

**BEFORE THE NATIONAL GREEN TRIBUNAL
SOUTHERN ZONE, CHENNAI (SZ)**

ORIGINAL APPLICATION NO.46 OF 2022

IN THE MATTER OF:

Perala Shekhar Rao,
Hyderabad, Telangana State.

...Applicant(s)

- Vs -

Union of India,
Through its Secretary,
MoEF & CC, New Delhi and Ors

...Respondent(s)

ADDITIONAL DOCUMENT FILED BY THE DISTRICT COLLECTOR – R7

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Place: Chennai

Date: 21.06.2025



Mrs. H. Yasmeen Ali,
Standing counsel for 7th Respondent



HIGH COURT OF JUDICATURE AT HYDERABAD
FOR THE STATE OF TELANGANA AND THE STATE OF
ANDHRA PRADESH

(Rule 4(e) of the High Court of Judicature at Hyderabad
For the State of Telangana and Andhra Pradesh
PUBLIC INTEREST LITIGATION RULES, 2015

WP (PIL) No. 183 of 2018

BETWEEN:-

Mr. Gajjala Kantham, S/o. Gajjala Mallaiah,
Aged about 37 years, Occ: Social Worker,
R/o. H.No. 8-3-318/4/D, New Peddamma Colony,
Sapthagiri Colony, Karimnagar District
Mobile No. 9618957074,
PAN No. AIKPG 1185C, GAJJALA. KANTHAM
Voter ID No. XLHO1798610
Email ID: gktjac@gmail.com

...Petitioner

AND

1. The State of Telangana,
Rep. by its Principal Secretary,
Industries & Commerce Department,
Secretariat at Hyderabad.
(Fax No. 23220550)
2. The Chief Secretary,
Secretariat at Hyderabad-TS
3. The Director General,
Vigilance & Enforcement,
Government of Telangana,
9th Floor, BRKR Bhavan,
Liberty, Hyderabad-500029
(Fax No. 23221917)
4. The Regional Vigilance &
Enforcement Officer,
Government of Telangana,
Karimnagar,
(Fax No. 23221917)

5. The Director,
Department of Mines & Geology
Government of Telangana,
BRKR Bhavan, 8th Floor,
Hyderabad
(Fax.Nos.23225519 & 23220649)
6. The Assistant Director of Mines
& Geology (Vigilance)
Government of Telangana,
H.No.10-2-848/5, 2nd Floor,
Vidyanagar, Karimnagar
(Cell No.9440817775)
7. The Assistant Director of Mines
& Geology (Regular)
Government of Telangana,
H.No.7-2-773/1, Ponnamp Complex,
Karimnagar
(Fax No.08782240708)
8. M/s.Swetha Agencies @ Swetha Granites
Rep. by its Managing Partner
Sri.G.Sudhakar,
H.No.3-1-205, Christian Colony,
Karimnagar Town & District
9. M/s.Swetha Agencies
Raghavapuram
10. M/s.A.S.Shipping (P) Ltd.,
Uppal, Peddapalli, Gangadhara
11. M/s.JM Baxi Company
Karimnagar
12. M/s.Maithili Aditya
13. M/s.KVR Agencies
Gangadhara



14. M/s.Aravind Granites
Raghavapuram
15. M/s.Sandiya Agencies
Uppal, Lingampet Jagityal

...Respondents

1. AFFIDAVIT OF THE PETITIONER

I, Gajjala Kantham, S/o.Gajjala Mallaiah, Aged about 37 years, Occ: Social Worker, R/o.H.No.8-3-318/4/D, New Peddamma Colony, Sapthagiri Colony, Karimnagar District, having temporarily come down to Hyderabad, do hereby solemnly and sincerely affirm and state on oath as follows. I am the deponent herein and Petitioner in the above Writ Petition, as such I am well acquainted with the facts of the case.

2. PARTICULARS OF THE CAUSE/ORDER AGAINST WHICH THE PETITION IS MADE:

That the Petitioner is questioning the inaction of the Official Respondents more particularly the Respondent Nos.5 & 6 in failing to recover penalty amount of Rs.749,66,76,882/- from the Unofficial Respondent Nos.8 to 15 in pursuance of the directions given by the Respondent No.1 by its Memo dt.20-07-2013 vide Memo No.9884/M.II(1)/2013-1 and also is consequential orders, inspite of receiving representation dt.18-01-2017 from the Petitioner, besides the Petitioner

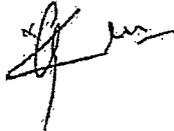
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approached the Official Respondents to take necessary action since the date of the said representation, as arbitrary, ex-facie illegal, highhanded collusion, discriminatory, dereliction of duty arising on their part, by giving colourable exercise of their power.

3. **PARTICULARS OF THE PETITIONER:**

It is respectfully submit that I am a social worker and did lot of public work and fought for Public Rights against the State and now I am filing a Probono Public Interest Litigation to protect public money by recovering penalty amount of Rs.749,66,76,882/- from the Unofficial Respondent Nos.8 to 15 in pursuance of the directions given by the Respondent No.1 by its Memo dt.20-07-2013 vide Memo No.9884/M.II(1)/2013-1, in the light of the Petitioner's representation dt.18-01-2017. But I am putting my best efforts to protect public money, where the Official Respondents has to recover said penalty amount of Rs.749,66,76,882/- from the Unofficial Respondent Nos.8 to 15 by filing the PIL questioning the arbitrary and highhanded action of the State.



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4. LOCUS STANDI:

- 4.1. That the present Writ Petition is being filed by way of Public Interest Litigation and the Petitioner does not have any personal interest in the matter. This Petition is being filed in the larger interest of the public who are within the jurisdiction of the Respondents and I am filing the above PIL for espousing the public cause by questioning the accountability of the Official Respondents more particularly the Respondent Nos.5 & 6 in failing to discharge their official duties arising on their part, instead of that they are highhandedly giving colourable exercise of their power.
- 4.2. That the entire costs of the litigation including Advocate's fee and other charges are being borne by the Petitioner and that the Petitioner has Email address.
- 4.3. That a thorough research has been conducted in the matter raised through this Petition and his team and all the relevant documents pertinent to the subject are discovered by the Petitioner to this Petition. The Petitioner has collected



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information through following the procedure stipulated by the Authorities.

