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**STANDING COMMITTEE ON
COAL AND STEEL
(2005-2006)**

FOURTEENTH LOK SABHA

MINISTRY OF MINES

PREVENTION OF ILLEGAL MINING

NINETEENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2006 / Sravana, 1928 (Saka)

NINETEENTH REPORT
STANDING COMMITTEE ON
COAL AND STEEL
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MINISTRY OF MINES

PREVENTION OF ILLEGAL MINING

Presented to Lok Sabha on 4.8.2006

Laid in Rajya Sabha on 4.8.2006



LOK SABHA SECRETARIAT
NEW DELHI

August, 2006/Sravana, 1928 (Saka)

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CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE (2005-06)	(iii)
COMPOSITION OF THE SUB-COMMITTEE ON MINES (2005-06)	(v)
COMPOSITION OF THE COMMITTEE (2004-05)	(vii)
COMPOSITION OF THE SUB-COMMITTEE ON MINES (2004-05)	(ix)
INTRODUCTION	(xi)
PART I	
REPORT	
CHAPTER I Introductory	1
CHAPTER II Indian Bureau of Mines—Its Role and Performance	4
CHAPTER III Prevention of Illegal Mining—Legal Frame Work	14
CHAPTER IV Mechanism for Prevention of Illegal Mining	25
Statement of Observations/Recommendations of the Standing Committee on Coal and Steel contained in the Report	35
PART II	
ANNEXURES	
I. State-wise breakup of number of cases referred to the State Government and action taken thereon as on 1.7.2005	48
II. Year-wise statement of pending mining lease cases as on 31.3.2006	49
III. State-wise breakup of Illegal Mining cases pending for the period from July 2005 to December 2005	50
IV. Cases of illegal mining detected by State Governments & action taken during 3 years period of 2002-2005	51
V. Minutes of the sitting of the Sub-Committee on Mines of the Standing Committee on Coal and Steel (2004-05) held on 4.1.2005	53
VI. Minutes of the sitting of the Standing Committee on Coal and Steel (2004-05) held on 19.7.2005	55
VII. Minutes of the sitting of the Standing Committee on Coal and Steel (2005-06) held on 3.8.2006	57
	(i)

COMPOSITION OF THE STANDING COMMITTEE
ON COAL AND STEEL (2005-06)

Shri Ananth Kumar—*Chairman*

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4. Shri Harishchandra Chavan
- *5. Shri Bangsagopal Chowdhury
6. Shri Chandra Sekhar Dubey
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11. Shri Hemlal Murmu
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14. Shri E. Ponnuswamy
15. Shri Tarachand Sahu
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17. Shri Prabhunath Singh
18. Shri Rewati Raman Singh
19. Shri M. Anjan Kumar Yadav
20. Vacant
21. Vacant

* Nominated *w.e.f.* 20.1.2006.

Rajya Sabha

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23. Shri Ramadhar Kashyap
24. Capt. Jai Narayan Prasad Nishad
- ©25. Shri B.J. Panda
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- §29. Shri Jesudasu Seelam
- §30. Maulana Obaidullah Khan Azmi
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2. Shri A.K. Singh — *Director*
3. Shri Shiv Singh — *Under Secretary*
4. Smt. Madhu Tandon — *Committee Assistant*

© Nominated *w.e.f.* 29.6.2006.

** Nominated *w.e.f.* 29.4.2006.

@ Nominated *w.e.f.* 2.6.2006.

§ Nominated *w.e.f.* 7.7.2006.

COMPOSITION OF THE SUB-COMMITTEE
ON MINES (2005-06)

Shri Ananth Kumar—*Chairman*

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11. Shri Prabhunath Singh
12. Shri Rewati Raman Singh
13. Shri M. Anjan Kumar Yadav
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COMPOSITION OF THE STANDING COMMITTEE
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Rajya Sabha

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23. Shri Ramadhar Kashyap
24. Capt. Jai Narayan Prasad Nishad
25. Shri Vidya Sagar Nishad
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27. Shri Jibon Roy
28. Shri G.K. Vasani

COMPOSITION OF THE SUB-COMMITTEE
ON MINES (2004-05)

Shri Ananth Kumar — *Chairman*

MEMBERS

2. Smt. Karuna Shukla — *Convenor*
3. Shri Prabhunath Singh
4. Shri G.K. Vasani
5. Shri Dalpat Singh Paraste
6. Shri Vikrambhai Arjanbhai Maadam
7. Shri Prasanna Acharya
8. Shri Harishchandra Chavan
9. Shri B.J. Panda
10. Shri Bikash Chowdhury

INTRODUCTION

1. I, the Chairman, Standing Committee on Coal and Steel having been authorised by the Committee to present the Report on their behalf, present this Nineteenth Report (Fourteenth Lok Sabha) on the subject "Prevention of Illegal Mining" relating to the Ministry of Mines.

