

PROSPECTING REPORT FOR COLOUR GRANITE
over and extent of 4.000 Hectares in S. No. 199 Hectare of Jarali Village, Sarvakota Mandal,
Srikakulam District, Andhra Pradesh State.

(SUBMITTED UNDER RULE 8 OF G.C.& D.R. 1999)

APPLICANT

M/s. Madhucon Granites Limited.
Regd. Office : Madhu Complex,
Jublipura, Khammam- 507 001. AP

PREPARED BY

Sri. S.N. SURESHA, M.Sc., (Geo),
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PROSPECTING REPORT FOR COLOUR GRANITE
over and extent of 4.000 Hectares in S. No. 199 Hectare of Jarali Village, Sarvakota Mandal,
Srikakulam District, Andhra Pradesh State.

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1.0 INTRODUCTION:

M/s Madhucon Granites Ltd., Khammam, is a versatile company having lot of experience in granite mining industry and earning foreign exchange by exporting the granite from different parts of our country. They have got several quarry leases in Andhra Pradesh and elsewhere in India. They have applied for quarry lease for Srikakulam blue Granite over an extent of 4.000 Hectare at S. No. 199 of Jarali Village, Sarvakota Mandal, Srikakulam Dt. AP State.

Initially the area was identified by Sri. G. Venkata Suba Rao, After field study they have applied for Prospecting License. The Director of Mines and Geology Hyderabad has granted PL in their favour vide Proceeding No. 15528/R1-3/2000 dated 8/10/2002 for a period of 2 years from the date of Execution. The PL was executed at office of A.D.M & G Srikakulam vide their proceeding No. 1366/Q/2000 dated 23/6/2003 (from 23/6/2003 to 22/6/2005). Subsequently the PL has been transferred in favour of M/s Madhucon Granites Ltd., as per Office of D.M & G Hyderabad Proceeding No. 26864/ R1-3/2003, dated 26/9/2003 for the remaining period ending on 22/6/2005, under rule 12(5) (h) (viii) of A.P.M.M.C. Rules 1966 & Granite Conservation and Development Rule 1999. The transfer deed was executed at office of A.D.M & G Srikakulam, vide their Proc. No. 1866/Q/2003, dated 6/11/2003. The PL holder intended to convert their PL into QL. Therefore this Report has been prepared and submitted as per Rule 8 OF G.C.& D.R. 1999

2.0 NAME OF THE APPLICANT WITH COMPLETE ADDRESS:

M/s. Madhucon Granites Limited.
Regd. Office : Madhu Complex,
Jublipura, Khammam- 507 001. AP

3.0 PROSPECTING REPORT PREPARED BY :

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I. REGIONAL GEOLOGY :

i) Topography : The applied area is a part of the elongated hilly area having slope from southeast - northwest. The gradient is gently towards northwest in direction. The highest level observed at southeatern side is 185 m RL. Whereas lowest level is recorded to be 75 RL at northwestern side. The height ranges from 100 to 110 m.

ii) Stratigraphy : The area is stratigraphically undisturbed and it belongs to old hard terrain of the earth. Normal stratigraphy of the area is – Soil cover, Weathered granite and multi-colour granitic terrain.

iii) Geological map and report of the region : The geological plan has been prepared in a scale of 1:1000 with 5 m contour interval. The Geology of the area has been demarked carefully along with workings done during prospecting period. The surrounding area is full of operating mines, main rock body of the area is Bluish background garnetiferous granite of Charnakite origin. In market it is called as 'Srikakulam Blue'. The multi-colour granite containing plagioclase feldspar, pink feldspar, blue quartz, biotite mica and garnet is found in the form of massive granitic terrain in the area. The grains are euhedral to sub-hedral in formation. Commercially it is not named by the applicant. The area is having granitic gneiss exposures. Because of the massive nature of these monolithic igneous formation they are amenable for producing large size blocks, due to the wide spaced joint pattern inherited to them. At southern side the granite is appears to be good at pit and elevation. Therefore the applicant has concentrated the mining activity at this place.

