

(C.No.122/V&E/NRI/2003)

GOVERNMENT OF ANDHRA PRADESH  
GENERAL ADMINISTRATION (VIGILANCE & ENFORCEMENT) DEPARTMENT

System Improvement Note No. 1

Dated: 21-01-2004.

Sub: Vigilance & Enforcement Department - Evasion of Seigniorage Charges worth crores per year on minor minerals in the construction of private apartments, buildings and commercial complexes - Need to streamline the collection of Seigniorage Fee to prevent loss of revenue to Government - Reg.

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The Vigilance & Enforcement Department of Visakhapatnam unit had carried out inventory on construction of LIG Housing Scheme, Group Housing Scheme and Multi Storied Private apartments in Visakhapatnam to ascertain the consumption of minor minerals like sand, metal, bricks to derive a simple system for calculating the total consumption of minor minerals per unit area of one square feet. For this purpose, the unit has analysed LIG Housing Construction, LIG flats taken up by Visakhapatnam Urban Development Authority and Group Housing Schemes taken up at Marripalem.

The quantities of minor minerals used are divided by constructed area to arrive at the quantity of minerals used per Sq.ft., as shown below.

Sl. No.	Type of const.	Const. Area in SFT	Quantities of Minor Minerals used			Minor Minerals used per Sft.		
			Metal M <sup>3</sup>	Sand M <sup>3</sup>	Bricks (Nos.)	Metal M <sup>3</sup>	Sand M <sup>3</sup>	Bricks (Nos.)
1	LIG	13,512	500	421	88,496	0.037	0.032	6.55
2	FLATS	11,370	374	363	57,263	0.032	0.032	5.04
3	GROUP HOUSE	21,000	665	630	1,03,240	0.032	0.030	4.92
<b>Average :</b>						0.0336	0.0313	5.5

Hence Minor Minerals required per Sft. area :

1. Crushed Metal : 0.0336 M<sup>3</sup>
2. Sand : 0.0313 M<sup>3</sup>
3. Bricks : 5.5 Nos.

The S.Fee leviable per square feet of constructional area is calculated as shown below.

Sl. No.	Mineral	Quantity of Metal, sand & Bricks required per Sft. of construction area	Present rate of SF	S.Fee leviable Rs./-
III	Metal	0.034	X33 =	1.12 or 1.10
	Sand	0.0313	x 30 =	0.93 or 0.90
	Brick	5.5	x0.035 =	0.19 or 0.20
				<u>Rs 2.20</u>

In Corporations like Visakhapatnam, Hyderabad, Vijayawada etc. and in Municipalities, heavy construction activity is going on and new built up area is added every year in the State, including private and public sector undertaking constructions. The Visakhapatnam Municipal Corporation alone is approving 2000 building plans with built up area of 25,000 Sq.Mt i.e., 2,68,750 sft every year. In order to plug the evasion of Seigniorage fee on the usage of minor minerals in the multistoried buildings / complexes / Housing colonies, it is desirable to have a system of transferring information from Municipalities and Municipal Corporations to Mines & Geology Department which in turn will take action for collection of Seigniorage Fee.

### Recommendations

Therefore, the Principal Secretary to Government, Municipal Administration & Urban Development Department is requested to instruct all Municipalities and Municipal Corporations in the State to put a condition / clause in the proceedings of the approved plans of multistoried buildings / complexes / Housing Colonies, that the builder / contractor should obtain the metal, stone, sand, bricks, napa slabs, earth murrum and gravel from quarry lease holders with Royalty transit forms issued by Mines & Geology Department and a copy of the approved proceedings may be marked to concerned Assistant Director, Mines & Geology, who in turn will monitor the procurement of building materials by builder / contractor in order to arrest the leakage of mineral revenue to the Govt.

  
(K.ARAVINDA RAO)

21/1/03  
DIRECTOR GENERAL (VIG. & ENFT.) &  
E.O.PRL.SECY. TO GOVT., G.A.D.

To  
The Principal Secretary to Government,  
Municipal Administration & Urban Development Department,  
A.P.Secretariat, Hyderabad.

Copy to  
The Principal Secretary to Government,  
Industries & Commerce Department,  
A.P.Secretariat, Hyderabad.

GOVERNMENT OF ANDHRA PRADESH  
DEPARTMENT OF MINES & GEOLOGY::HYDERABAD

715  
11/2/09

Circular Memo No.20728/MD/90

Dated.09.02-2009

Sub:- Implementation of AP Mineral Dealers Rules, 2000 consequent upon the orders of High Court of A.P. - Instructions Issued - Reg.

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The Hon'ble High Court of A.P. in WP No.5871/02 and batch, dt.31.10.08 issued orders partly allowing the writ petitions filed challenging certain provisions of A.P. Mineral Dealers Rules, 2000. The High Court held that "From the detailed discussion undertaken above, the conclusion is irresistible that the explanation to Rule 2(h) by which the processed mineral and final products are treated as 'Mineral' is ultra vires the rule making power of the State Government and the same is accordingly struck down. Consequently, the definition of 'Dealer' in Rule 2(1)(d) shall be read down as to exclude the persons, who undertake manufacturing / processing activity using mineral as raw material. It is, however, made clear that the State Government and its officials authorized for this purpose shall be free to inspect and check any premises or factory / industry where the mineral is stored before it is processed / manufactured and exercise the power of seizure of mineral before it is processed and converted into a finished product, if it is found that such mineral has not suffered royalty and / or dead rent." Consequent upon the said orders, Government is contemplating to file a writ appeal against the said order. However, we have to implement the orders of High Court in letter and spirit. Therefore, the ADMG., DDMGs and ZJDMGs are hereby requested to implement the said orders in letter and spirit. A copy of the said judgment is enclosed herewith. However, they are at liberty to take action under the provisions of Rule 26(3)(ii) of APMMC Rules, 1966. According to the said rules, "If no documentary proof is produced in token of having paid the mineral revenue due to the Government by any person who used or consumed or in possession of any mineral including the processed mineral, he shall notwithstanding anything contained in sub-rule (1) be liable to pay five times of the normal Seigniorage fee as penalty in addition to normal Seigniorage fee leviable under the rules."