2. Taking into consideration the significance of the subject, the Standing Committee on Coal and Steel selected the above-mentioned subject and entrusted the same to the Sub-Committee on Mines for examination and report thereon.

3. The sub-Committee on Mines was briefed by the representatives of the Ministry of Mines on 4.1.2005 on the subject. Thereafter the Standing Committee on Coal and Steel took oral evidence of the representatives of the Ministry of Mines on 19.7.2005 on the subject.

4. The Committee wish to express their thanks to the representatives of the Ministry of Mines for placing before them the detailed material/information as desired by the Committee/Sub-Committee and sharing with the Committee/Sub-Committee their frank views and perceptions concerning the subject.

5. The Committee place on record their profound appreciation for the work done by the Sub-Committee on Mines for their indepth study and analysis of the subject, thereby helping in preparation of the Report.

6. The Standing Committee on Coal and Steel considered and adopted this Report at their sitting held on 3.8.2006.

7. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in the body of the Report.

NEW DELHI;
3 August, 2006
12 Sravana, 1928 (Saka)

ANANTH KUMAR,
Chairman,
Standing Committee on Coal and Steel.

PART I
CHAPTER I
REPORT

Introductory

India is endowed with rich mineral resources. With a history of mining activity dating back to the pre-Harappam period, it is today gearing up to become a leading producer and exporter of a range minerals. In recent years, India has emerged as a leading producer of quite a few minerals, particularly industrial minerals. It is the world's largest producer of mica and ranks 3rd in the production of coal, lignite and barytes, 4th in iron-ore, 6th in bauxite and manganese ore, 10th in aluminium and 11th in crude oil. It can take pride in possessing in world's oldest zinc technology.

1.2 Exploitation of the vast mineral resources to meet the growing requirement has been a major economic activity contributing significantly to the country's industrial development and export trade. India's mineral export constitutes 16% of its total exports. Two States, Chhattisgarh and Jharkhand account for 25 per cent of mineral production and 10 States namely, Andhra Pradesh, Assam, Gujarat, Maharashtra, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh, West Bengal and Karnataka account for slightly less than 50 per cent of production.

1.3 Ministry of Mines is responsible for the survey and exploration of all minerals except natural gas, petroleum and atomic minerals and for the mining and metallurgy of non-ferrous metals such as aluminium, copper, zinc, lead, gold and nickel. It is also responsible for the administration of the Mines and Minerals (Development and Regulation) Act, 1957 in respect of all mines and minerals other than coal, natural gas and petroleum. The Ministry has been carrying out survey and exploration through Geological Survey of India (GSI) and Minerals Exploration Corporation Ltd. (MECL). The IBM functioning under the Ministry of Mines is carrying out promotion and conservation of minerals other than natural gas, atomic minerals and minor minerals.

1.4 The Central Government can exercise powers for regulation of mines and mineral development to the extent such regulation and development is declared by Parliament by law to be expedient in the

public interest, as per Entry 54 of List-I of the Seventh Schedule to the Constitution of India. The State Governments, on the other hand, have been given powers under Entry-23 of List-II for regulation of mines and mineral development subject to the provisions of List-I with respect to regulation and development under the control of the Union. Parliament has enacted the Mines and Minerals (Development and Regulation Act, 1957) (MMDR Act, 1957) under Entry 54 of List-I to provide for the regulation of mines and development of minerals under control of the Union.

1.5 In pursuance of the reforms initiated by the Government of India in July, 1991 in fiscal, industrial and trade regimes, the National Mineral Policy was announced in March, 1993. The National Mineral Policy recognized the need for encouraging private investment, including foreign direct investment and for attracting state-of-the-art technology in the mineral sector. Further, the policy stressed that the Central Government, in consultation with the State Governments, shall continue to formulate legal measures for the regulation of mines and the development of mineral resources to ensure basic uniformity in mineral administration so that the development of mineral resources keeps pace, and is in consonance with the national policy goals.

