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GOVERNMENT OF ANDHRA PRADESH
INDUSTRIES & COMMERCE. (M.II) DEPARTMENT

Dated: 08-07-2010

Letter No.7133/M.II(1)/2010-2

From
The Principal Secretary to Government,
Industries and Commerce Department,
A.P.Secretariat, Hyderabad.

To
✓ The Vice-Chairman & Managing Director,
A.P.Mineral Development Corporation Limited,
Ameerpet, Pancom Business Center,
Hyderabad.

Sir,

Sub: Mines & Quarries - Representation of M/s Alliance Andhra Pradesh Black Galaxy Granite Private Limited, a JV Company of A.P.Mineral Development Corporation Limited and M/s Gimpex Ltd., R.L.Puram (V), Chimakurthy (M), Prakasam District - Establishment of World Class 100% EOU Processing Plant - Compliance of conditions of JV Agreement dated: 04-06-2007 - Regarding.

- Ref: 1. Representation of Sri Binod Choudhury, Director, M/s Alliance Andhra Pradesh Black Galaxy Granite Private Limited, dated: 06-05-2010.
2. Government Letter No.7133/M.II(1)/2010-1, dated: 18-05-2010.
3. From the VC & MD, APMDC Limited, Ref: APMDC/APGMP/FA/2010/686, dated: 24-05-2010.

I am directed to invite your attention to the references cited and inform that in the light of the position stated by the Joint Venture Company i.e. (i) the mineral reserve, the over burden, recovery percentage as mentioned in the tender documents is at major variation with what they actually found on the field and (ii) they have over burden of 25 metres which is not found correct because top loose soil cover is about 5-15 metres only, in all the quarries in the leased area, Government felt it is better to seek evaluation / verification on the points 3 to 5 in the reference 1st cited raised by the Joint Venture Company and the figures shown by the Corporation in the reference 3rd cited under scenario 1 & 2 pertaining to profitability, from any independent technical agency such as IBM / Mining Engineers Association.

2. I am further directed to inform you that the Government observed that the profitability shown under scenario 2 is realized only if there is 100% demand for finished product at local level / international level. In order to know this, Government felt that it is better to have the details of demand for galaxy granite in the domestic and international market for raw material and finished product during the last five years, along with comparative statement on the gaining of profits for the both the categories i.e. raw and finished products during last five years.

3. I am therefore directed to request you to submit the above information and details for taking further appropriate action in the matter at the earliest.

Yours faithfully

ACKNOWLEDGEMENT

Received your letter No.: 7133/M.II(1)/2010-2

Dated : 08/07/2010 ; on: 13/07/2010

With our Tappal No. : 66189

Subject: MINES & QUARRIES- REPRESENTATIVES OF M/S ALLIANCE A.P BLACK
GALAXY GRANITE PRIVATE LIMITED.

Address: GOVERNMENT OF A.P INDUSTRIES & COMMERCE(M.II)
DEPARTMENT