As explained in para-1 (I) The topography of the area consist of flat Rocky Knob having a sloppy gradient towards north in direction. Hydrologically the water bearing saturated zone commences at 10 m depth from the ground level of 95 RL as witnessed in bore-well dug at 200 m north-west of the area. In this area soil cover makes one-tenth share in occupancy of the applied area, then comes weathered granite at surface with multiple colour bluish granite. The wavy structure of biotite mica and gray feldspar in the granite are equally distributed with garnet with uniform interval, giving a exhibiting look into granite of this area.

iii) Particulars of the area :

The applied area is a remote and barren land. It is located in Topo sheet No.73 B/2 between $85^{\circ} 11' 15''$ Longitude and $18^{\circ} 32' 10''$ Latitude.

The Details of the area is given in following Table.

District & State	Taluka Mandal	Village	S.No.	Area in Hectare	Owner Ship & Occupancy Status
Srikakulam A.P	Sarvakota	Jarali	199	4.000	Govt. Land

Boundaries :- Southern side : medium size pond ; Northern side : Hillocks; Western side : Patta Lands (agricultural lands).

Geology :

The rock formation belong to eastern ghat mobile belt of Archaean age. The mobile belt is divided into three zones viz Western Charnokites Zone (WCZ), Central Khondalite Zone (CKZ) and the Eastern Migmatite zone (EMZ). The EMZ is well developed in northern parts of the belt in Vishakapatnam, Vijaya nagaram, Srikakulam and partly in Krishna Districts. The broad distribution of rock types of rocks in Srikakulam district are Granite Gneiss, Kondalites, Charnokites, Leptynites, Rajamundry Sand Stone, Alluvium deposits and quartzite at some places. The eastern part of the belt forms a plan country with isolated hillocks and rises as continuous hill range towards west presenting a rugged topography with lush green vegetation. The area is drained by two prominent rivers originating from Orissa, namely Nagavali and Vamshadhara passing almost parallel to one another at a distance of 8 Km part through the district and joins the Bay of Bengal.

The Srikakulam – Vizianagaram- Vishakapatnam area exposes mainly Khondalite – Charnokite suite of rocks forming a part of the EGGB which include Charnokite, Khondalite – Charnokite to pyroxene granulite, migmatite, Leptynites and intrusive porphyroblastic charnokite and granite. Out these migmatite charnokite and leptynite are extensively quarried out as dimensional stone granite and traded as ‘Srikakulam Blue’ due to the presence of bluish opalescent quartz and bluish grey feldspar. Actually theses are migmatite and migmatite- charnokites. The leptynites are called as ‘Kashmir White’. The wavy structure forms due to migmatization of Charnokites. The general geological succession of the area is as follows.

Geological Era	Geological Units
Phenerozoic	Tertiary Sedimentary Rocks,

	Quaternary deposits
Proterozoic	Granites and Epidote Gneiss
Late Archaean to Proterozoic	Unclassified Granites and Migmatites
Archean	Peninsular Gneiss with older granites migmatites. Migmatite complex. Charnokite group. Khondalite group

3.3 Local Geology :

The local geology of the area is as follows :

Soil cover	:	Recent
Quartz feldspathic rock Khondalites (granite) Sillimanite gneiss	:	Archacons
Basement Rock	:	Not Encountered.

The subject area is having height of 74 m towards south from northern boundary. The average height is measured to be 50 m from contact of lease boundary. The granite is bluish gray in colour, medium to coarse grained, hard, compact, massive and crudely foliated. The rock occurs on small hillock with large bouldery outcrops concealed and embedded in soil. It contains concealed quartz-feldspathic rock with subordinate amount of garnet, hyperstherne, biotite and magnetite. The feldspar shows kaiolinisation effect. The magnetite is oxidized at places. The garnet and Hypersthene show pyroblastic growth. The rock shows penetrative cracks and hairline fractures. The rock is considered to be archacons age falling under Eastern Ghat hill range

The lithological units of the area is Mesocratic quartz feldspathic gneiss which are bluish grey in colour. These are consisting of blue quartz and feldspar constituents varying in proportions. The garnet and pyroxenes are in little quantity. Biotite mica under aphanetic ferromagnesium are also observed as accessories. The granite in this area is hard and compact with medium-course grain in texture. The alternative arrangement of felsic & mafic minerals of the rock mass gives decorative pattern with bluish gray back-ground. The trend of mineral is varying in alignment with NNW- SSE, N-S and NNE- SSW with moderate dips, which forms wavy banding. This kind of design increases the cost of blocks in blue granite. The rock is having vertical and horizontal joints are there. The applied area is slightly weathered and having

lot of boulders on surface. The boulders are embedded in thin layer of lateritic soil. Due to presence of soil in between boulders shrubs and bushes are grown all around. The granite has vertical and oblique joints which are spaced allowing production of large stones.

