

State of Andhra Pradesh & Others

v.

Obulapuram Mining Company Private Limited & Others

(Supreme Court Of India)

HON'BLE CHIEF JUSTICE MR. S.H. KAPADIA HON'BLE MR. JUSTICE AFTAB ALAM HON'BLE MR. JUSTICE SWATANTER KUMAR

Special Leave to Petition (Civil) No. 7366-67 Of 2010 With W.P.(C). No. 562 Of 2009 | 13-04-2012

Having considered the recommendations contained in the report of the Central Empowered Committee dated 13-3-2012, we accept the said recommendations, which are quoted hereinbelow:

The findings of the Joint Team and as modified after careful examination by CEC may be accepted and directed to be followed by the authorities concerned and the respective lessees, notwithstanding anything to the contrary. The boundaries of the mining leases should accordingly be fixed on the ground.

A ceiling of 25 million metric tones (MMT) for total production of iron ore from all the mining leases in District Bellary may be prescribed. A ceiling of 5 MMT for production of iron ore from all the mining leases in District Chitradurga and Tumkur together may be prescribed.

The proposed “guidelines for the preparation of the R&R Plans” may be approved by this Hon’ble Court and the prescriptions/provisions of the R&R Plans, prepared as per these guidelines, may be directed to be followed by the respective lessees and the authorities concerned.

The iron ore which becomes available should be used for meeting the iron ore requirement of the steel plants and associated industries located in Karnataka and also of those plants located in the adjoining States which have been using the iron ore from the mining leases located in these districts. Exports, outside the country, should be permissible only in respect of the material which the steel plants and associated industries are not willing to purchase on or above the average price realized by the Monitoring Committee for the corresponding grades of fines/lumps during the sale of about 25 MMT of the existing stock of iron ore. Similarly, the iron ore produced by the beneficiation plants after processing should also not be permitted to be exported outside the country.

The sale of the iron ore should continue to be through e-auction and the same should be conducted by the Monitoring Committee constituted by this Hon'ble Court. However, the quantity to be put up for e-auction, its grade, lot size, its base/floor price and the period of delivery will be decided/provided by the respective lease-holders. The Monitoring Committee may permit the lease-holders to put up for e-auction the quantities of the iron ore planned to be produced in subsequent months. The system of sale through the Monitoring Committee may be reviewed after, say two years.

90% of the sale price (excluding the royalty and the applicable taxes) received during the e-auction may be paid by the buyer directly to the respective lease-holders and the balance 10% may be deposited with the Monitoring Committee along with the royalty, FDT and other applicable taxes/charges.

The responsibility of the Monitoring Committee will be (a) to monitor the implementation of the various provisions/prescriptions of the R&R Plans, (b) to ensure strict compliance with the conditions on which the environment clearance, the approval under the Forest (Conservation) Act, 1980 and the other statutory approvals/clearances have been accorded, (c) to ensure that the mining is undertaken as per the approved mining plan, (d) to ensure that the ceiling on annual production fixed for the lease does not exceed, (e) to ensure that the safety zone is maintained around the lease area and in respect of the clusters of mining leases around the outer boundary of such cluster of mining leases, and (f) to ensure compliance with the other applicable conditions/provisions. Any lease found to be operating in violation of the stipulated conditions/provisions should be liable for closure and/or termination of the lease.

The present members of the Monitoring Committee should continue for a period of next two years.

In the larger public interest the mining operations in the two leases of M/s NMDC may be permitted to be continued. However, it will be liable to deposit penalty/compensation as payable for the mining leases falling in Category 'B'.

The implementation of reclamation and rehabilitation plans for all three categories shall start immediately. It is made clear that preparation, implementation and monitoring of rehabilitation plans will be under the supervision of the Central Empowered Committee.

The Central Empowered Committee shall inform this Court, next week, whether the suggestion with regard to stockyard and preparatory work for Category 'A' can be started.