easily verifiable aspect, since the trail of physical movement of goods is always available in Commercial Tax Department in the form of Way-bills and C-Form. The reply from the Commissioner of Commercial Taxes, Odisha was surprising. He indicated that out of Rs.30 Crores of bills from these Kolkata-based suppliers, **almost all materials except the material worth Rs.13 lakh had no trace of movement into Odisha State**. This proves that these bills were sham and bogus. The transaction was without actual movement from West Bengal to Odisha. **This is all the more surprising, since a host of OMC officials at Daitari site had countersigned the Contractor's bills certifying its actual delivery and usage at BOT site which is a serious matter.**

It is surprising that despite specific clauses of force majeure event, some members of OMC were prepared to pay the amount without

verifying the actual delivery and usage of machinery. Force Majeure Clauses (8.1) (i), (ii), (e) and (i) would definitely cover the dispute.

In any set of circumstances, the dispute is required to be settled as provided under Article 12 of the Contract. Therefore, prima-facie, there is no question of paying any amount to the contractor at this stage without finalizing the dispute.

IV. Recommendation:--

Due to time constraints, this matter was not fully inquired into. Therefore, it is recommended that the Chief Secretary of State Government, Orissa should constitute Special Investigation Team (SIT) of the experts in field, officers at the rank of Principal Secretary of known integrity to investigate this matter in a time bound manner and take action accordingly.

Date: October, 2013

**(M. B. SHAH)
(Former Judge, Supreme Court of India)**

**Chairman
Commission of Enquiry
for
Illegal Mining of Iron Ore & Manganese**