II. Geographical location of the P.L. area : Climate, terrain, availability of water resources and power/energy, distance(s) from the consumers domestic and port for export, infrastructure facilities availability (roads , railways, streams, communication, port facility):

The applied area is a remote and barren land. It is located in Topo sheet No.73 B/2 between 85° 11' 15" Longitude and 18° 32' 10" Latitude. The applied area is having very good Infrastructure like road, rail and drinking water etc. It is well connected by jeepable road from Tekkali, Kottapalli, Mattapata Gate, Patikonda and Rangapuram, at a distance of 30 Km. The village Tekkali is connected to National Highway No. 5 at a distance of 2 Kms. connecting vizag - Culcatta. The nearest Railway Station is situated at Palasa, air port and harbor are situated at Vizag. At a distance of 160 Kms. The mine is surrounded by few villages among which Tekkali is the nearest village which is having working category population, hospital, post & telegraph office, schools etc., The power line and telephone line is passing near by area at a distance of 1 Km at Anjinapuram village. The drinking water is available from the open well situated at 500 m away south.

Climate : The area is falling under Semi-Arid Tropical Zone. The area is having dry climate. The minimum temperature recorded in Mandal Headquarters is 22° Celsius in December , and 45° Celsius maximum temperature in May Month. The General Wind Direction is South West to North East.

Terrain : The applied area is a elevated, elongated moderate elevated rocky terrain, situated away from the residential quarters.

Availability of water resources and power/energy : In this area no streams or wells are situated. At southern side a moderate big ponds is there, it was dry during our inspection. Below that agricultural lands are there. At a distance of 500 m one bore well is sunk at northeastern side except this no other water body is there. The Telephone and Power lines passing near the applied area at a distance of 2 Km.

Bank...
with...
lot

Distance(s) from the consumers (domestic and port for export) destination: The applied area is situated at a distance of 760 Km from Hyderabad, where the main consumers (market) are situated. The Vizag port is situated at a distance of 150 Km from the PL area, from where the granite is being exported.

Infrastructure facilities availability (roads, railways, streams, communication, port facility) : The applied area is well situated near Tekkali and surrounded by few villages which are having working labour population, the infrastructures like road, power, drinking water are situated adjacent to the area. The applied area is connected by road to Tekkali from their major cities may be reached. The national highway No.5 is just few Kms from mine. The area is having nearest railway connection at Tekkali-Naupad which is connecting Culkata- Chennai main line. The village Tekkali is the mandal head-quarter having hospital, school, post and telegraph and telephone facilities.

In applied area no streams or wells are situated. Whereas the neighboring area is having wells at a distance of 200 to 500 m north-West of the applied area. The power lines passing nearby the main road and the power lines connected to agriculture bore-wells will facilitate the applicant for power supply.

Social Infrastructure : The PL. area is enveloped by few villages , the details of the population, direction and distance from the area is given in following table :

Sl.No.	Name of the village	Location	Distance Km	Population
1	Madanapuram	East	1.5	4000
2	Danta	South	2	2000
3	Savarapeta	West	1.5	300
4	Kommasaripalli	North	5	600
5	Jalari	NE	1	400
6	Chandrayapeta	North	1.5	100
7	Vandrai	North	3	500

III. Prospecting :

a) Occurrence of large boulders on the ground; their number, size and shape :

The applied area is a part of elevated land having exposures of big granitic boulders and weathered granite at surface & soil cover on northern sides to a small extent in the area. The boulders have been cut at southern side of the area at which the feasibility of granite deposit is confirmed. Lot of boulders are existing on the surface (sheet rock) of the hillock where the

granite is being produced by boulders cutting only. However the sheet rock is already exposed at the surface and in the pit as seen in the area at heights of the hillock.

b) By cutting exploratory trenches or pits drilling bore holes geophysical surveys over the P.L. area as per need determine the extent and number of granite deposits, their thickness, depth, gradient and ground water table etc. Show the location of trenches, trial pits and bore holes on the plan of the PL. area. State the size and number of sample collected :