1.6 Under the Indian Constitution while State is the owner of mineral resources, the Union Government has power to make law regulating exploration and mining. Though the Indian Bureau of Mines has been mandated with the promotion and conservation of mineral resources of the country but the rampant illegal mining has been reported from various States. The menace of illegal mining has been raising its ugly heads with impunity. This is amply clear from the fact that there have been 14,504 odd cases of illegal mining detected in the various parts of the country which is not only an indicative of illegal business thriving in the mineral industry but an existence of unholy nexus between the mineral mafia's and the law enforcement agencies.

1.7 Under the statutory provisions, no mining operation can be undertaken without a mining lease duly granted, executed and registered by the lessee with the State government. Any mining activity undertaken outside the ambit of provision of the Mines and Minerals (Development and Regulation) Act (MMDR Act) 1957 and the rules framed thereunder constitutes illegal mining.

1.8 Taking cognizance of illegal mining, the Ministry of Mines constituted a 'Tandon Committee in 1988' for review of the existing Act and Rules and suggestion for further delegation of powers to the

State Governments besides suggesting measures to prevent illegal mining. The Tandon Committee recommended amendments to MMDR Act and also recommended measures to prevent illegal mining. Accordingly, a number of amendments were effected in MMDR Act by the Government of India in 1999. However, the impact of these amendment had failed to deter the illegal mining and continues to be unabated.

1.9 The conservation as well as systematic and scientific harnessing of mineral resources is bedrock of economic development of a nation. However, unscientific and unlawful mining has been thriving endlessly causing not only immense loss to the national exchequer but destruction of natural environment. The Government in its efforts to promote and develop mining sector had taken a number of steps and commissioned studies from time to time under National Mineral Policy, 1993. But, the impact thereof has been far from the satisfactory and the exploration and development of mineral wealth of the country remained unproductive both economically and socially.

The Committee, therefore, desire that the Ministry should prepare a revised National Mineral Policy in consultation with the State Governments, concerned agencies/organizations and other stakeholders with adequate investment proposals to harness the vast mineral resources of the country and effectively meet the challenges of future in our strides towards the status of a developed country.

CHAPTER II

INDIAN BUREAU OF MINES—ITS ROLE AND PERFORMANCE

The Indian Bureau of Mines (IBM) is primarily responsible for the promotion of conservation of minerals, protection of environment in mines, systematic and scientific development of the mineral resources of the country other than coal, petroleum and natural gas, atomic minerals and minor minerals. towards this end, it performs regulatory functions, namely enforcement of Mineral Conservation and Development Rules, 1988, the relevant provisions of the Mines and Minerals (Development and Regulation) Act, 1957, the Mineral Concession Rules, 1960 and Environmental Protection Act, 1986 & Rules made thereunder. It also undertakes scientific, techno-economic, research oriented studies in various aspects of mining, geological studies, ore beneficiation and environmental studies. It provides technical consultancy services to the mining industry for geological appraisal of mineral resources and for preparation of feasibility reports of mining projects including beneficiation plants. It conducts market surveys to assist the mineral trade in the marketing of minerals. The IBM also functions as a Data Bank on Mines and Minerals and publishes periodically statistical information relating to mines and minerals. It also brings out technical publications in the form of Monographs and Bulletins. The IBM advises the Central and State Governments on all aspects of mineral industry, trade, legislation, etc.

2.2 IBM imparts training to technical and non-technical officials of IBM and also persons from the mineral industry and other agencies in India and abroad. Functions/Main activities of the IBM are as follows:—

- (i) Inspection and study of mines for enforcement of MCDR, examination and approval of mining plans, schemes and mine closure plans under MCR 1960 and MCDR 1988.
- (ii) Providing technical consultancy services in the field of geology, mining, mine environment and mineral beneficiation.
- (iii) Research on beneficiation of low-grade ores and analysis of ores and minerals.
- (iv) Conducting research on special mining problems.
- (v) Publication of monographs and bulletins.

- (vi) Preparation of mineral maps.
- (vii) Preparation of inventory of mineral resources of the country.
- (viii) Conducting market surveys of minerals and metals.
- (ix) Collection and dissemination of statistics and information on mines and minerals.
- (x) Promoting and monitoring community development activities in mining areas.
- (xi) Advising the Central and State Governments on matters in regard to mineral industry, relating to environmental protection and pollution control, export and import policies, trade, mineral legislation, fiscal incentives and related matters.
- (xii) Training of IBM personnel and persons from the mineral industry and other agencies in India and abroad.
- (xiii) Special studies on Development Programmes and International Mineral Intelligence.