When the said rule was challenged the Full Bench of the Hon'ble High Court of A.P. in L.Venkateshwar Rao Vs M/s. SCCL., 1993 (3) ALT 199 upheld the said rule. Therefore, demand may be made to produce the documentary proof of mineral revenue payment for all the minerals which are in possession including the processed mineral as per Rule 26(3)(ii) of APMMC Rules, 1966 strictly in terms of the full bench decision of the Hon'ble Court.

Sd./- V.D.Raja Gopal,  
Director of Mines & Geology.

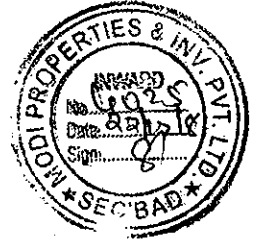
// Attested //

For Director of Mines & Geology

To  
All the ADMGs / DDMGs / ZJDMGs in the State.

BY RPAD

GOVERNMENT OF ANDHRA PRADESH  
DEPARTMENT OF MINES & GEOLOGY



From  
G. Shraavan Kumar Reddy, M.Sc(Tech).,  
Asst. Director of Mines  
& Geology, Nallakunta,  
Hyderabad - 44.

To  
M/s Alpine Estates,  
103, 1<sup>st</sup> Floor, Hriganga Complex,  
Raniging, Secunderabad - 03.

Lr.No.2986/MIS/2005, Dt:16-12-2008

Sir,

Sub: Mines & Quarries - Office of the Asst. Director of Mines & Geology,  
Hyderabad - RIGHT OF INFORMATION ACT, 2005 - Information -  
Furnished - Reg.

Ref: Director of Mines & Geology, Hyd Memo.No.41525/E3/08, dt:28-11-08.

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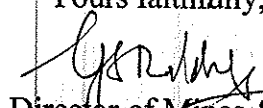
The Director of Mines & Geology, Hyderabad through the reference cited forwarded a copy of representation submitted by M/s Alpine Estate and requested to furnish the information directly to the petitioner immediately.

*In the application M/s Alpine Estate requested to provide the details how the Asst. Director of Mines & Geology, (Vigilance Squad), Hyderabad and Asst. Director of Mines & Geology have arrived at the estimates of quantities of minerals consumed.*

The details are available in the xerox copy of letter forwarded by the Asst. Director of Mines & Geology, (Vigilance Squad), Hyderabad to this office and <sup>with</sup> xerox copy system improvement Note No.1, dt:21-01-2004 enclosed herewith.

Encl:(As above)

Yours faithfully,

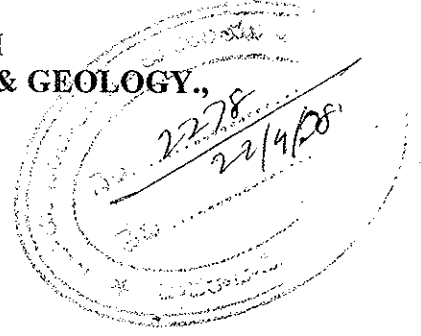
  
Asst. Director of Mines & Geology,  
Hyderabad.

Copy submitted to the Director of Mines & Geology, Hyderabad with reference to  
Memo.No.41525/E3/2008, dt:28-11-2008



GOVERNMENT OF ANDHRA PRADESH  
OFFICE OF THE ASSISTANT DIRECTOR OF MINES & GEOLOGY.,  
VIGILANCE SQUAD : : HYDERABAD.

Lr.No.011/Vg-CS/2008., Dated:17.04.2008.



From:

A.Pradeep Kumar., M.Sc.,  
Asst.Director of Mines & Geology.,  
Vigilance Squad, 2<sup>nd</sup> Floor, H.No.2-4-1053.,  
Plot No.24., Road No.3., New Samathapuri  
Colony., Near Bhavya Hospital.,  
Nagole X Roads., Hyderabad-35.

To

The Asst.Director of Mines & Geology.,  
Nallakunta., Hyderabad.

Sir,

**Sub:** VIGILANCE-Inspection of Civil construction site 'Mayflower Heights'-  
constructed by M/s.Modi Properties & Investments Pvt.Ltd at Mallapur.,  
Nacharam., Hyderabad-Consumption of minor minerals-Non-submission of  
documentary evidences towards payment of seigniorage fee-Realization of  
Seigniorage fee alongwith (5) times penalty-Requested-Regarding.

**Ref:** 1. This office Notice No.011/Vg-CS/2008., Dt:28.03.2008.  
2. Acknowledgement Dt:28.03.2008 from M/s.Modi Properties &  
Investments Pvt.Ltd.

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I invite attention to the subject and references cited. The Vigilance Squad., Hyderabad inspected the civil construction venture 'Mayflower Heights' being constructed by M/s.Modi Properties & Investments Pvt.Ltd at Mallapur, Nacharam, Hyderabad on 28.03.2008 under Rule 26 (3) (i) of A.P.Minor Mineral Concession Rules' 1966. The work was in progress and the constructed plinth area is 1,18,000 Sq.Feet.

Sri.P.Ramesh., Site Engineer., of M/s.Modi Properties & Investments Pvt.Ltd., was present at the site and failed to give the details of procurement of minor minerals for the construction of the site. However, the Site Engineer of the construction firm has given a statement that the project is under construction and the plinth area constructed so far is 1,18,000=00. On the date of inspection, the representative of the firm failed to produce the evidences towards payment of seigniorage fee to the Government.

Based on the above details, M/s.Modi Properties & Investments Ltd., has been issued Notice vide reference 2<sup>nd</sup> cited with a request to produce the documentary evidence towards payment of seigniorage fee to the Government for procurement of minor minerals within (7) days from the date of receipt of the notice. Sri.P.Ramesh., Site Engineer of M/s.Modi Properties & Investments Pvt.Ltd., vide reference 2<sup>nd</sup> cited acknowledged the receipt of notice. In spite of providing sufficient time under principle of natural justice, the firm failed to produce the documentary evidence towards remittance of seigniorage fee to the Government for the minor minerals consumed. Therefore, M/s.Modi Properties & Investments Pvt.Ltd., is liable for action under Rule 26 (3) (ii) of A.P.Minor Mineral Concession Rules' 1966.