- 4.4. That to the best of the Petitioner knowledge and research, the issue raised was not dealt with or decided and that a similar or identical petition was not filed earlier by the Petitioner. I submit that I am filing this PIL after obtaining the relevant documents and after submitting oral and written representations, consequently after having been completely satisfied that the Official Respondents more particularly the Respondent Nos.5 & 6 are causing loss of public money by not recovering penalty amount of Rs.749,66,76,882/- from the Unofficial Respondent Nos.8 to 15 in pursuance of the directions given by the Respondent No.1 by its Memo dt.20-07-2013 vide Memo No.9884/M.II(1)/2013-1 and also consequential direction by its subordinates, in the light of the Petitioner's representation dt.18-01-2017.
- 4.5. That the Petitioner understood that in the course of hearing of this petition, the Hon'ble Court may require any security to be furnished towards costs or any other charges and the Petitioner shall comply with such requirements. This issue
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was not dealt with or decided earlier and I have not filed any similar or identical petition earlier. I also understood that in the course of hearing of this petition, I may be required to furnish any security towards any cost or any other charges and I will comply with such requirement.

5. FACTS IN BRIEF:

1. I respectfully submit that, I am a social worker and for the protection of public money and public property in preventing loss of exchequer to the State. I have made several representations to the Government and also got filed Public Interest Litigation cases before the Hon'ble High Court. I am also a RTI Activist to keep an eye on the corrupt Government Officials to save public money. Similarly in respect of the present case I have obtained information under RTI Act 2005 from Respondent Nos.6 & 7 i.e. Assistant Director Mines and Geology Department (both Regular and Vigilance). In which I have noticed that the Joint Secretary to the Government of Andhra Pradesh, Industries & Commerce (Mines-II) Department before formation of Telangana State has issued a Memo dt.20-07-2013 vide Memo No.33295/Vg/2013 by



addressing to the Respondent No.5 by inter-alia informing that Vigilance & Enforcement Department to take up an inquiry into the matter as per their credible information the aforesaid granite agencies who are the Unofficial Respondent Nos.8 to 15 have transported granite blocks through Railways from Karimnagar District by recording lesser measurements to the actual measurements resulting in calculation of lesser volume and less payment of Seigniorage Fee and gave several findings. Ultimately the Vigilance and Enforcement Department (Respondent No.4) has made recommendation to the Government for issuing suitable instructions to Director of Mines & Geology, Hyderabad (Respondent No.5) to ensure to take action against the aforesaid granite agencies in the following manner.

- (a) To take necessary action against the Agencies (1) M/s.Swetha Agencies, (2) M/s.Swetha Agencies @ Swetha Granites (3) M/s.A.S.Shipping (P) Ltd., (4) M/s.JM Baxi Company (5) M/s.Maithili Aditya (6) M/s.KVR Agencies, (7) M/s.Aravind Granites & (8) M/s.Sandiya Agencies and ensure that the evaded Seigniorage along with penalty of Rs.749,66,76,882/- (Normal Seigniorage Fee of Rs.124,94,46,147/- and penalty of Rs.624,72,30,735/-) from

[Signature]

that the Vigilance & Enforcement Agencies have transported granite blocks through Railways from Karimnagar District by recording lesser measurements to actual measurements, resulting in calculating of lesser volume and less payment of Seigniorage Fees from the year 2006-2011 (i.e. for 5 years). But as per the Vigilance & Enforcement enquiry report and its enclosures, the data based on which the illegally transported quantity and the evaded Seigniorage Fee worked out pertains to the period from 2008-2011, where the total quantity transported without permits in cubic meters by the aforesaid Granite Transporting Agencies which were caught red-handed in various Railway Stations of Karimnagar District and the said total quantity measurements was calculated to 7,68,889.937 cubic meters. But the total normal Seigniorage Fee evaded by the aforesaid Granite Transporting Agencies was Rs.124,94,46,147/-. Against the said normal Seigniorage Fee five times penalty of normal Seigniorage Fee was levied on the aforesaid Granite Transporting Agencies which is totally amounting to Rs.624,72,30,735/-, as per Rule 26(3) (I) (II) of AP Minor & Mineral Concession Rules 1966. Therefore the aforesaid

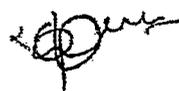
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the concerned as per Rule 26(3)(i) & (ii) of APMMC Rules, 1966.

- (b) In various enquires conducted over the years regarding the evaded Seigniorage Fee on Granite, it has been the experience of the Vigilance & Enforcement Department, that while dealing with the calculations for collection of Seigniorage Fee the Mines & Geology Department is basing only on the volume of the Granite, whereas in the entire gamut of Granite Transactions only the weight of the granite is being taken for calculation of other things. Therefore to avoid all the technical anomalies, the Seigniorage Fee on the granite blocks may be levied basing only on the weight of the granite block instead of volume.

In these circumstances the said Joint Secretary to Government Industries and Commerce (Mines-II) Department who is under the control of the Respondent No.1 has directed the Respondent No.5 to comply with the aforesaid recommendation of Vigilance and Enforcement Department and furnish the Report of Vigilance & Enforcement Department/Industries & Commerce Department immediately.

2. Thereafter the Respondent No.5 have issued Memo dt.28-08-2013 addressing to the Assistant Director Mines & Geology (Vigilance), Karimnagar (Respondent No.6) wherein the Respondent No.5 have stated that the Government informed



Granite Transporting Agencies have never paid the said Normal Seigniorage Fee as well as five times penalty of Normal Seigniorage Fee which is totally amounting to Rs.749,66,76,882/- and the same are still evaded by the aforesaid Granite Agencies with oblique motives for their unjust enrichment which is causing loss of public revenue. But the Mines & Geology Department including the Respondent No.5 as well as their superiors and subordinate jointly and severally are under obligation to collect and recover the aforesaid total amount of Rs.749,66,76,882/-. But till today the Respondent Nos.5 & 6 failed to recover the said evaded Seigniorage Fee from the said Granite Transporting Agencies, for the reasons best known to their Department, which is raising several doubts of highhanded collusion with the said granite agencies, otherwise the Respondent No.5 would have collected the said amount long back. Therefore the said Granite Transporting Agencies are highly politically influential persons, as such they are succeeding in not paying the aforesaid liable penalty amount arising due to the Respondent No.5 and their officers weak preparation which is giving bonus to such law breakers, in order to evade to pay

the said Normal Seigniorage Fee with five times penalty. If the Respondent No.5 has taken timely action, Government would not have suffered loss of public exchequer, it appears because of unscrupulous officers, the said transporting agencies are evading to pay the said amount with penalty. Instead of making the Granite Transporting Agencies black listed, the said Granite Agencies are obtaining fresh permissions and again continuing the same kind of violations.