The granite is exposed all along the strike and width of the applied area with maximum height of 74 m from the ground surface. Therefore the prominent exposures indicates the quantum of granite in the area. With the virtue of this, the applicant is started cutting the granite boulders and sheet rock at north-eastern side of the area, where the granite exposure is more in the area to examine the quality of the colour granite blocks. they have undertaken survey and sampling in the area, except this the applicant is not proposed to undertake any other exploration work. However, in this area the probability of drilling the bore-holes will make least importance due to the exposure of granite into surface with sufficient height, hence they have not drilled bore hole. The pit is shown in surface geological plan. The size of Pit and the location is given in the following Table:

Sl. No	Location	Size of Trench/Pit			
		Length (M)	Width (M)	Depth (M)	Volume (M ³)
01.	Eastern side	10	5	2	100

In this area the bore holes are not proposed due to the exposures of granite above the surface as already explained in previous para. In this area about 20 m³ of granite is produced. At this rate the % of recovery is arrived to be 20 %.

Structure : Faults, dykes, fractures, joints and joint pattern, sheeting, bedding planes: No faults or bifurcating multiple thin veins or dolerite sills are seen in this area. The granite is having concoidal fracture and rare joint in prominent direction of N-S & N 50° E-S 50° W. By seeing the distribution of boulders on the surface of the exposures in pit it is understood that the joint planes are having uniform pattern. The space between joints various from 2 m to 20 Cm. distance. The joints vertical to the strike line and major joint lines are very less but prominent. Horizontal joints helps the minor in sheeting of granite. The rist and grains seen in the granite are created due to sudden chilling reaction of molten granite on the surface. The small boulders spreading on the surface are sized in to 0.5 X 0.5 & 0.5 sized blocks, most of the blocks are laying in the stack yard. However the size of the boulders is relatively massive, therefore the

production of dimensional granite will be more from the surface itself. By seeing the trial pits it is observed that the block size will increase with respect to depth.

c) QUALITY: Mineralogical composition, colour and texture (grain size) and their variation, natural defects. For glossiness submit 5 number of polished samples of 30 cm X 30 cm X 10 or 20mm size.

The general mineralogical composition of granite is often containing potash and soda feldspar, quartz and biotite mica as main constituents. The former imparts the colour to the granite which ranges from light blue, gray interception with biotite black blue-back ground studded with garnet, therefore it is called as " Srikakulam Blue". The grain size of feldspar, quartz and mica are eu-hedral to sub-hedral and displays the peculiar white colour granite with wavy structure, in it. The variation of grain size causes defect in the block granite at some places in the applied area. This granite will show medium glossiness in polish.

(f) Reserves: Approximate reserves of different stone qualities in the prospective target:

Total dimensional granite reserves are arrived by taking Surface Geological plan and cross sections into confidence and by cross-sectional area method the volume of granite reserve is arrived.

The colour granite bearing area is having average width of about 130 m, stretching a strike length of about 205 m. The granite is exposed all along the strike length and width of the applied area with maximum height exposed to surface from bottom of the exploratory is recorded to be 100 m from the ground level at northwestern side. In this area the surface is containing lot of boulders embedded in soil cover. Therefore the reserves are arrived after deducting 10 % void space. In this area the proved reserves have been arrived by anticipating 3 m thick reserves at surface. Then below that level 3 m thick probable and another 3 m thick possible reserves have been considered. Anticipating 15 % recovery. The recoverable reserves have been arrived. The details of Geological Reserves is given as follows.

CS	Cat	CSA x (m ²)	CSI (m)	Vol. (m ³)	(-) 10 % of Voids.	Net Vol. M ³
(1)	(2)	(3)	(4)	(5)	(6)	(7)
AA'	Pvd	306	99	30294		
BB'	"	405	60	24300		

CC'	"	444	60	26640		
DD'	"	540	43	23220		
	Total			104454	10445	94009
AA'	Pbl	306	99	30294		
BB'	"	405	60	24300		
CC'	"	444	60	26640		
DD'	"	540	43	23220		
	Total			104454	10445	94009
AA'	Psb	306	99	30294		
BB'	"	405	60	24300		
CC'	"	444	60	26640		
DD'	"	540	43	23220		
	Total			104454	10445	94009
	Total	Geol.	Res.	313362	31336	282026
(-)	RL in	MSS	*1	27675	2767	24908
		Min	Res.	285687	28569	257118
(x)	15 %	Rec.	"			38568

IV. Selection of prospective quarry site its shape and size criteria for selection on the basis of information obtained from prospecting and further field investigations by:

Trial Pits: In this area the trial pit will be used as the prospective quarry site. It is proposed to cut benches at southeastern side top and continue towards northern direction.

