

# State digs into court orders

## More mining violations by MDC surface

FROM SANTOSH PATNAIK

**Hyderabad, Nov. 21:** In yet another blatant case of violation of the Supreme Court order on mining in tribal areas, the AP Mineral Development Corporation entered into a joint venture with a private miner on a 51:49 equity base and allowed him to mine limestone in Asifabad taluk of Adilabad district.

P Damodar Rao, whose 20-year lease in Survey No 138 in Ada village of Adilabad expired on October 4, 1996, had hit upon the novel idea following the apex court judgement in the State of AP versus Samata case. While disposing of a petition, the court categorically ruled on July 11, 1997, that

except the State or State-owned company or tribals themselves, none should be granted mining leases in scheduled areas. Following no response from the Centre for forest clearance to renew his lapsed lease, Rao represented to the State government

### EQUITY JUMBLE

proposing a joint venture with APMDC. The government, after consulting APMDC through letter No 19421/M-III/98-1 dated January 1, 1999, stated that a joint venture would be the "preferred option" and the lease could be given after a MoU was signed by the Corporation and Rao.

Accordingly, an MoU was signed on December 15, 1999, with 51 per cent equity held by APMDC and the remaining 49 per cent resting with Rao under a joint venture company named Damodhara Minerals Private Limited. The MoU envisaged acquiring mining lease for limestone in 34 acres of reserve forest and included additional mineral, if any, in the said mining lease.

As per the understanding, APMDC would nominate three directors including the chairman while Rao would nominate two directors including the managing director of the company. The MoU also states that P Damodar Rao and Co, obviously another firm

■ Turn to Page 6

# State digs into court orders

FINES

JECCAN CH

FROM PAGE 1

held by Rao, would be given exclusive and complete rights to purchase and market minerals raised in the JVC on the rates to be agreed from time to time between JVC and PDR and Co.

Knowing that individual mining lease to a non-tribal cannot be given, the government floated JVC to enable mining limestone by Rao for 20 years. The Department of Industries and Commerce dashed off a letter on January 27, 2000, enclosing a copy of MoU to the Ministry of Forest for clearance under the Forest Conservation Act.

Another controversial provision states that the JVC shall not sell mineral to any other party, and "will be exclusively sold to PDR and Co." The government then issued another order on August 24 calling for annual plan from the applicant company subject to approval of Ministry of Environment.