3. That apart the Respondent No.5 in contravention to the A.P Minor Mineral Concession Rules 1966, more particularly ultravires to Section Rule 26(3)(I)(II) of APMMC Rules has not levied 10 times penalty, instead of that imposed 5 times penalty, but now reduced to five time penalty of normal Seigniorage Fee to one time penalty by causing loss of Government exchequer, and the same was discovered by me under RTI ACT 2005 from their Assistant Director vide Letter dt.28-11-2016. But the actions of the Respondent No.5 of waiving by reducing penalty from five times to one time is contrary to the said statutory mandate for which the Respondent No.5 are accountable for causing loss of public revenue while waiving five time penalty, besides the



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Respondent No.1 is also equally liable in waiving the five time penalty by reducing to one time. However the aforesaid Granite Transporting Agencies have even neither paid the said Normal Seigniorage Fee of one time penalty nor five time penalty. Despite that the Respondent No.5 are failed to recover the said evaded amount for the reasons best known to him. That the Respondent No.5 have again addressed a memo dt.15-07-2016 and 05-08-2016 addressing to their Assistant Director (both Regular & Vigilance) to collect the said normal Seigniorage Fee plus one time penalty, which is contrary to Rule 26(3)(I) & (II) of APMMC Rules 1966. Therefore the action of Respondent No.5 is ultravires to the said statutory mandate and the Respondent No.5 is also called upon to recall his said decision of collecting one time penalty instead of five time penalty by withdrawing the said Memos in order to prevent loss of public money and collect five time penalty of Normal Seigniorage Fee from the aforesaid Granite Transporting Agencies who are the law breakers. Since the Official Respondents are not responding, I have to approach this Hon'ble Court questioning their erroneous decision by holding the Respondent No.5 liable

and their officers including superior officers to whom the copy of representation is marked herewith. If the Respondent No.5 fails to recover evaded the five time penalty of normal Seigniorage Fee and by recalling his decision of one time penalty. Further the Respondent No.5 was requested to furnish the details as to whether any defaulting agency has paid the penalty and what is the amount recovered till today from the above said defaulting agency. It is also relevant to submit that earlier also I have made several oral complaints about the aforesaid facts, but of no use. In these circumstances, on the aforesaid lines I have submitted a detailed written representation dt.18-01-2017 addressing to the Respondent No.5 by marking copy to all their higher officials as well as their lower officials who are the Respondent Nos.1 to 4 including 6 & 7 by bringing to their light and knowledge about the aforesaid Government which is causing loss of state exchequer. Even I have caution them that, if timely action is not taken I will be constrained to approach this Hon'ble Court for necessary action holding all of them liable for costs and consequences arising thereof. It is also relevant to submit that, I have learnt the reducing of five



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time penalty to one time is also waived, because the said scheme of one time penalty was for a specific time period as per the Government Orders. But the said time period was already lapsed, because of which the Respondent No.5 is under obligation to collect five time penalty of Normal Seigniorage Fee for the year 2008-2011 from the said Granite Transporting Agencies which is public money by taking a stringent action against them. I have also gathered information that the Granite Transporting Agencies who are the Unofficial Respondents herein are also contemplating in destroying the evidences against them in collusion with some of their high level officers and their unscrupulous officers are colluded with them for their unjust enrichment, otherwise they would have collected the said five time penalty long back and their silence in not collecting the said evaded penalty amounts to highhanded collusion. It is also relevant to submit that the Petitioner under Right to Information Act has discovered information from the Respondent No.6 that the said penalty amount of Rs.749 Crores and odd was not reduced to one time penalty, besides the Respondent No.5 issued them orders to collect the said normal Seigniorage

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Fees plus one time penalty. However out of the said Unofficial Respondent Nos.8 to 15, only the Respondent No.8 has got filed Writ Petition in W.P.No.31075 of 2016 before the Single Bench of this Hon'ble Court and obtained interim orders. But the Respondent No.6 also further gave information that there is no exemption on the Unofficial Respondents and are the orders are awaited from the Government and this Hon'ble Court where the Revisions and Writ Petitions are filed. However the Respondent No.6 have not given details of any of the Revisions or Writ Petitions filed except the said Writ Petition in W.P.No.31075 of 2016 and the Respondent No.6 ensures that their department will act as per the outcome of the Orders from the Government and Hon'ble High Court, which clearly reflects that the Official Respondents are deliberately showing their silence and also not serious. Therefore the silence of the Official Respondents in not discharging their legitimate duty arising on their part amounts to arbitrariness and giving colourable exercise of their powers. Hence the above present Public Interest Litigation is being filed, otherwise the general public will suffer heavy and irreparable loss which cannot be



compensated at any cost. Hence the Petitioner is constrained to approach this Hon'ble Court by invoking in the extraordinary jurisdiction under Article 226 of the Constitution for redressal of public grievance.

SOURCE OF INFORMATION:

The Petitioner collected the aforesaid information under Right to Information Act from the Respondent No.6 through its Letter dt.06-09-2016 vide Lr.No.1294/E/09 in response to my RTI Application dt.01-09-2016. Accordingly the Petitioner gave representation to the Respondent No.5 by marking copies to the other Official Respondents on 18-01-2017 by requesting them to take necessary action against the Unofficial Respondents by implementing its own orders, but of no use.

6. **NATURE OF EXTENT OF INJURY CAUSED / APPREHENDED**

If the Official Respondents more particularly the Respondent No.5 failed to collect Seigniorage Fees from the Unofficial Respondents which was imposed with five time penalties

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amounting to Rs.749,66,76,882/- for the period from 2008-2011 in pursuance of their Memo.

7. ANY REPRESENTATION ETC MADE

I have submitted I have made written representation on 18-01-2017 to the Official Respondents to take necessary action against the Unofficial Respondents to collect the said penalty amount.