Based on the System Improvement Note No.1 (C.No.122/V&E/NR1/203), Dt:21.01 2004 of General Administration (Vigilance & Enforcement Department), the quantities of minor minerals consumed in the construction have been arrived. The details of the minor minerals alongwith the normal seigniorage fee and (5) times penalty is as given under:

S. No	Minor Mineral	Total Quantity (In Cu.Mt)	Rates of Seig.Fee (In.Rs)	Normal Seig.Fee (In Rs.)	(5) Times Penalty (In Rs.)	Total (In Rs.)
1	Metal	3695	45	166275	831375	997650
2	Sand	3694	36	132984	664920	797904
3	Bricks (In No's)	649000	3500	3500	0	3500
	<b>TOTAL</b>			<b>302759</b>	<b>1496295</b>	<b>1799054</b>

In view of the above circumstances, the Asst. Director of Mines & Geology., Hyderabad is requested to realize Rs.17,99,054=00 towards normal seigniorage fee alongwith (5) times penalty from M/s.Modi Properties & Investments Pvt.Ltd.

The address of M/s. Modi Properties & Investments Pvt. Ltd., is as under:

M/s.Modi Properties & Investments Pvt.Ltd.,  
# 5-4-187/3&4., II Floor., M.G.Road.,  
Secunderabad - 500 003.

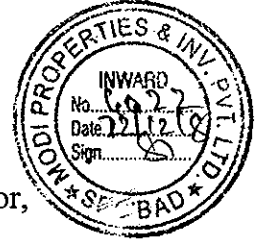
Yours faithfully,

  
ASST.DIRECTOR OF MINES & GEOLOGY.,  
VIGILANCE SQUAD., HYDERABAD.

Copy submitted to the Director of Mines & Geology., Hyderabad for favour of kind information.  
Copy submitted to the Zonal Joint Director of Mines & Geology., Hyderabad for favour of kind information.  
Copy submitted to the Dy. Director of Mines & Geology., Hyderabad for favour of kind information.

BY RPAD

GOVERNMENT OF ANDHRA PRADESH  
DEPARTMENT OF MINES & GEOLOGY



From  
G. Shraavan Kumar Reddy, M.Sc(Tech),  
Asst. Director of Mines  
& Geology, Nallakunta,  
Hyderabad - 44.

To  
M/s Modi Ventures,  
#5-4-187/3 & 4, IIIrd floor,  
M. G. Road,  
Secunderabad - 03.

Lr.No.2986/MIS/2005, Dt:16-12-2008

Sir,

Sub: Mines & Quarries - Office of the Asst. Director of Mines & Geology,  
Hyderabad - RIGHT OF INFORMATION ACT, 2005 - Information -  
Furnished - Reg.

Ref: Director of Mines & Geology, Hyd Memo.No.41525/E3/08, dt:28-11-08.

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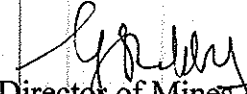
The Director of Mines & Geology, Hyderabad through the reference cited forwarded a copy of representation submitted by M/s Modi Ventures and requested to furnish the information directly to the petitioner immediately.

*In the application M/s Modi Ventures requested to provide the details how the Asst. Director of Mines & Geology (Vigilance) and Asst. Director of Mines & Geology have arrived at the estimates of quantities of minerals consumed.*

**The details are available in the Xerox copy of report of the Asst. Director of Mines & Geology (Vigilance) forwarded by the Director of Mines & Geology, Hyderabad to this office and in the copy of system improvement Note No.1, dt:21-01-2004 enclosed herewith.**

Encl:(As above)

Yours faithfully,

  
Asst. Director of Mines & Geology,  
Hyderabad.

Copy submitted to the Director of Mines & Geology, Hyderabad with reference to  
Memo.No.41525/E3/2008, dt:28-11-2008.

Draw for approval.

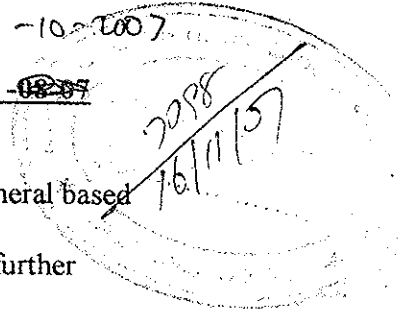
30480

Memo No. ~~22671~~/VG/07

Dated:

-10-2007

~~08-07~~



V/E  
A/M

Sub: DM&G - Vigilance - Inspection of Major Private Constructions and Mineral based Industries by Central Vigilance Squad - Reports forwarded for taking further necessary action under APMMC Rules 1966 - Compliance report called for - Reg.

Ref: Inspection Reports of Sri G. Sharavan Kumar Reddy 21/08/2007

13/11/07

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The attention of the ADM&G, Hyderabad is drawn to the subject and references cited (copy enclosed) wherein Sri G. Sharavan Kumar Reddy ADM&G, central vigilance squad inspected the construction of Gul Mohar Gardens under construction by M/s Modi Venkates at Mallapur (V) Keesara (R), R.R. Dist. The ADM&G (Vigilance) further reported that the builders failed to produce documentary evidence of having paid S. Fee to the Govt for the minor minerals consumed in the construction even after issue of Notice by him.

Therefore, the ADM&G Hyderabad is directed to take necessary action as recommended in the inspection report under APMMC Rules 1966 and submit compliance report in the matter within one month without fail.

Encl (As above)

Page ~~1~~ cr

To,

The Asst. Director of Mines & Geology, Hyderabad

Copy to the ZJDM&G, Hyderabad

Copy to the DDM&G, Hyderabad

[Signature]  
for Director of Mines & Geology,  
22/10  
Hyderabad.

[Signature]  
22/10/07

Attested  
[Signature]  
ADM&G (Vig)



- 1 -

30480  
2007

**REPORT ON INSPECTION OF MAJOR PRIVATE CIVIL CONSTRUCTION SITE**

As part of Vigilance work and as per the instructions issued by the Director of Mines & Geology, Hyderabad in Cir.Memo.No.12960/Vg/2006, dated 26.6.2007, along with Regional mobile squad of Hyderabad inspected Gulmohar Gardens, 350 apartments under construction located at Sy.No.93 to 95 of Mallapur Vg., Keesara Mandal, Ranga Reddy District developed by M/s.Modi Ventures, sister concern of M/s Modi Properties & Investments (P) Limited, 5-4-187/3&4, II Floor, Soham Mansion, M.G. Road, Secundrabad - 500 003 on 19.7.2007 under rule 26 (3) (i) of APMNC Rules 1966. The builder is constructing 350 apartments under 5 blocks. Sri.A.Ramesh, Project Manager present at the site failed to give the details of quantities of stone metal, Sand and bricks used in the construction of apartments. The Manager informed that the builder constructing 350 apartments under 5 blocks and construction of 3,80,900 Sq.feet of Plinth area besides laying of internal CC Roads and compound wall was completed. The above details are recorded in separate observation sheet (A-1) and the signature of the Manager was also obtained.

