

**Government of Orissa
Steel and Mines Department**

No.IV(A)SM-22/2011- *1586* /SM., Dated, Bhubaneswar, the *26.2.2011*

From

Shri Biswanath Behera,
Deputy Secretary to Government.

To

The Director of Mines,
Orissa, Bhubaneswar

Sub: **Violations of licensing conditions by the trading licensee in
Joda and Koira Circles.**

Ref: **This Deptt. Letter No. 1143/SM dated 15/02/2011.**

Sir,

Instructions were issued in this Deptt. Letter under reference that non-submission or wrong submission of the returns in Forms 'E' and 'F' of the Orissa Minerals (Prevention of Theft, Smuggling and Illegal Mining and Regulation of Possession, Storage, Trading and Transport (Rules, 2007 by the licensees should be severely dealt with as per rule 9 thereof. In continuation to the said instructions, I am directed to refer you to the report of Venkataraman & Verma, Chartered Accountants, Bhubaneswar to your address wherein they have after analysis of the data provided to them in respect of Joda and Koira Circles, observed that the following 20 licensees have indulged in violations of the provisions of rule-7 of the rules of 2007:

1. Core Minerals
2. Nikila Enterprisers
3. Millon Developers & Builders
4. Steer Overseas Ltd.
5. Global Associates
6. Cargo Liners
7. Modern Mining
8. Alliza International
9. Susant Mierals
10. Yazdani International
11. Raw Met Commodities P Ltd.
12. OSL
13. F. Serajuddin & Co.
14. Jaguar Overseas

15. Sara International
16. Resources International
17. P K S Ltd.
18. Sino Steel India P Ltd.
19. A B Minerals
20. L.G. Minerals

By not filing the return for the month of December, 2010 in time as required under rule 7(iv) of the said rules, the licensees have made themselves liable for action under rule 9 thereof. The competent authorities like the DDM / MO may be directed to suspend the license for the breach of the above condition of the license. Thereafter, he may issue show cause notice for cancellation of the license. If the Competent Authority is satisfied with the explanation, he may withdraw the order of such suspension and allow the licensee to carry on his business. Otherwise, the Competent Authority, after giving an opportunity of being heard to the licensee, cancel the license by an order in writing communicated to the licensee and also shall forfeit the security deposit along with the interest accrued thereon to the Government.

2. The report of the Chartered Accountants shows that M/s Bagadiya Brothers (P) Ltd. has violated the provisions of rule 7(ii) by not showing the quantity dispatched let alone buyer-wise dispatch in the return. Column 6 of the return in Form 'E' is said to have been whimsically filled. He will also attract the above action under rule 9.

3. It has been pointed out that M/s GNG Exports has exported 7000 MT of iron ore fines for the month of December, 2010 as reported by the Custom Officials of Paradeep Port. Against this, the total dispatch shown by the licensee vide return filed in Joda and Koira circle works out to 75.59 MT. The difference needs to be examined for which you may engage the State Level Enforcement Squad or the auditors to know the truth after which necessary action under rule 9 of the rules, 2007 can be taken.

4. M/s Rashmi Metallick is said to have not at all mentioned the quantity dispatched in Form 'E'. The export of iron ore fines as per the figures of Paradip Customs for the month of December, 2010 is 24,000 MT. The corresponding figures in Form 'E' are surprisingly left blank. A back

calculation throws out the dispatch figure to around 394764 MT. The dispatch figure needs to be obtained and confirmed and the action of the licensee in leaving vital columns of information blank needs to be exemplarily discouraged. Further, the destination of the balance huge quantity, if confirmed and found to be correct, of about 370000 MT needs to be obtained and verified. This work will also be done by the auditors of the Department along with the auditors of the Directorate after which necessary penal action may be taken along with action under rule 9 of the rules of 2007.

5. Action taken in the matter may be reported to the Department within a fortnight.

Yours faithfully,


Deputy Secretary to Govt.

Memo No. 1537 /SM

Dated 26.2.2011

Copy along with the interim observations of Venkataraman & Verma Chartered Accountants, Bhubaneswar forwarded to the Collectors, Keonjhar and Sundargarh and Deputy Directors of Mines Koira, District Sundargarh and Joda, District Keonjhar for information and necessary action.


Deputy Secretary to Govt.