8. DELAY, IF ANY

There is no delay in filing this petition between the last information and the filing of this PIL instant, as this is a continuous cause of action. Therefore, in the event of this Hon'ble Court coming into conclusion that there is any delay in approaching this Hon'ble Court, the same may be condoned, if any.

9. DOCUMENTS RELIED UPON ARE:

1. Copy of Written Representation to the Respondent No.5, dt.18-01-2017, Copy of Letter addressed to the Assistant Director of Mines & Geology, (Regular) under RTI Act 2005 dt.28-10-2016, Copy of Reply sent by Assistant Director of Mines and Geology, (Vigilance), Karimnagar vide Lr.No.3441/ E/2005



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dt.28-11-2016, Copy of Letter dt.01-09-2016, Copy of Letter, dt.06-09-2016, Copy of Memo No.33295/Vg/2013 dt.28-08-2013, Copy of Memo No.9884/M.II(1)/2013-1 dt.20-07-2013, Copy of Statement along with Annexure dt.30-08-2016, Copy of G.O.Ms.No.35 dt.04-12-2014, Copy of Memo No.6665/R1/2016 dt.15-07-2016, Copy of Memo No.6665/R1-3/2016 dt.05-08-2016, Copy of Representation endorsement by the Respondent No.5 dt.18-01-2017, Copy of Representation endorsement by the Minister for major industries dt.18-01-2017, Copy of Representation endorsement by the Respondent No.5 dt.18-01-2017, Copy of Representation endorsement by the Respondent No.7 dt.21-01-2017, Copy of Representation endorsement by the Respondent No.4 dt.21-01-2017 and Copy of Representation endorsement by the Principal Secretary, Industries & Commerce, Department dt.18-01-2017.

10. I submit that the Petitioner herein has no other alternative or officious remedy except to invoke the extraordinary jurisdiction of this Hon'ble Court under Article 226 of the Constitution of India.

11. I submit that the Petitioner herein has not invoked the jurisdiction of any other Court, Tribunal, Quasi Judicial Authority,

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seeking the same relief, which has been sought for in the present Writ Petition.

12. RELIEF PRAYED IS AS FOLLOWS:

It is therefore prayed that this Hon'ble Court may be pleased to issue a Writ, Order or Direction more particularly one in the nature of "Writ of Mandamus" by declaring the action of the Official Respondents more particularly the Respondent Nos.5 & 6 in failing to recover penalty amount of Rs.749,66,76,882/- from the Unofficial Respondent Nos.8 to 15 in pursuance of the directions given by the Respondent No.1 by its Memo dt.20-07-2013 vide Memo No.9884/M.II(1)/2013-1 and its consequential orders, inspite of receiving representation dt.18-01-2017 from the Petitioner, besides approaching the Official Respondents to take necessary action since the date of the said representation, as arbitrary, ex-facie illegal, highhanded collusion, discriminatory, dereliction of duty arising on their part, by giving colourable exercise of their power and consequently may direct the Official Respondents more particularly the Respondent Nos.5 & 6 to implement their own proceedings dt.28-08-2013 and 20-07-2013 including consequential orders by considering the Petitioner's

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representation dt.18-01-2017 in the interest of justice and may pass such other Order or Orders as this Hon'ble Court may deem fit and proper in the circumstances of the case.

13. INTERIM PRAYER:

It is also further prayed that this Hon'ble Court may be pleased to direct the Official Respondents more particularly the Respondent Nos.5 & 6 to consider and pass appropriate orders on the Petitioner's representation dt.18-01-2017 in the interest of justice, pending disposal of the main Writ Petition and may pass such other Order or Orders as this Hon'ble Court may deem fit and proper in the circumstances of the case.

14. CAVEAT:

It is respectfully submitted that no Caveat has been received of lodging a Caveat by the opposite party/Respondents.

15. I submit that I did not face Contempt of Court proceedings under the Contempt of Courts Act, 1971.

16. I have not been ordered by this Hon'ble Court or any other Court not to file Public Interest Litigation cases.

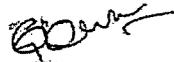


17. I submit that I am not involved in a Civil, Criminal and Revenue which has a nexus with present W.P. (PIL).

18. I hereby solemnly state under oath affirm and declare that the Writ Petition is being instituted purely in public interest and not at the instance of any other person or organization other than the Petitioner.

19. I hereby solemnly state on oath and affirm and declare that the questions raised in the Writ Petition has not been raised are agitated earlier and that there are no other cases(s) or Petition(s) filed or that are pending before this Hon'ble Court or any other form or Court to the best of my knowledge, research and belief.

Sworn and signed before me,
On this the 06th day of July, 2018,
At Hyderabad


DEPONENT

Before me,

ADVOCATE::HYDERABAD

VERIFICATION STATEMENT

I, Gajjala Kantham, S/o.Gajjala Mallaiiah, Aged about 37 years, Occ: Social Worker, R/o.H.No.8-3-318/4/D, New Peddamma Colony, Sapthagiri Colony, Karimnagar District,



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having temporarily come down to Hyderabad, I being the Petitioner herein, do hereby verify that the above paras are true and correct and also believe to be true on legal advice and that I have not suppressed any material facts. Hence verified on this 06TH day of July, 2018 at Hyderabad.

Advocate for Petitioner


Deponent

IN THE HIGH COURT OF JUDICATURE AT HYDERABAD
FOR THE STATE OF TELANGANA AND THE STATE OF ANDHRA PRADESH

W.P.(PIL) No.183/2018

Between:
Gajjela Kantham
Karimnagar

... Petitioner

And

State of Telangana,
Rep:by Pri. Secretary,
Industries and Commerce Department,
Secretariat, Hyderabad & Others

... Respondents

AFFIDAVIT FILED BY THE 5TH RESPONDENT HEREIN

I, B.R.V. Susheel Kumar son of B.V. Krishna Kumar, aged 55 years,
Designation: Director of Mines & Geology, Telangana State, R/O Hyderabad
do hereby solemnly and sincerely affirm and state on oath as follows:

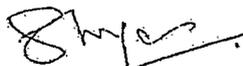
1. I am the 5th respondent herein and as such am well acquainted with the facts of the case.
2. I submit that this Hon'ble Court while hearing W.P.(PIL) No.183 of 2018 on 23.10.2018 passed the following the order:

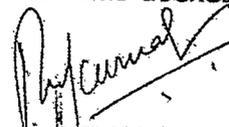
"Heard Sri Nazir Ahmed Khan learned counsel for the petitioner, learned Govt. Pleader official respondents and Sri T. Sreedhar for respondents 8 & 9.