2.3 IBM has its headquarters at Nagpur and 12 Regional Offices at Ajmer, Bangalore, Bhubaneswar, Chennai, Dehradun, Hyderabad, Jabalpur, Kolkata, Margao, Nagpur, Ranchi and Udaipur and 2 sub-regional offices at Guwahati and Nellore.

IBM has well equipped Ore Dressing Laboratories and Pilot Plants at Nagpur, Ajmer and Bangalore.

2.4 The Ministry of Mines has informed the Committee that the role of IBM is limited to development of minerals by enforcing Mineral Conservation & Development Rules, 1988 within the mining lease area and approving the mining plans under Section 5(2) of MM(D&R) 1957 to systematize the mining operations, conservation of mineral and environmental protection with the mining lease area only.

2.5 In the existing statutory provision IBM has got a limited role of administering development of minerals in the mining lease area for major minerals only and the responsibility of preventing the illegal mining, transportation and storage of minerals rests with the State Government.

2.6 As per present Charter of functions, IBM apart from other functions is responsible for the following:—

- (i) To promote systematic and scientific development of mineral resources of the country (both on-shore & offshore)

- (ii) To approve mining plans, schemes and mine closure plans having regard to conservation of minerals and protection of mines environment.

2.7 By different Gazette Notification, various officers of the Indian Bureau of Mines (IBM) have been authorized to carry out the statutory functions under Section 5(2)(b), 22 and 24(1) of the Act.

2.8 The following statement showing State-wise details of 1522 cases of illegal mining (where IBM has taken up the matter with the State Governments for taking appropriate action including determination of mining cases operating without mining plan):

S. No.	Name of the State	Number of Mines	Important Minerals
1.	Madhya Pradesh	128	Limestone & Bauxite
2.	Uttar Pradesh	05	Silica Sand
3.	Andhra Pradesh	308	Limestone, Quartz, Mica, Barite & China Clay
4.	Karnataka	65	Limestone, China Clay, Moulding Sand & Quartz
5.	Maharashtra	47	Silica Sand & Iron Ore
6.	Bihar	54	Mica
7.	Jharkhand	176	Mica, Fire Clay, Limestone, Iron Ore & China Clay
8.	Chhattisgarh	10	Limestone
9.	Meghalaya	04	Limestone
10.	Assam	12	Limestone
11.	Manipur	02	Chromite
12.	Sikkim	01	Copper
13.	Orissa	68	Quartz & Graphite
14.	Rajasthan	251	Steatite, Silica Sand, Feldspar & Asbestos
15.	Gujarat	391	Bauxite, Chalk, Limestone, Fire Clay, Silica Sand & White Clay
Total		1522	

2.9 When asked about the cases of illegal mining investigated and what coordination between IBM and the State Governments exists in this regard, the Ministry stated that :—

“During the course of inspection of major mineral mines for the purpose of enforcement of provisions of Mineral Conservation and Development Rules 1988[MCDR, 1988] viz. the Mining plan if any illegal mining activities come to the notice of the inspecting officer of IBM, it is reported to the concerned State Governments for taking appropriate action. IBM has noticed 1522 cases of illegal mining in September, 2002 and it referred the cases to the concerned State Governments. IBM has reported that only 7 out of 1522 cases are pending with the State Governments and rest have been sorted out. IBM has been asked to follow up action on cases of illegal mining sent by them to the State Governments on quarterly basis at every regional level.”

2.10 The State-wise break up of number of cases referred to the State Government and Action taken thereon as on 1.7.2005 are given at Annexure-I.