As per system improvement note No.1 (C.No.122/V&E/NR1/203) dt.21.1.2004 of General Administration (V&E) Department, the Minor Minerals required for one Square feet of built up area is as follows.

1. Metal: 0.0336M<sup>3</sup>
2. Sand: 0.0313M<sup>3</sup>
3. Clay Bricks: 5.5 Nos.

Accordingly the quantities of Minor Minerals used in the construction of 3,80,900 Square Feet plinth area and internal CC Roads in Gulmohar Gardens apartments are as follows:

1. Metal: 11957 M<sup>3</sup>
2. River Sand: 10921 M<sup>3</sup>
3. Gravel: 377 M<sup>3</sup>
4. Limestone Slabs: 929 Sq.meters.

A Notice No.07/CCW/RR/07 dated 19.7.2007 (A-2) intimating the above quantities of Minor Minerals used in construction has been issued to the builder at the site itself with a request to furnish the documentary evidence of having paid the seigniorage fee i.e., Transit Forms/Passes etc., within 10 days.

M/s.Modi Ventures., through letter dated 18.8.2007 (A-3) submitted Xerox copies of 431 waybills for 2489.14M<sup>3</sup> of Sand along with a statement showing the details of the waybills, Xerox copies of 100 Transit Passes for 566 of Metal alongwith statement showing the details of TPs and Xerox copies of 77 invoices for 4687 M<sup>3</sup> of RMC along with statement showing the details of RMC invoices.

The 431 waybills (Xerox Copies) for sand covered 2489.14 M<sup>3</sup> were seen and the following irregularities noticed.

1. There is no name and address of the consignee i.e., M/s.Modi Ventures., Mallapur on all the 431 waybills.
2. The 141 waybills are found to be triplicate and original. The triplicate and original waybills are not valid since duplicate (Second Copy) only is considered as the documentary evidence of having paid Seigniorage fee. There is no date on 2 waybills. Hence, 143 way bills covering 829.96 M<sup>3</sup> of Sand are not considered.

There are 288 duplicate waybills covering a quantity of 1630 M<sup>3</sup>. Even though there is no name of consignee i.e., M/s. Modi Ventures, Mallapur on the waybills the same are considered as it is a general practice that the waybills are issued with out writing the name of the consignee at the Quarry sites. The (288) duplicate waybills could not be verified with regards to date, DPO facsimile etc., as there is no technical staff to do the same work. The Asst. Director of Mines & Geology, Hyderabad may be asked to get the waybills verified by his staff and take action accordingly.

The Xerox copies of 100 Transit Passes covering 566 M<sup>3</sup> were seen and the following irregularities noticed.

1. The 25 transit passes pertain to Asst. Director of Mines & Geology, Mahaboobnagar. Since it is not feasible for the builder to procure the metal from 80 KMs away from the construction site these 25 transit passes covering 141.5 M<sup>3</sup> of metal are not considered.

The remaining 75 transit passes pertaining to Asst. Director of Mines & Geology, Hyderabad covering 424.5 M<sup>3</sup> of metal are considered since they appear to be duplicate copies. The (75) duplicate waybills could not be verified with regards to date, Asst. Director of Mines & Geology facsimile etc., as there is no technical staff to do the same work. The Asst. Director of Mines & Geology, Hyderabad may be asked to get the waybills verified by his staff and take action accordingly.

The builder has produced Xerox copies of 77 invoices for 4687 M<sup>3</sup> of RMC. As per standard formula the quantity of Metal and Sand required for manufacture of one cubic meter of RMC (M20 and M25 Grade) are 0.92 Cu.M. and 0.46 Cu.M respectively. Accordingly the quantity of Metal and Sand required for 4687 M<sup>3</sup> of RMC are 4312.04 M<sup>3</sup> and 2156.02 M<sup>3</sup> respectively. The Asst. Director of Mines & Geology, Hyderabad may be requested to get the RMC invoices reconciled with the RMC manufacturers and suppliers for validity by his Technical staff.

The builder has produced the documentary evidence for 4636.54M<sup>3</sup> of Metal and 3786 M<sup>3</sup> of Sand only. M/s.Modi Ventures, Mallapur has failed to produce documentary evidence for having paid the Seigniorage fee for 7134.98 M<sup>3</sup> of Sand (10921 - 3786.02), 7974.46 of Metal (12711 - 4736.54), 377 M<sup>3</sup> of Gravel and for 929 Sq.meters of Limestone Slabs.

From the above it is obvious that the builder illegally procured and used the above quantities of Minor Minerals in the construction of Gulmohar Gardens apartments and is liable to pay evaded seigniorage fee with 5 times penalty of Rs.37,72,950/- under rule 26(3)(ii) of APMMC Rules, 1966 as detailed below:

Mineral	Quantity (in M <sup>3</sup> )	Normal SF	5 Times Penalty	Total
Metal	7974.46	Rs.3,58,851/-	Rs.17,94,255/-	Rs.21,53,106/-
River Sand	7134.98	Rs.2,56,860/-	Rs.12,84,300/-	Rs.15,41,160/-
Gravel	377	Rs.7,540/-	Rs.37,700/-	Rs.45,240/-
Limestone Slabs	929 M <sup>2</sup>	Rs.5,574/-	Rs.27,870/-	Rs.33,444/-
<b>Total</b>		<b>Rs.6,28,825/-</b>	<b>Rs.31,44,125/-</b>	<b>Rs.37,72,950/-</b>

Besides the above, the builder has utilized large quantities of Metal and Sand in Cement bricks and huge quantity of sand in construction of outer compound wall in the Gulmohar Gardens Apartments project. As we are not aware of standard formula, the quantities of minor minerals used in cement bricks and compound wall was not mentioned in the notice but the builder was asked to produce the documentary evidence of having paid the Seigniorage fee for the same. Since the builder failed to produce any Transit forms/Waybills for the sand and metal used in cement bricks and Sand used in construction in compound wall, the Asst. Director of Mines & Geology, Hyderabad may be asked to address the builder either to submit the documentary evidence or to pay the Seigniorage fee with the penalty for the same.