Quality etc: As explained in previous para the quality of colour granite will increase with respect to the depth. Therefore the applicant is proposed to make production by going depth-wise mining.

Planned Production: It is planned to produce different varieties of sizes of dimensional blocks to the total quantity of 50 m³, on an average in a month i.e., 600 m³ per annum.

Total Overburden: As estimated in previous para except very thin soil cover no waste is anticipated, however the unusable granite pieces are treated as waste such kind of waste is anticipated to be 200 m³ per month. That kind of waste will be disposed to local use, until then it will be stacked at northern end of lease area.

V. Type of mechanization proposed : Manual semi-mechanized or fully mechanized:

It is proposed to adopt semi-mechanized mining in this area.

(a) Type, capacity and number of equipment for the type of mechanization proposed:

In dimensional quarrying of Granites in this kind of area, the following machines are deployed.

- (i) A tractor Mounted Compressor VT6, with accessories such as Jack-Hammers, drill rod of 1 ½ to 12 Ft length.
- (ii) A Poclain, TATA-Hitachi-200.
- (iii) A Tipper

Other equipments like Crow Bars, Spades, Iron Pans, Sledge Hammer, Pick-Axe, Hammer Chisels, etc. will be used.

(b) Estimate of energy and water requirements:

1 M.W power and 100 Gallons of water per month is required in this mine if the depth wise mining goes below ground level.

(c) Labour availability – Semi – skilled and skilled:

About 12 skilled and 15 unskilled lab our are working in the mine at present

VI. Capital investment requirement, its availability:

The applicant intends to cater finance from their own resources and public financial institutes. It is estimated to have capital investment of 25 Lakhs. Now they have already deployed few machineries at mines and working capital worth of Rs.25 Lakhs.

VII. Risk factors envisaged over the next 5 years and 10 years from the date of production:

The mine situated at remote area and away from human occupancy. Therefore no risk factors as such or envisaged in 5 or 10 years at this mine. How ever if the risk or trouble rises in the life span of the mine, will be encountered sincerely and amicably by keeping the Socio-environmental conditions of the area, in time to time.

VIII. Market analysis:

(a) Assured and expected supply contracts: The applicant is having prominent buyers at Hyderabad, Bangalore and Chennai. They have got tie-up with Gem Granites. The material is used for manufacture of slabs and monuments.

(b) Ability to supply consumers in time: As said in above para the applicant has got his good financial support, therefore they are capable of quarrying and polishing and supply of goods to consumers in time to time to meet the market demand at Hyderabad, Bangalore and Chennai. They have got permanent dealers in Andhra Pradesh as well as in other states for marketing their products.

(c) Pattern or demand (domestic and export markets): As the applicant is already maintaining a good market in Hyderabad, Bangalore and Chennai for their polished slabs, they have got good demand. Also they are maintaining the export of rough blocks to the foreign countries.

IX. Availability of equipment maintenance facilities at independent maintenance shops at the nearest town ship:

Hyderabad is the nearest big city, surrounding which number of dimensional granite mines are already existing since long time. Therefore the well established work shops and engineers are available with necessary spares.

X. Surface Plan(1: 1000) showing contour lines, surface features such as roads, railways, streams, powerlines, rock outcrops, build-up areas, over the PL area and possible sites for disposal of waste rock and mine water:

The surface geological plan at a scale of 1 : 500 with 2 m contour interval is prepared and enclosed herewith.

XII. BASE LINE INFORMATION OF THE PREVAILING ENVIRONMENTAL CONDITIONS BEFORE THE BEGINNING OF THE PROSPECTING OPERATIONS.