2.11 On being asked whether IBM detected illegal mining of mineral in forest area, the ministry further stated that:—

- “(i) Illegal mining was carried out in Bachaiya Red Ochre Mine (8.97 ha) in Katni district (MP). On the basis of the inspection carried out by an officer from IBM, it was observed that red ochre was excavated from the forest land which was further confirmed by conducting a survey on 26th and 27th December, 2003 in presence of village patwari. the Regional Controller of Mines, Jabalpur referred the matter to the District Mining Officer.
- (ii) During a study conducted on illegal mining of iron ore in Karnataka in September, 2004, it was found in Chitradurga district of Karnataka that in K.K.K. Kaval forest area extensive illegal float iron ore mining was spread over in more than 2 sq.km.area. The ore was found to be transported by tractor-trolley from the mining faces and stacked all over the road.
- (iii) In Bellary district of Karnataka, in Southern part of Vibhutiguda hill and below the ML of Karnataka minerals, extensive float ore mining over an area of 100 ha in forest area was observed along the hill slopes. Stacks of high grade ore was seen laying in the area. These activities were

communicated to the Secretary, Government of Karnataka, Commerce and Industry Department, Bangalore on 14/10/2004. Further, a meeting on the above illegal mining activities was also held by IBM with the Secretary to Government of Karnataka, Department of Commerce and Industry on 27/12/2004 at Bangalore.”

2.12 When asked whether Ministry of Mines ever had any discussions/meeting with the State Governments in preventing illegal mining, the Committee have been informed by the Ministry of Mines that:—

“The coordination between Ministry of Mines and State Governments is through forums like Mineral Advisory Council, Conference of State Ministers of Mining and Geology, etc. However, no specific machinery currently exists for coordination regarding illegal mining. It is now proposed that quarterly meetings be held with the State Governments. Further it is also proposed to instruct IBM to visit Directorate of Geology and Mining (DGMs) in States for field coordination. On 17 January 2005, meeting under the chairmanship of Secretary (Mines) Government of India was held with State Secretaries of major mining States. State Governments were advised to frame rules expeditiously and to take strict measures for prevention of illegal mining. The information given by the State Governments was collated and is given at Annexure-IV. Another meeting with the Secretaries of the major mining States was held on 7 July 2005. In the meeting, the Ministry proposed furnishing of a quarterly Return by all the State Governments on the action taken on illegal mining. It was also proposed to hold Quarterly meeting with the State Governments to sort out matters pertaining to mining and to institutionalize regular monitoring of illegal mining. Ministry of Mines will now closely monitor the issue of illegal mining with the State Governments. Minister of Mines has recently written to the Chief Ministers of major minerals producing States about the concern of the Parliamentary Standing Committee on illegal mining and asked them to take effective measures for preventing illegal mining in their States”.

2.13 On being enquired whether IBM is primarily responsible for the promotion of conservation and scientific development of mineral resources in the country. Whether failure to conserve and protect the mines by IBM means abdication of its primary duty, the Ministry elaborated that:—

“The activities of the Indian Bureau of Mines are in accordance with its charter of functions notified by Government. IBM is

primarily responsible for the systematic and scientific development of the mineral resources of the country, promotion of conservation of minerals and for protection of environment in mines, for mines other than coal, petroleum and natural gas, atomic minerals and minor minerals. Towards this end, it performs regulatory functions, namely enforcement of Mineral Conservation and Development Rules, 1988, the relevant provisions of the Mines and Minerals (Development and Regulation) Act, 1957, the Mineral Concession Rules, 1960 and Environmental Protection Act, 1986 and Rules made thereunder. IBM carries out inspection and study of mines for enforcement of MCDR, examination and approval of mining plans, schemes and mine closure plans under MCR 1960 and MCDR 1988. Annually around 2500 mines are inspected by IBM officers. Based on the inspections, follow up actions are taken up by IBM in respect of systematic and scientific development of the mineral resources, promotion of conservation of minerals and for protection of environment in mines, wherever the deficiencies are observed.

Implementation of mining plans and schemes of mining is another important aspect introduced for promotion of scientific and systematic development of mineral resources, conservation of mineral resources and for environmental protection. IBM approves about 800 mining plans and scheme of mining in a year. Even before the approval, spot inspections are being carried out so as to ensure that mineral conservation and systematic mining and also environmental issues are taken due care of. Wherever necessary modifications are suggested. After execution of the mining lease regular inspections are being carried out by the IBM for proper implementation of the approved mining plans”.

2.14 During the year 2004-05, 306 violations have been pointed out by IBM for deviation from the approved mining plan. Detailed compliance status is given below:

Total Violations pointed out	306
1. No. of violations complied	121
2. Show cause notices issued for non compliance	123
3. Violations complied/rectified after issuing show cause notice.	51
4. Total violations complied (1+3)	172
5. Prosecutions cases launched	31
6. Follow up action is in progress	103

During the year 2005-06 (upto Dec. 2005), 1,487 violations of MCDR, 1988 were pointed out in respect of 702 mines and 825 violations were rectified. Twenty-five prosecution cases were launched in various courts, 16 cases were decided and 18 cases were compounded.