We have perused the undated report filed by the Director of Mines and Geology. After perusing the report and after taking note of the gaps in the report the learned Govt. Pleader seeks two weeks time to file a comprehensive report setting in detail all the dates and events and the steps taken by the Department vis-à-vis the alleged recovery of royalty and seigniorage fee from the unofficial respondents. The request is accepted.

Post on 06.11.2018 for filing detailed report as indicated above.

The learned Govt. Pleader is given liberty to communicate this docket order to respondent No. 5."


ATTESTOR
Mineral Revenue Officer


RESPONDENT

3. I submit that pursuant to the above directions of this Hon'ble Court dated 23.10.2018, the present Comprehensive Report is being filed in the form of an affidavit setting in detail all the dates and events and the steps taken by the Department vis-à-vis the recovery of evaded seigniorage fee from the unofficial respondents, which reads thus:

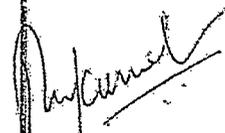
REPORT:

- I. The Hon'ble High Court vide its order dated 10.07.2018 in W.P. (PIL) No. 383/2018 directed the 5th respondent (Director of Mines and Geology) to look into the entire allegations in the writ petition and place a report before this court regarding different aspects, in particular, the penalty and other payable in accordance with all applicable loss as regarding the activities carried out by respondent No. 3 to 15.
- II. In pursuance of the said order, the Director of Mines and Geology vide Memo. No.8629/PIL-LS/2018, dated 11.07.2018 directed the DDM&G, Warangal and ADM&G, Karimnagar respondents 7th herein to furnish the action taken report alongwith present status, so as to submit status report before the Hon'ble High Court as per the directions issued on 10.07.2018.
- III. Accordingly, the DDM&G, Warangal vide letter No. 2934/Vg-KNR/2016, dated 24.07.2018 furnished the action taken report to the Director of Mines and Geology, Hyderabad.
- IV. Based on the report submitted by the DDM&G, Warangal, the DM&G, Hyderabad prepared status report and requested the Addl. Advocate General to place the status report before the Hon'ble High Court and appear on behalf of the State Government as and when the case is listed for hearing vide Lr.No. 8629/PIL-LS/2018, dated 25.07.2018.

The details of the status report are as under:


ATTESTOR

Mineral Revenue Officer
Department of Mines and Geology
Government of Telangana


DEPONENT

Director of Mines and Geology
Govt. of Telangana, Hyderabad

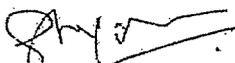
I. Action taken to realize the penalty:

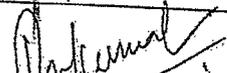
V. The Govt. in the Ind. & Com. Dept. vide Memo No.9884/M.II(1)/2013-1, dated 20.07.2013 forwarded the Vigilance & Enforcement Appraisal Report No.60 (C.No.268/NR1/2013), dated 29.05.2013 and directed the Director of Mines & Geology to comply with the recommendations of the V&E Dept. and furnish report in the matter.

VI. In the said Appraisal Report, it is stated that the V&E Dept. have taken-up an enquiry on credible information that some agencies indulged in transportation of granite blocks through Railways from Karimnagar District by recording lesser measurements to the actual measurements, resulting in calculation of lesser volume and less payment of seigniorage fee and submitted report to the Govt. duly recommending issue of necessary instructions to the Director of Mines & Geology on the following:

1. To take necessary action against the transporting agencies involved in evasion of seigniorage fee and ensure recovery of evaded seigniorage fee with penalty Rs.749,66,76,882 as per Rule 26(3)(i) & (ii) of APMMC Rules, 1966:

Sl. No.	Name of the Agency	Name of the Railway Stock Yard	Quantity Transported without Transit Permit (CUM)	Evaded Seig. Fee (In Rs)	Five times penalty (In Rs)	Total (In Rs)
1	M/s Swetha Agencies	Raghavapur,	25,814.965	4,19,49,318	20,97,46,590	25,16,95,908
2	M/s. Swetha Agencies	Karimnagar,	3,55,554	57,77,75,250	2,88,88,76,250	346,66,51,500
3	M/s. A.S. Shipping Pvt. Ltd	Pedcapalli, & Gangadhara,	40,868.93	6,64,12,011	33,20,60,055	39,84,72,066
4	M/s J.M. Baxi & Co.,	Karimnagar,	1,18,951	19,32,95,375	96,64,76,875	115,97,72,250
5	M/s. Maithily Adithya	Gangachara,	2,07,128	33,65,83,000	168,29,15,000	201,94,98,000
6	M/s. KVK Agencies	Gangadhara,	5,585.325	92,38,653	4,61,93,265	5,54,31,918
7	M/s Aravind Granites	Raghavapuram,	5,837.717	94,86,290	4,74,31,450	5,69,17,740
8	M/s. Sandhya Agencies	Uppal & Jagichya,	9050	1,47,06,250	7,35,31,250	8,82,37,500
		Total	768889.937	124,94,46,147	624,72,30,735	749,66,76,882


ATTESTOR
 Mineral Revenue Officer


 DEPARTMENT

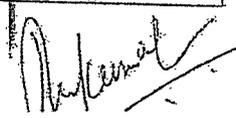
2 To avoid all the technical anomalies, the seigniorage fee for the granite blocks shall be levied basing on the weight on the granite block instead of volumetric tonnage.

VII. In pursuance of the Govt. instructions, the Director of Mines and Geology vide Memo No.33295/Vg/2013, dated 28.08.2013 forwarded Appraisal Report No.60 (C.No.268/NR1/2013), dated 29.05.2013 and directed the Asst. Director of Mines & Geology, (Vigilance), Karimnagar to take necessary action for realization of Rs.749,66,76,882/- from the Agencies towards evaded seigniorage fee with penalty and submit compliance in the matter.