- a) Land Scope: The applied area is a moderately elevated rocky terrain, situated away from the residential quarters.
- b) Soil cover and land use pattern: One-fourth part on northwestern side tip is covered by soil with varying thickness of about 0.1 – 0.2 m. Remaining part is covered by colour granite. However the area is lying idle. But the small boulders of granite rock is being removed from the local area and utilised for foundation purpose by the local people.
- c) Vegetation: As explained in previous para, except few thorny trees and bushes no prominent vegetation is there.
- d) Water Environment: In this area no streams or wills are situated. Whereas at eastern side open tank is there, which will be filled with water only in rainy season by the flowing water from hillocks in the surrounding area.
- e) Climatic Condition: The area is falling under Semi Arid Tropical Zone. The area is having dry climate. The minimum temperature recorded in Mandal Head Quarters is 20⁰ C in December and 49⁰ C maximum temperature in May month. The general wind direction is South West to north East.
- f) Flora and Fauna: The applied area is rocky and barren land. Therefore less vegetation is found in the area except small thorny bushes, which grow on thin soil cover existing in the joint planes of the granite boulders. At neighboring land on eastern side the agricultural crops

are being grown. As per the statement of local people no wild animals have been witnessed in the area since 20 years.

- g) Human Settlement: The applied area is surrounded by 5 villages with in the radius of 5 Kms. The details of villages, location, distance and population is given in para 3.0 (iii).
- h) Quality of Air and Water: The area is free of Industrial pollution. Therefore, the quality of air and water is good. The area is surrounded by agricultural lands. Except the applied area the land is flat and fertile.

XIII. Determine the area for which Mining Lease is to be applied for and a brief report be submitted:


As explained in previous para the area is free from obstacles and social problems, therefore this area is highly suitable for mining activity. The quality at southern side is found to be good. Therefore the applicant is preferred to undertake production from that area.

XIV. Details of the sales transaction (both domestic and export) of individual blocks recovered during prospecting

The applicant is not yet produced marketable quantity hence no details are available in this plan.

This prospecting report is produced in order to sanction the quarry lease. This is to Certify that the Prospecting Report is correct to my knowledge.

The Prospecting Report is prepared by



S.N.SURESHA, M.Sc., (Geo),
Recognised Geologist,
Consulting Mining Geologist
RQP/DMG/HYD/001/2001

Applicant :

Date :
Place : At Hyderabad.

GOVERNMENT OF ANDHRA PRADESH.
PROCEEDINGS OF THE DIRECTOR OF MINES AND GEOLOGY: HYDERABAD.
(PRESENT: SRI. T. DEVENDRANATH, M.SC., DIRECTOR.).

Procd.No: 26864/R1-3/2003

Dated: 25-9-2003.

Sub: Mines & Quarries – Transfer of P.L. held by Sri. Venkata Subba Rao, for Colour Granite extent 4.00 hectares, Sy.No. 199, Jarali Village, Sarvakota Mandal, Srikakulam District - in favour of M/s Madhucon Granites Limited – Orders - Issued.

Ref: 1) DM&G, Hyderabad Procd. No. 15528/R1-3/2000, dt: 8-10-2002.
2) Transfer application dt: Nil, received by the ADM&G, on 19-7-2003 from Sri. G. Venkata Subba Rao.
3) Lr.No.1366/Q/2000, dt: 6-8-2003 from ADM&G, Srikakulam.

Through the reference 1st cited a Prospecting License for Colour Granite over an extent of 4.00 hectares in Sy.No. 199 of Jarali Village, Saravakota Mandal, Srikakulam District has been granted in favour of Sri. G. Venkata Subba Rao for a period of 2 years. The said P.L. was executed on 23-6-2003 vide Asst. Director of Mines and Geology, Srikakulam Proceedings No. 1366/Q/2000, and the license will be in force upto 22-6-2005.

Through the reference 3rd cited Asst. Director of Mines and Geology, Srikakulam has submitted transfer proposals stating that Sri. G. Venkata Subba Rao has filed an application for transfer of Prospecting License for Colour Granite in the subject area held by him in favour of M/s. Madhucon Granites Limited for un-expired period of Prospecting License.

Further the Asst. Director of Mines and Geology, Srikakulam has reported that the transferor Sri.G.Venkata Subba Rao has submitted an affidavit stating that he is not in a position to invest for Quarry Development and for producing the material and hence he has proposed to transfer the P.L. for the subject area for the un-expired period in favour of M/s Madhucon Granites Limited. Further he has also stated that M/s. Madhucon Granites Limited has got vast experience in marketing this material and financially sound and also possessed men power equipped machinery and also capable of running Quarry successfully. He has received Rs. 50,000/- towards consideration which was actually spent for execution of said P.L. Further he also informed that there is no speculation involved in the P.L. Sri. G. Venkata Subba Rao has submitted an affidavit in lieu of the M.R.C.C.

