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Govt loses Rs 10 cr as quarrying rules are flouted

Julie Mariappan, TNN, Aug 16, 2010, 02.28am IST CHENN

Al: The

[state government](#)

has lost at least Rs 10 crore by giving away stone quarrying rights in Keerapakkam in the southern suburbs to a private company doing civic work for the Chennai

[Corporation](#)

and highways department absolutely free. What is more, the corporation issued a recommendation letter to the Kancheepuram collector to speed up clearance.

Roman Tarmat, the company, was given the contract to construct storm water drains in the [Central Buckingham canal](#) water catchment areas like Mylapore and Royapettah for Rs 38 crore. Citing the requisition of the corporation, the Kancheepuram district collectorate has granted a lease to the company to mine 3.9 lakh tonnes of blue metal worth Rs 10 crore without his participation in any auction or tender.

Not only was the tender process not followed, the tonnage allotted to the miner was way above the requirement of less than 50,000 tonnes of blue metal. The district collector has given free' mining rights to the company, citing Rule 7 of the Tamil Nadu [Minor Minerals Rules](#) 1959. What is left unsaid, however, is that the same rule says such rights can be given only if the products "are used solely for bonafide public purposes and not for sale or commercial profits." As the Rs 38

crore the company gets from the corporation for the storm water drain includes the cost of materials, it become a commercial deal for which it cannot seek exemption. While the company would be paying only a nominal seigniorage fees for the blue metal it quarries, procuring 3.9 lakh tonnes of the material from the open market would have cost the company nearly Rs 7 crore.

Though the company has also bagged another project for the highways department, there seems to be no system in place to ensure that the rest of the blue metal would be used only for public work.

[government](#) quarry operators are up in arms against the out-of-the-way contract. "For a small quantity of crushed blue metal, the company should not be allowed to mine blue metal worth crores of rupees. The government instead of generating revenue out of stone quarry, is losing its core revenue," said K Dhanasekar, president, Kancheepuram Stone Quarry Welfare Association.

Corporation maintained that there was nothing wrong in issuing the recommendation letter. "The communique to the district collector was only to speed up the work," said SV Mathiazhagan, superintending engineer, storm water drains. "It is a government policy to grant such lease when a government department come up with a requisition for their contractor," Kancheepuram collector Santosh K Misra told TOI.

About 33.5 km of new drains will be laid in the Central

Buckingham Canal catchment areas, with the blue metal mined from Keerapakkam panchayat.

Meanwhile, [Roman Tarmat](#) has brushed aside the allegations. "The district collector has granted the lease after ascertaining the pre-qualification for obtaining the lease under Rule 7. The raw material from the quarry will be used for specified public projects and will not be sold outside," said NV Natarajan, director, southern operations, Roman Tarmat.