VIII. Accordingly, the ADM&G (Vigilance), Karimnagar under the principles of natural justice issued Show Cause Notice to all the (8) Agencies involved in transportation of Granite blocks proposing action as per the finding of the V&E Dept., the details are as below:

S. No.	Agency	SCN No. & Date	Response
1	M/s Swetha Agencies, Raghavapur	1500/Vg-KNR/2013-14, dt. 16-09-2013	The Agency produced documentary evidences issued by (51) lease holders along with the consignment. After reconciliation of the evidences, issued show cause notice followed by demand notice for Rs. 2.21 Crores towards normal seigniorage fee and Rs. 10.81 Crores towards 5-times penalty totaling to Rs. 13.02 Crores. Aggrieved by the demand notice (45) lease holders preferred Revision Application before the Govt. wherein the Govt. permitted for payment of normal seigniorage fee+1-time penalty. Accordingly collected Rs 3.86 Crores on the differential quantity as per the revision orders (NSF + 1-time penalty) from (43) lease holders.
2	M/s. Swetha Agencies, Karimnagar	1501/Vg-KNR/2013-14, dt. 16-09-2013	Produced documentary evidence and it is under verification.
3	M/s. A.S. Shipping Pvt. Ltd., Peddapalli & Gangadhara	1502/Vg-KNR/2013-14, dt. 16-09-2013	Reply submitted stating that they are only logistic provider of the blocks and produced lease holder-wise document evidence and it is under verification.
4	M/s J.M. Baxi & Co., Karimnagar	1503/Vg-KNR/2013-14, dt. 16-09-2013	Produced documentary evidence and it is under verification.
5	M/s. Maithily Adithya, Gangadhara	1504/Vg-KNR/2013-14, dt. 16-09-2013	Produced documentary evidence and it is under verification.
6	M/s. KVK Agencies, Gangadhara	1135/RV&EO/2013-14, dt. 12-07-2013	Produced part documentary evidence and it is under verification.


Mineral Revenue Officer
Department of Mines and Geology
ATTESTOR

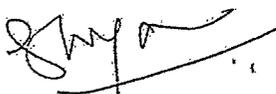


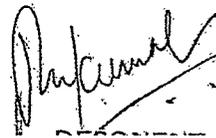
7	M/s Aravind Granites, Raghavapuram	1506/Vg-KNR/2013-14, dt. 16-09-2013	The Agency produced documentary evidences issued by (23) lease holders along with the consignment. After reconciliation of the evidences, issued show cause notice followed by demand notice for Rs.0 .54 Crores towards normal seigniorage fee and Rs. 2.69 Crores towards 5-times penalty totaling to Rs. 3.23 Crores. Aggrieved by the demand notice (20) lease holders preferred Revision Application before the Govt. wherein the Govt. permitted for payment of normal seigniorage fee+1-time penalty. Accordingly collected Rs 0.92 Crores on the differential quantity as per the revision orders (NSF + 1-time penalty) from (19) lease holders.
8	M/s. Sandhya Agencies, Uppal & Jagityal	1507/Vg-KNR/2013-14, dt. 16-09-2013	Produced part documentary evidence and it is under verification.

IX. The documentary evidence produced by the agencies after verification with the railway receipts, notice is being issued to the lease holders and penalty raised for the differential quantity.

Some of the lease holders have preferred Revision before Govt. as per Rule 35-A of TSMC Rules, 1966 against the demand notices issued by the ADM&G Vigilance Karimnagar. The Govt. disposed the said Revisions directing to collect normal seigniorage fee along with 1-time penalty against the said demand notices.

- X. In the meanwhile, on representation by the lease holders seeking permits pending verification of documentary evidence, for transportation of granite blocks, the Govt. vide Memo No.4191/M.I(2)/2016, dated 03.05.2016 reviewed the matter and issued following general instructions:
- i. Collect normal seigniorage fee as raised by V&E Dept. plus 1-time penalty.
 - ii. The ADMG, Karimnagar (Regular) to issue permits for the fresh blocks only after payment of seigniorage fee before dispatch of minerals from the quarry leased area.
 - iii. If any of the Agencies have claim and has the substantial evidence to prove that they paid the seigniorage fee; they may approach the Govt. by filing Revision with valid grounds.
 - iv. All such cases will be dealt on case to case basis as per rules read with the material papers submitted and if found genuine, they will be permitted to get such amounts adjusted to the quantity for which the seigniorage fee has to be paid in future.


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Further, M/s Sandhya Agencies filed W.P.No.30840/2016 against the Govt. Memo No.4191/M.I(2)/2016, dated 03.05.2016. The Hon'ble High Court on 19-09-2016 issued interim directions in W.P.M.P.No.38180/2016 in W.P.No.30840/2016 for suspension of ADM&G Vigilance, Karimnagar letter based on Govt. Memo No.4191/M.I(2)/2016, dated 03.05.2016 as below:

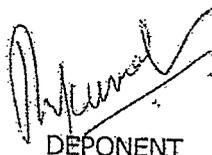
"Since, the impugned notices is issued without supplying the vigilance report and without issuing any prior show cause notice, there shall be interim suspension as prayed for".

W.P. No. 30840/2016 is pending disposal before Hon'ble High Court.

- XI. As the matter stood thus, the Govt. issued orders dt.11.10.2016 for reorganization of the districts wherein Karimnagar District has been bifurcated into (4) districts viz., Peddapalli, Jagityal, Rajanna Sirisilla & Karimnagar. The Vigilance offices of the Department in the State have been converted into regular offices after creation of new districts including in Karimnagar District.
- XII. The Govt. vide Memo No.6581/M.I(1)/2016-1, dt.02.09.2016 directed the DM&G to constitute a Special Team of technical staff to expedite the verification of Transit Forms/bills/records produced by the Agencies, if any and to issue demand notices to remaining 6 Agencies as per TSMC Rules, 1966 for realization of evaded Seigniorage Fee together with penalty from all the granite agencies.

In pursuance of the said Govt. Memo, the DM&G, Hyderabad vide Memo No.6665/R1-3/2016, dated 08.09.2016 constituted a committee comprising the DDM&G, Warangal as Supervising Officer and ADM&G, Regular Karimnagar, ADM&G, Vigilance Karimnagar, as Members and directed to use their Technical Staff to expedite the verification of Transit Forms/bills/records produced by the Agencies, if any, to comply the Govt., orders and furnish report to the Directorate periodically. Further, directed the Special Team to conduct review meetings with the Agencies regularly to expedite the process of realization of revenue as per the directions of the Govt.