The transferee M/s Madhucon Granites Limited have also submitted an affidavit stating that they are willing to take the area on transfer from Sri.G.Venkata Subba Rao. They are having good experience in marketing the material and possessed well experience men force equipped machinery for conducting the Quarry operation in a scientific manner. They have paid Rs. 50,000/- to Sri. G. Venkata Subba Rao for consideration towards actually expenditure spent for execution of said P.L. They have filed M.R.C.C. valid upto 31-3-2003.

Further, the Asst. Director of Mines and Geology, Srikakulam has also reported that the Royalty Inspector of his Office has inspected the P.L. area and reported that the area is situated at a distance of 10 Kms from Sarvakota Mandal Head Quarters and about 1 ½ Kms towards South West of Jarali Village. The Rock available in the applied area comprises of Quartz, Feldspar and Garnet Crystals of purple and red colour are evenly distributed. The rock available in the area is suitable for decorative purpose after cutting and polishing.

GOVERNMENT OF ANDHRA PRADESH
DEPARTMENT OF MINES AND GEOLOGY

SECRETARY TO GOVT. DIRECTOR OF MINES AND GEOLOGY, HYDERABAD
(PRESIDENT, SRI D. NAGARAJU, M.Sc.)
ASST. DIRECTOR

Received No. 1288/2/2003

Dated 23-6-2003

SUB: MINES AND QUARRIES - Quarry Prospecting Licence for labour over an extent of 4,000 hectares in S No 199 of Jarai Village, Sarvakota Mandal, Srikakulam District in favour of Sri C Venkata Subba Rao, Proprietor, Sree Sai Enterprises, Sarvakota Mandal, Srikakulam District.

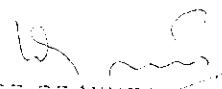
REF: 1. The application of 14-4-2003, File No. S. C. Venkata Subba Rao, applied to the Director of Mines and Geology, Hyderabad.
2. Order dated 8-5-2003 of S. C. Venkata Subba Rao, Hyderabad regarding the application of 14-4-2003 of the applicant for labour and prospecting licence.

3. The application of 14-4-2003, File No. S. C. Venkata Subba Rao, applied to the Director of Mines and Geology, Hyderabad, for a quarry prospecting licence for labour over an extent of 4,000 hectares in S No 199 of Jarai Village, Sarvakota Mandal, Srikakulam District.

4. The order of 8-5-2003, the Director of Mines and Geology, Hyderabad granted a quarry prospecting licence for labour over an extent of 4,000 hectares in S No 199 of Jarai Village, Sarvakota Mandal, Srikakulam District in favour of Sri C Venkata Subba Rao of No 10-10-21, Sarvakota Mandal, Sarvakota, Near S.B.I Colony, Behind Simha Beauty Parlour, SRIKAKULAM, for a period of 2 (two) years. Further vide reference 4" cited, the Director of Mines and Geology Hyderabad granted extension of time for a period of 30 days for execution of licence deed.

5. The order of 22-6-2003, the Director of Mines and Geology, Hyderabad granted a quarry prospecting licence for labour over an extent of 4,000 hectares in S No 199 of Jarai Village, Sarvakota Mandal, Srikakulam District for a period of 2 (two) years from 23-6-2003 to 22-6-2005 subject to provisions contained in the granite conservation and Development Rules, 1959 and also fulfilment of special conditions specified in the annexure appended to the granted licence deed.

The licensee should submit a scheme of prospecting to the Director of Mines and Geology, Hyderabad within a period of 60 days from the date of execution of this deed under intimation to the office. The licensee should maintain all the records and accounts in the form prescribed by the Government. The licensee should submit quarterly returns in form-C to the concerned authorities.


ASST. DIRECTOR OF MINES AND GEOLOGY
SRIKAKULAM

Sri C Venkata Subba Rao
No 10-10-21, Simha Mandal Street,
Near S.B.I Colony, Behind Simha Beauty Parlour, SRIKAKULAM

Copy submitted to:

1. The Director of Mines and Geology, Hyderabad for taking of information prospecting licence.
Doct
2. The Director of Mines and Geology, Visakhapatnam for taking of information prospecting licence.
Doct
3. The Director of Mines Safety, Hyderabad for information.
4. The Regional Commissioner of Mines, Hyderabad, for taking of information.