**Recommendations:**

The inspection report along with original record of enquiry consisting (2854 pages) Xerox copies of waybills for Sand, Metal, RMC invoices etc., alongwith statements showing details herewith submitted may be sent to Asst. Director of Mines & Geology, Hyderabad for realization of evaded seigniorage fee with penalty of Rs. 37,72,950/- and also to collect Seigniorage fee with penalty for the sand and metal used in cement bricks and for sand used in construction in compound wall from M/s. Modi Ventures, sister concern of M/s Modi Properties & Investments (P) Limited, 5-4-187/3&4, II Floor, Soham mansion, M.G. Road, Secmndrabad - 500 003. The Asst. Director of Mines & Geology, Hyderabad may be requested to intimate the progress in realization of the amount to the Vigilance Unit for information and record

The receipt of the report along with original record of enquiry consisting Xerox copies of waybills of Sand, Metal and RMC invoices alongwith statements showing details etc., (2854 pages) may kindly be acknowledged.

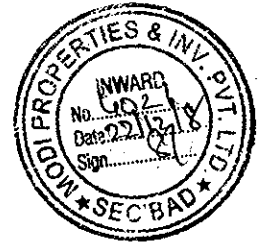
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Encl: (2854 Pages)

  
G. Shrivani Kumar Reddy,  
Asst. Director of Mines & Geology, Vigilance

BY RPAD

GOVERNMENT OF ANDHRA PRADESH  
DEPARTMENT OF MINES & GEOLOGY



From  
G. Shraavan Kumar Reddy, M.Sc(Tech).,  
Asst. Director of Mines  
& Geology, Nallakunta,  
Hyderabad - 44.

To  
M/s Mehta & Modi Homes,  
#5-4-187/3 & 4, IIIrd floor,  
M. G. Road,  
Secunderabad - 03.

Lr.No.2986/MIS/2005, Dt:16-12-2008

Sir,

Sub: Mines & Quarries - Office of the Asst. Director of Mines & Geology,  
Hyderabad - RIGHT OF INFORMATION ACT, 2005 - Information -  
Furnished - Reg.

Ref: Director of Mines & Geology, Hyd Memo.No.41525/E3/08, dt:28-11-08.

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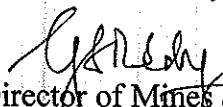
The Director of Mines & Geology, Hyderabad through the reference cited forwarded a copy of representation submitted by M/s Mehta & Modi Homes and requested to furnish the information directly to the petitioner immediately.

*In the application M/s Mehta & Modi Homes requested to provide the details how the Asst. Director of Mines & Geology (Vigilance) and Asst. Director of Mines & Geology have arrived at the estimates of quantities of minerals consumed.*

**The details are available in the Xerox copy of report of the Asst. Director of Mines & Geology (Vigilance) forwarded by the Director of Mines & Geology, Hyderabad to this office and in the copy of system improvement Note No.1, dt:21-01-2004 enclosed herewith.**

Encl:(As above)

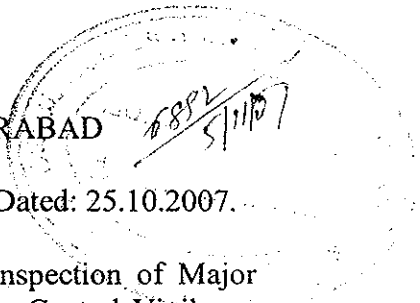
Yours faithfully,

  
Asst. Director of Mines & Geology,  
Hyderabad.

Copy submitted to the Director of Mines & Geology, Hyderabad with reference to  
Memo.No.41525/E3/2008, dt:28-11-2008.



GOVERNMENT OF ANDHRA PRADESH  
DEPARTMENT OF MINES AND GEOLOGY :: HYDERABAD



Memo No.31446/Vg/2007

Dated: 25.10.2007.

Sub: Department of Mines and Geology – Vigilance – Inspection of Major Private Constructions and Mineral based Industries by Central Vigilance Squad – Reports forwarded for taking further necessary action under APMMC Rules 1966 – Compliance report called for – Reg.

Ref: Inspection Reports of Sri.G.Sharavan Kumar Reddy dt:27.08.2007.

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The attention of the Asst.Director of Mines and Geology, Hyderabad is drawn to the subject and reference cited (copy enclosed) wherein Sri.G.Sharavan Kumar Reddy Asst.Director of Mines and Geology, Central Vigilance Squad inspected the construction of M/s.Silver Oak Bungaluowas Phase, I & II under construction by M/s.Mehta Modi Homes at Charlapally Village, Keesara Mandal, Ranga Reddy District. The Asst.Director of Mines and Geology (Vigilance) further reported that the 1610 Transit passes produced by the builder area either forged or invalid only part of consumption of minor minerals is covered by payment of Seigniorage Fee.

Therefore, the Asst.Director of Mines and Geology, Hyderabad is directed to take necessary action as recommended in the inspection report under Andhra Pradesh Minor Mineral Concession Rules, 1966 and submit compliance report in the matter with in one month without fail.

Encl: (as above)

Sd/-B.R.V.SUSHEEL KUMAR,  
for DIRECTOR OF MINES AND GEOLOGY.

// T.C.F.B.O.//

*Al*  
SUPERINTENDENT

To  
The Asst.Director of Mines and Geology, Hyderabad.

Copy to the Zonal Joint Director of Mines and Geology, Hyderabad.  
Copy to Deputy Director of Mines and Geology, Hyderabad.