 ATTESTOR
 Mineral Revenue Officer
 Department of Mines and Geology
 Government of Telangana


 DEPONENT
 Director of Mines and Geology
 Govt. of Telangana

Due to reorganization of district and establishment of new offices, the process of the verification of records produced by the agencies and further follow-up action is bit slowed down.

II. Background of the Case:

XIII. It is submitted that the Govt. vide G.O.Ms.No. 227 Ind. & Com. (M.I)Dept., dated 23.03.2000 amended Sub-rule 12(5)(h)(iii) of APMMC Rules, 1966 introducing a new concept of 'self-removal system' with a view to facilitate the lease holders for speedy dispatch and export of granite blocks. The self-removal system for transportation of granite blocks by the lease holders was implemented from 01.04.2006.

By taking undue advantage of the self removing system, the lease holders transported granite blocks through Railways mentioning lesser dimensions vis-a-vis volume on the transit forms and paid seigniorage fee to the said quantity as against the actual quantity by paying less seigniorage fee under the guise of 'self removal system'.

XIV. It is not out of place to submit that the misuse was detected during the routine check measurements of Granite Blocks jointly by officials of Mines and Geology and Vigilance & Enforcement Dept stockyard at Railway siding Khazipet, Warangal District during the year 2011.

With the said trigger, the Department had taken steps to counter-check the dimensions and volumes of Granite blocks lying in shipyards at Kakinada, Visakhapatnam and Krishnapatnam Port.

Accordingly, the Department alongwith V&E Dept in three spells during the year 2011-12 verified the granite stockyards at Visakhapatnam, Kakinada and Krishnapatnam ports and detected excess dimensions in the granite blocks with reference to the dimensions mentioned in the transit forms, resulted in evasion of seigniorage fee Rs.4.92 Crores and with 5-times penalty Rs.23.76 Crores totaling to Rs.28.68 Crores. Based on the V&E report, demand notices were issued to the agencies mentioned in the report. Aggrieved

ATTESTOR

DEPONENT

by the said demand notices, the agencies preferred revision before Govt. under Rule 35-A of APMC Rules, 1966. The Govt. disposed of the said revisions directing to collect normal seigniorage fee alongwith 1-time penalty against the demand notice. Accordingly, the Department collected an amount of Rs. 9.11 Crores as against Rs. 28.68 Crores with 1+5-times.

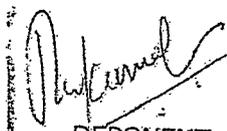
Subsequent to the episode into 2011-12, the V&E Dept. obtained the statistical data on granite blocks transported earlier from Railway Authorities at various stockyards in Karimnagar District during the period 2006 to 2011 and made-out the present findings in the form of Appraisal Report presuming that the granite blocks have been transported without payment of any seigniorage fee.

Thus, much before the present Appraisal Report by the V&E Dept., under reference before this Hon'ble Court, the Govt. in the year 2011 itself reviewed the 'self removal system', sensing the misutilization and vide Memo.No.13300/M.II(1)/2011-1, dated 17.09.2011 directed that henceforth all the granite blocks shall be check measured properly at the quarry leased area by the Departmental Staff and then only transit permits will be issued for transportation of the granite blocks from the quarries. Accordingly, the DM&G issued necessary instructions to all the ADM&Gs, DDM&Gs/JDM&Gs for implementation of the above directions and its under implementation. Thus, the Govt. already initiated necessary steps as part of regulatory mechanism to curtail the undue benefit enjoyed by the lease holders.

- XV. In addition, the Government vide Memo. No. 2548/M.I(2)/2011, dated 21.07.2011 also issued certain guidelines/procedure for loading of ores from Railway Goods Sheds/Public Sidings/Private Sidings to prevent illegal mining and transportation of minerals through Railway.

After dispensing of self removal system and issuance of above guidelines by the Govt. left is no scope for making any mischief/irregularity in transportation of granite blocks.


 ATTESTOR
 Mineral Revenue Officer
 Department of Mines and Geology
 Government of Telangana


 DEPONENT
 Director of Mines and Geology
 Govt. of Telangana Hyderabad.

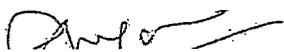
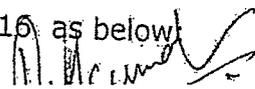
III. Conclusion:

- XVI. In the present Appraisal Report No. 60(268/NR-I/2013), dated 29.05.2013 V&E Dept. recommended to take necessary action against the transporting agencies and to ensure recovery of evaded Seigniorage fee with penalty of Rs.749,66,76,882 (Rs. 124,94,46,147/- towards NSF and Rs.624,72,30,735/- towards 5-times penalty) for a quantity of **768889.937** CUM of Granite Blocks,
- XVII. It is pertinent to mention that the quantity **768889.937** CUM of granite mentioned in the V&E Dept. Appraisal Report also include the quantity of mineral covered by the payment of Seigniorage Fee. Hence, the Dept. after due verification and reconciliation of evidence submitted by the Agencies, is issuing Demand notice to the lease holders for payment of seigniorage fee alongwith penalty on the excess quantity of granite transported, not covered by the payment of Seigniorage fee.

As on the date, the Dept. completed the verification and reconciliation of evidence submitted by (2) Agencies viz., M/s Aravind Agencies, Raghavapuram and M/s Swetha Agencies, Raghavapuram.

- XVIII. Aggrieved by the said Demand Notices, the leaseholders preferred Revision before the Govt. under rule 35-A of TSMC Rules, 1966. On the representations made by the lease holders seeking permits pending verification of documentary evidence for transportation granite blocks, the Govt. vide Memo. No.4191/M.I(2)/2016, dated 03.05.2016 reviewed the matter and issued instructions to collect normal seigniorage fee alongwith one-time penalty as per the V&E appraisal report, i.e. on the total quantity.

Aggrieved by the said Govt. Memo M/s Sandhya Agencies filed W.P.No.30840/2016 against the Govt. Memo No.4191/M.I(2)/2016, dated 03.05.2016. The Hon`ble High Court on 19-09-2016 issued interim directions in W.P.M.P.No.38180/2016 in W.P.No.30840/2016 for suspension of ADM&G Vigilance, Karimnagar letter issued based on the Govt. Memo No.4191/M.I(2)/2016, dated 03.05.2016, as below

"Since, the impugned notices is issued without supplying the vigilance report and without issuing any prior show cause notice, there shall be interim suspension as prayed for".

The W.P. No. 30840/2016 is pending disposal before Hon'ble High Court.

XIX. Subsequently, the Govt. disposed the said revisions and directed to collect normal seigniorage fee alongwith one-time penalty for the excess quantity transported.

Accordingly, the Dept. collected an amount of Rs.3,86,72,072/- and an amount of Rs.2,46,27,041 is still to be collected from M/s Swetha Agencies, Raghavapur totaling to Rs.6,32,99,113/- as against the V&E raised amount of Rs.25,16,95,908/- with 1+5-times.

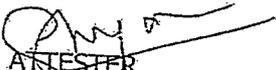
Similarly, the Dept. collected an amount of Rs.92,72,847/- and an amount of Rs.59,93,466/- to be collected from M/s Aravind Agencies, Raghavapur totaling to Rs.1,52,66,313/- as against V&E raised amount of Rs.5,69,17,740/- with 1+5-times.

The details of collection of penalty are given at Annexure - A.

4. It is respectfully submitted that the total volume of each Granite block transported is arrived through back calculation of the tonnage furnished by the Railways divided by specific gravity. From the total volume, the volume of the Granite block calculated as per the dimensions written by the lease holder on the transit form is deducted to obtain the excess quantity for which seigniorage fee was evaded.

5. It is respectfully submitted that on receipt of Appraisal Report, the Department promptly directed the Asst. Director of Mines & Geology (Vigilance), Karimnagar to raise demand duly following due procedure.

Accordingly, the Asst. Director of Mines & Geology (Vigilance), Karimnagar immediately issued show cause notice to 8 transporting agencies.


 MINISTER
 Mineral Revenue Officer
 Department of Mines and Geology
 Govt. of Karnataka
 Bangalore


 DEPONENT
 Director of Mines and Geology
 Govt. of Karnataka
 Bangalore

It is respectfully submitted that 8 transporting agencies responded and submitted reply to the show cause notice. 2 of the agencies submitted the details of lease holders from whom the Granite blocks were transported by them indicating the source of granite blocks. The Dept. officers could do their best in obtaining data from 2 agencies and clear the ambiguity on the differential quantity thereby raising demand against the lease holders on the differential quantity with reference to the documentary evidences submitted by the transporting agencies and raised demand as per rules on the excess quantity deduced for payment of 5-times penalty in addition to normal seigniorage fee.

7. It is respectfully submitted that aggrieved by the demand notice issued by the Dept. on the excess volume not covered by payment of seigniorage fee, the lease holders preferred Revision before the Govt. and the Govt. disposed the same directing to collect normal seigniorage fee alongwith one-time penalty. Accordingly, the Department collected normal seigniorage fee alongwith one-time penalty.

8. It is respectfully submitted that the verification and reconciliation of voluminous data produced by the remaining (6) Agencies in the form of evidence is under verification and require at least six months time for further follow-up action for realization of evaded Seigniorage fee along with penalty on the quantity of mineral not covered by payment of Seigniorage fee. The delay/gap for counter verification of the documents produced by the transportation agencies and consequential action against the defaulter is unintentional and has been caused due to bifurcation of State and the subsequent re-organization of districts in the Telangana State.

ATTESTER

DEPONENT

9. It is once again reiterated that the Appraisal Report of the Vigilance & Enforcement Dept., is based on the presumption that the entire Granite blocks are transported without payment of any seigniorage fee. The actual evaded seigniorage fee will be arrived only after completion of verification of the evidence produced by the transporting agencies. The Appraisal Report reflecting evasion of Seigniorage fee Rs.124.94 Crores alongwith 5-times penalty Rs.624.72 Crores totaling to Rs.749.67 Crores is based on the presumption that the entire mineral has been transported without payment of Seigniorage fee.

However, the fact remains that the lease holders having paid seigniorage fee for the granite blocks to the Department resorted to excess transportation of mineral under self removal system as evident from the verification and reconciliation of the documentary evidence produced by M/s Aravind Granites & M/s. Swetha Agency. Thus, the realization of evaded seigniorage fee along with one-time penalty from the lease holders in the remaining (6) agencies may also be much less than the findings of the V & E Dept. Wherever, the documentary evidence in proof of payment of seigniorage fee is not produced by the transportation agency, the Dept. is raising demand based on the entire quantity of granite blocks as per the findings of V&E Dept.

Hence this Report.

Sworn and signed before me on this the
9th day of November, 2018 at Hyderabad.

Before me


Attester

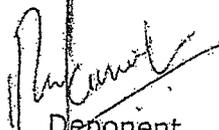

Deponent
Director of Mines and Geology
Govt. of Telangana, Hyderabad

VERIFICATION STATEMENT

I, B.R.V. Susheel Kumar, Son of B.V. Krishna Kumar, aged 55 years,
Designation: Director of Mines & Geology, Telangana State, R/O Hyderabad,
the 5th respondent herein do hereby verify and state that the contents of the Affidavit
are based on information and records and believed to be true and correct.

Hence verified at Hyderabad on this the 9th day of November, 2018.

Counsel for Respondents 1 to 7


Deponent
Director of Mines and Geology
Govt. of Telangana, Hyderabad

HIGH COURT FOR THE STATE OF TELANGANA : HYDERABAD

MAIN CASE NO: W.P.(PIL)No.183 OF 2018

PROCEEDING SHEET

SL. NO	DATE	ORDER	OFFICE NOTE
	22.01.2025	<p><u>HACJ & Dr.GRR,J</u></p> <p>Parties through their counsel. Learned Additional Advocate General prays for and granted four weeks' time to file counter positively. Rejoinder, if any, may be filed within two weeks therefrom. List on 05.03.2025.</p> <p>B/o. myk/tsr</p>	<p>Transferred to IO Folder before corrections.</p>

HIGH COURT FOR THE STATE OF TELANGANA: HYDERABADMAIN CASE NO: **W.P.(PIL)No.183 of 2018****PROCEEDING SHEET**

SL. NO	DATE	ORDER	OFFICE NOTE
	05.03.2025	<u>HACJ (SP,J) & RY,J</u> Because of paucity of time, list after two weeks. B/o.GVR	Transferre d to Daily order/I/O folder before correction.