FM10/26.10.07

31446  
28 AUG 2007

**REPORT ON INSPECTION OF MAJOR PRIVATE CIVIL CONSTRUCTION SITE**

As part of Vigilance work and as per the instructions issued by the Director of Mines & Geology, Hyderabad in Cir.Memo.No.12960/Vg/2006, dated 26.6.2007, I along with Regional mobile squad of Hyderabad inspected Silver Oak Bungalows, Phase -I & II (75+68 duplex houses) under construction located at Sy. No.35 to 39 & 291 of Charlapally Vg., Keesara Mandal, Ranga Reddy District developed by M/s. Mehta & Modi Homes, sister concern of M/s Modi Properties & Investments (P) Limited, 5-4-187/3&4, II Floor, Soham mansion, M.G. Road, Secundrabad - 500 003 on 19.7.2007 under rule 26 (3) (i) of APMMC Rules 1966. The construction of (75) duplex houses under phase-I and (26) duplex houses under phase-II is in progress and the flooring work is going on. Sri.Ranjeeth Prabhath & Hari Swaroop, Managers present at the site failed to give the details of quantities of stone metal, Sand and bricks used in the construction of duplex houses. As per the brochures (A-1) given by the Managers, the builder constructing 75 duplex houses under phase-I and 68 duplex houses under phase-II. The Managers informed that constructions of (75) duplex houses under phase-I and (26) duplex houses under phase-II are just completed and the total built up area of 101 duplex houses (75+26) is 2,95,680Sq.feet. They also informed that the internal CC Roads for 3,500 Running Feet and compound wall of 1600 Running Feet completed besides 2.5 lakhs of cement bricks were used is in the constructions. The above details are recorded in separate observation sheet (A-2) and the signature of the Manager was also obtained.

As per system improvement note No.1 (C.No.122/V&E/NR1/203) dt.21.1.2004 of General Administration (V&E) Department, the Minor Minerals required for one Square feet of built up area is as follows.

1. Metal: 0.0336M<sup>3</sup>      2. Sand: 0.0313M<sup>3</sup>      3. Clay Bricks: 5.5 Nos.

Accordingly the quantities of Minor Minerals used in the construction of 2,95,680 Square Feet area in Silver oak bungalows are as follows:

1. Metal: 9935 M<sup>3</sup>      2. River Sand: 9255 M<sup>3</sup>      3. Cement bricks 2.5 Lakhs.

A Notice No.12/CCW/RR/07 dated 19.7.2007 (A-3) intimating the above quantities of Minor Minerals used in construction has been issued to the builder at the site itself with a request to furnish the documentary evidence of having paid the seigniorage fee i.e., Transit Forms/Passes etc., within 10 days.

M/s.Mehta & Modi Homes., through letter dated 18.8.2007 (A-4) submitted Xerox copies of 651 waybills for 3684.66M<sup>3</sup> of Sand along with a statement showing the details of the waybills, Xerox copies of 168 Transit Passes/Forms for 950.88 M<sup>3</sup> of Metal alongwith statement showing the details of TFs/TPs and Xerox copies of 34 invoices for 1601 M<sup>3</sup> of RMC along with statement showing the details of RMC invoices.

The 651 waybills (Xerox Copies) for sand covered 3684.66 M<sup>3</sup> were seen and the following irregularities noticed.

1. There is no name and address of the consignee i.e., M/s.Mehta & Modi Homes., Cherlapally on all the 651 waybills.
2. There are 121 triplicate waybills covering quantity of 684.86 M<sup>3</sup> of Sand and (59) original waybills covering quantity of 333.94 M<sup>3</sup> of Sand. The 180 triplicate and original waybills covering 1018.8 M<sup>3</sup> of Sand are not valid since duplicate (Second Copy) only is considered as the documentary evidence of having paid Seigniorage fee.

There are 471 duplicate waybills covering a quantity of 2665.86 M<sup>3</sup>. Even though there is no name of consignee i.e., M/s.Mehta & Modi Homes., Cherlapally on the waybills the same are considered as it is a general practice that the waybills are issued with out writing the name of the consignee at the Quarry sites. The (471) duplicate waybills could not be verified with regards to date, DPO facsimile etc., as there is no technical staff to do the same work. The Asst. Director of Mines & Geology, Hyderabad may be asked to get the waybills verified by his staff and take action accordingly.

The Xerox copies of 168 Transit Passes & Transit Forms covering 950 M<sup>3</sup> were seen (and the following irregularities noticed. By RMB

1. There are 20 Transit Forms (17 pertaining to Asst. Director of Mines & Geology Medak and 3 pertaining to Asst. Director of Mines & Geology, Hyderabad) for 113.2 M<sup>3</sup> of Rough Stone. Since the transit forms are issued for despatch of Rough Stone from quarry to stone crusher, the transit forms are not considered for finished metal.
2. One transit form 5.66 M<sup>3</sup> of metal is found to be without Asst. Director of Mines & Geology facsimile.
3. The 9 transit passes covering 50.91 M<sup>3</sup> of metal pertaining to Asst. Director of Mines & Geology, Mahaboobnagar is not considered since it is not feasible for the builder to procure metal from 80 KMs away from the site.

The remaining 136 transit passes (120 pertaining to Asst. Director of Mines & Geology, Hyderabad and 16 transit passes belongs to Asst. Director of Mines & Geology, Medak) covering 781.08 M<sup>3</sup> of metal are considered since they appear to be duplicate copies. The (136) duplicate waybills could not be verified with regards to date, Asst. Director of Mines & Geology facsimile etc., as there is no technical staff to do the same work. The Asst. Director of Mines & Geology, Hyderabad may be asked to get the waybills verified by his staff and take action accordingly.

The builder has produced Xerox copies of 34 invoices for 1601 M<sup>3</sup> of RMC. As per standard formula the quantity of Metal and Sand required for manufacture of one cubic meter of RMC (M20 and M25 Grade) are 0.92 Cu.M. and 0.46 Cu.M respectively. Accordingly the quantity of Metal and Sand required for 1601 M<sup>3</sup> of RMC are 1472.92 M<sup>3</sup> and 736.46 M<sup>3</sup> respectively. The Asst. Director of Mines & Geology, Hyderabad may be requested to get the RMC invoices reconciled with the RMC manufacturers and suppliers for validity by his Technical staff.

The builder has produced the documentary evidence for 2254 M<sup>3</sup> of Metal and 3402.32 M<sup>3</sup> of Sand only. M/s. Mehta & Modi Homes., Cherlapally has failed to produce documentary evidence for having paid the Seigniorage fee for 5852.68 M<sup>3</sup> of Sand (9255 - 3402.32) and for 7681 of Metal (9935 - 2254) besides for Gravel, metal and sand used in construction of 3,500 Running feet of CC Road, 1600 Running feet of compound wall and 2.5 lakhs of cement bricks.

From the above it is obvious that the builder illegally procured and used the above quantities of Minor Minerals in the construction of (101) duplex houses and is liable to pay evaded seigniorage fee with 5 times penalty of Rs.33,38,052/- under rule 26(3)(ii) of APMMC Rules, 1966 as detailed below:

Mineral	Quantity (in M <sup>3</sup> )	Normal SF	5 Times Penalty	Total
Metal	7681	Rs. 3,45,645/-	Rs. 17,28,225/-	Rs. 20,73,870/-
River Sand	5852.68	Rs. 2,10,697/-	Rs. 10,53,485/-	Rs. 12,64,182/-
Total		Rs. 5,56,342/-	Rs. 27,81,710/-	Rs. 33,38,052/-

Besides the above, the builder has utilized large quantities of gravel and metal in laying of internal 3,500 running feet CC roads, sand and metal in 2.5 lakhs of cement bricks and huge quantity of sand in construction of inner and outer compound wall in the Silver Oak bungalows. As we are not aware of standard formula, the quantities of minor minerals used in roads, cement bricks and compound walls was not mentioned in the notice but the builder was asked to produce the documentary evidence of having paid the Seigniorage fee for the same. Since the builder failed to produce any Transit forms/Waybills for the gravel and metal used in roads, cement bricks and Sand used in construction in compound wall, the Asst. Director of Mines & Geology, Hyderabad may be asked to address the builder either to submit the documentary evidence or to pay the Seigniorage fee with the penalty for the same.

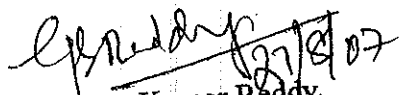


**Recommendations:**

The inspection report along with original record of enquiry consisting (2378 pages) Xerox copies of waybills for Sand, Metal, RMC invoices etc., alongwith statements showing details,herewith submitted may be sent to Asst.Director of Mines & Geology, Hyderabad for realization of evaded seigniorage fee with penalty of Rs. Rs.33,38,052/- and also to collect Seigniroage fee with penalty for the gravel and metal used in roads, cement bricks and for sand used in construction in compound wall from. M/s.Mehta & Modi Homes, sister concern of M/s Modi Properties & Investments (P) Limited, 5-4-187/3&4, II Floor, Soham mansion, M.G. Road, Secundrabad - 500 003. The Asst.Director of Mines & Geology, Hyderabad may be requested to intimate the progress in realization of the amount to the Vigilance Unit for information and record.

The receipt of the report along with original record of enquiry consisting Xerox copies of waybills of Sand, Metal and RMC invoices alongwith statements showing details etc., (2378 pages) may kindly be acknowledged.

Encl: (2378 Pages)

  
G. Shraavan Kumar Reddy,  
Asst. Director of Mines &  
Geology, Vigilance



4023  
22/12/08  
8

BY RPAD

**GOVERNMENT OF ANDHRA PRADESH  
DEPARTMENT OF MINES & GEOLOGY**

From  
G. Shravan Kumar Reddy, M.Sc(Tech).,  
Asst. Director of Mines  
& Geology, Nallakunta,  
Hyderabad - 44.

To  
M/s Paramount Builders,  
#5-4-187/3 & 4, IInd floor,  
Soham Mansion, M. G. Road,  
Secunderabad - 03.

**Lr.No.2986/MIS/2005, Dt:16-12-2008**

Sir,

Sub: Mines & Quarries - Office of the Asst. Director of Mines & Geology,  
Hyderabad - RIGHT OF INFORMATION ACT, 2005 - Information -  
Furnished - Reg.

Ref: Director of Mines & Geology, Hyd Memo.No.41525/E3/08, dt:28-11-08.

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The Director of Mines & Geology, Hyderabad through the reference cited forwarded a copy of representation submitted by M/s Paramount Builders and requested to furnish the information directly to the petitioner immediately.

*In the application M/s Paramount Builders requested to provide the details how the Asst. Director of Mines & Geology (Vigilance) and Asst. Director of Mines & Geology have arrived at the estimates of quantities of minerals consumed.*

**The details are available in the Xerox copy of report of the Asst. Director of Mines & Geology (Vigilance) forwarded by the Director of Mines & Geology, Hyderabad to this office and in the copy of system improvement Note No.1, dt:21-01-2004 enclosed herewith.**

Encl:(As above)

Yours faithfully,

  
Asst. Director of Mines & Geology,  
Hyderabad.

Copy submitted to the Director of Mines & Geology, Hyderabad with reference to  
Memo.No.41525/E3/2008, dt:28-11-2008.

31444

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## REPORT ON INSPECTION OF MAJOR PRIVATE CIVIL CONSTRUCTION SITE

As part of Vigilance work and as per the instructions issued by the Director of Mines & Geology, Hyderabad in Cir.Memo.No.12960/Vg/2006, dated 26.6.2007, I along with Regional mobile squad of Hyderabad inspected Paramount Residency, 260 apartments under construction located at Sy.No.176 of Nagaram Vg., Keesara Mandal, Ranga Reddy District developed by M/s. Paramount Builders, sister concern of M/s Modi Properties & Investments (P) Limited, 5-4-187/3&4, II Floor, Soham Mansion, M.G. Road, Secundrabad - 500 003 on 19.7.2007 under rule 26 (3) (i) of APMMC Rules 1966. The builder is constructing 260 apartments under Six blocks. Sri.S.V.Subba Reddy, Assistant Project Manager present at the site failed to give the details of quantities of stone metal, Sand and bricks used in the construction of apartments. As per the brochure (A-1) given by the Manager, the builder constructing 260 apartments under Six blocks. The Manager informed that construction of 1,14,400 Sq.feet of Plinth area besides 8,000 Sq.feet of <sup>sub-storeroom</sup> proposed area was completed. The above details are recorded in separate observation sheet (A-2) and the signature of the Manager was also obtained.

*W.M.R. Rao*  
*V.S.*  
*27/8/2007*

As per system improvement note No.1 (C.No.122/V&E/NR1/203) dt.21.1.2004 of General Administration (V&E) Department, the Minor Minerals required for one Square feet of built up area is as follows.

1. Metal: 0.0336M<sup>3</sup>
2. Sand: 0.0313M<sup>3</sup>
3. Clay Bricks: 5.5 Nos.

Accordingly the quantities of Minor Minerals used in the construction of 1,14,400 Square Feet area in Paramount Residency apartments are as follows:

1. Metal: 3844 M<sup>3</sup>
2. River Sand: 3580 M<sup>3</sup>

A Notice No.11/CCW/RR/07 dated 19.7.2007 (A-3) intimating the above quantities of Minor Minerals used in construction has been issued to the builder at the site itself with a request to furnish the documentary evidence of having paid the seigniorage fee i.e., Transit Forms/Passes etc., within 10 days.

M/s. Paramount Builders., through letter dated 18.8.2007 (A-4) submitted Xerox copies of 117 waybills for 751.16M<sup>3</sup> of Sand along with a statement showing the details of the waybills, Xerox copies of 33 Transit Passes for 186.78 of Metal alongwith statement showing the details of TPs and Xerox copies of 42 invoices for 2785 M<sup>3</sup> of RMC along with statement showing the details of RMC invoices.

The 117 waybills (Xerox Copies) for sand covered 751 M<sup>3</sup> were seen <sup>by RMS staff</sup> and the following irregularities noticed.

1. There is no name and address of the consignee i.e., M/s.Paramount Builders., Nagaram on all the 117 waybills.
2. There are 15 triplicate waybills covering quantity of 101.66 M<sup>3</sup> of Sand. The triplicate and original waybills are not valid since duplicate (Second Copy) only is considered as the documentary evidence of having paid Seigniorage fee.

There are 102 duplicate waybills covering a quantity of 649.5 M<sup>3</sup>. Even though there is no name of consignee i.e., M/s. Paramount Builders, Nagaram on the waybills the same are considered as it is a general practice that the waybills are issued with out writing the name of the consignee at the Quarry sites. The (102) duplicate waybills could not be verified with regards to date, DPO facsimile etc., as there is no technical staff to do the same work. The Asst. Director of Mines & Geology, Hyderabad may be asked to get the waybills verified by his staff and take action accordingly.

The Xerox copies of 33 Transit Passes covering 186.78 M<sup>3</sup> were seen <sup>by RMS staff</sup> and the following irregularities noticed.

1. There is no name and address of the consignee on 15 Transit Passes pertaining to Asst. Director of Mines & Geology, Nalgonda. Since the transit passes are issued without name and address of the consignee the same are not considered.
2. The 6 transit passes pertaining to Asst. Director of Mines & Geology, Nalgonda are found to be blank without entries. Hence, the above mentioned 21 (15+6) transit passes covering 118.86 M<sup>3</sup> of metal was not considered.

The remaining 12 transit passes pertaining to Asst. Director of Mines & Geology, Hyderabad covering 67.92 M<sup>3</sup> of metal are considered since they appear to be duplicate copies. The (12) duplicate waybills could not be verified with regards to date, Asst. Director of Mines & Geology facsimile etc., as there is no technical staff to do the same work. The Asst. Director of Mines & Geology, Hyderabad may be asked to get the waybills verified by his staff and take action accordingly.

The builder has produced Xerox copies of 42 invoices for 2785 M<sup>3</sup> of RMC. As per standard formula the quantity of Metal and Sand required for manufacture of one cubic meter of RMC (M20 and M25 Grade) are 0.92 Cu.M. and 0.46 Cu.M respectively. Accordingly the quantity of Metal and Sand required for 2785 M<sup>3</sup> of RMC are 2562.2 M<sup>3</sup> and 1281.1 M<sup>3</sup> respectively. The Asst. Director of Mines & Geology, Hyderabad may be requested to get the RMC invoices reconciled with the RMC manufacturers and suppliers for validity by his Technical staff.

The builder has produced the documentary evidence for 2630.12M<sup>3</sup> of Metal and 1930 M<sup>3</sup> of Sand only. M/s. Paramount Builders, Nagaram has failed to produce documentary evidence for having paid the Seigniorage fee for 1649.4 M<sup>3</sup> of Sand (3580 - 1930.6) and for 1213.88 of Metal (3844 - 2630.12)

From the above it is obvious that the builder illegally procured and used the above quantities of Minor Minerals in the construction of Paramount Residency apartments and is liable to pay evaded seigniorage fee with 5 times penalty of Rs.6,84,018/- under rule 26(3)(ii) of APMMC Rules, 1966 as detailed below:

Mineral	Quantity (in M <sup>3</sup> )	Normal SF	5 Times Penalty	Total
Metal	1213.88	Rs.54,625/-	Rs.2,73,125/-	Rs.3,27,750/-
River Sand	1649.4	Rs. 59,378/-	Rs.2,96,890/-	Rs.3,56,268/-
Total		Rs.1,14,003/-	Rs.5,70,015/-	Rs.6,84,018/-

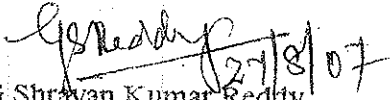
Besides the above, the builder has utilized large quantities of gravel and metal in laying of internal roads, Metal and Sand in Cement bricks and huge quantity of sand in construction of outer compound wall in the Paramount Residency Apartments project. As we are not aware of standard formula, the quantities of minor minerals used in roads, cement bricks and compound wall and the quantities of minor minerals used in club house was not mentioned in the notice but the builder was asked to produce the documentary evidence of having paid the Seigniorage fee for the same. Since the builder failed to produce any Transit forms/Waybills for the gravel, sand and metal used in roads, cement bricks and Sand used in construction in compound wall, the Asst. Director of Mines & Geology, Hyderabad may be asked to address the builder either to submit the documentary evidence or to pay the Seigniorage fee with the penalty for the same.

**Recommendations:**

The inspection report along with original record of enquiry consisting (1762 pages) Xerox copies of waybills for Sand, Metal, RMC invoices etc., alongwith statements showing details herewith submitted may be sent to Asst. Director of Mines & Geology, Hyderabad for realization of evaded seigniorage fee with penalty of Rs. 6,84,018/- and also to collect Seigniorage fee with penalty for the gravel, sand and metal used in roads, cement bricks, club house and for sand used in construction in compound wall from. M/s. Paramount Builders, sister concern of M/s Modi Properties & Investments (P) Limited. S-4-187/3&4, II Floor, Soham mansion, M.G. Road, Secundrabad - 500 003. The Asst. Director of Mines & Geology, Hyderabad may be requested to intimate the progress in realization of the amount to the Vigilance Unit for information and record.

The receipt of the report along with original record of enquiry consisting Xerox copies of waybills of Sand, Metal and RMC invoices alongwith statements showing details etc., (1762 pages) may kindly be acknowledged.

Encl: (1762 Pages)

  
G. Shrawan Kumar Reddy,  
Asst. Director of Mines & Geology, Vigilance