Presently progressive Mine Closure Plans are also introduced as an integral part of the Mining Plan/Schemes, so that concrete steps are taken by the mine owners for simultaneous reclamation & rehabilitation of the worked out portions of the mine. This aspect is also being properly looked after by IBM during mine inspections. Apart from the above inspections, wherever necessary samples of low grade/sub-grade ores and minerals are collected and analyzed in IBM's Laboratory for advising the mine owners about its commercial viability.

To promote systematic and safe mining, IBM is also taking up consultancy assignments to advise the mining industry for proper development of the deposits and improvement of environmental conditions prevailing within the mining areas. Thus, IBM acts as Regulator and Facilitator, for Scientific and systematic development of minerals, conservation of mineral resources and for environmental protection of mines".

2.15 Regarding illegal mining reported in the abandoned mines, the Ministry of Mines stated that:

"No illegal mining activities in the abandoned mines have come to the notice of IBM. The number of cases of illegal mining reported by the State Governments does not indicate separately the cases detected at abandoned mines site. Now the Central Government has prescribed Mine Closure Plans for the purpose of decommissioning, reclamation and rehabilitation in the mine or part thereof after cessation of mining and mineral processing operations. these plans have to be prepared in the manner specified in the standard format and guidelines issued by the Indian Bureau of Mines".

2.16 The Minister of State for Coal while replying to a starred question No. 306 in Lok Sabha on 14th December, 2005 on illegal mining informed that illegal mining is carried out stealthily and clandestinely from abandoned/closed/disused mines/non-working part of mine or from outcrop regions. As such it is not possible to have full details of such instances. Similarly theft of coal is carried out stealthily and clandestinely and as such it is not possible to exactly

specify the location from and quantity of coal that might have been stolen.

2.17 The Committee note that Indian Bureau of Mines (IBM), a subordinate office under the Ministry of Mines has been entrusted with the responsibilities for the promotion, conservation and scientific development of minerals in the country other than coal petroleum, natural gas, atomic minerals and minor minerals. IBM also performs regulatory functions *viz.* enforcement of the Mines and Minerals (Development and Regulation) Act, 1957, the Mineral Concession Rules, 1960 and the Mineral Conservation and Development Rules, 1988. The Committee further note that as an executive arm of the Ministry, IBM also regulates mining activities as per the provisions of the Central Act and rules made thereunder.

The Committee further note that the IBM also provides technical consultancy services to mining industry apart from advising the Central and State governments on all aspects of mineral industry, trade, legislation etc. The IBM undertakes inspection/studies for the enforcement of provisions of MMDR Act, 1957 and rules made thereunder for ensuring that mining operations are carried out in accordance with the approved mining plans/schemes of mining. The Committee therefore, feel that while ensuring that mining operations are carried out as per approved plans and schemes, the IBM is duty bound to point out the violations in this regard.

The Committee note that IBM with its 12 Regional Offices and two Sub Regional Offices has also been implementing a scheme of inspection of mines for scientific and systematic mining, mineral conservation and mines environment. The Committee further note that consequent to inspections and studies during the year 2005-06 (upto December, 2005) 1487 violations of MCDR, 1988 were pointed out in respect of 702 mines and 825 violations were rectified.

The Committee are, however, constrained to note that as compared to 1487 cases of violations detected by IBM during 2005-06 (upto December, 2005), 14504 cases of illegal mining have been reported from various States with the number of cases going on unreported is likely to be much more. The Committee note that in ten States namely Andhra Pradesh, Maharashtra, Karnataka, Madhya Pradesh, Tamil Nadu, Rajasthan, Chhattisgarh, Gujarat, Jharkhand and Orissa, the total illegal mining/illegal transportation cases reported during 2002-2005 were 7536 and 44780 respectively. This includes 3194 cases of major minerals and 4342 cases of minor minerals. In the State of Karnataka alone, 1731 cases of illegal mining

of major minerals were reported during this period. The Committee are deeply concerned that the IBM though vested with primary responsibility for scientific development of mineral resources, has failed to detect even a fraction of illegal mining activities.

The Committee are surprised that most of the State Governments were unable to indicate the exact area under illegal mining and at the same time, stating that there is no monetary loss in such cases. The Committee consider the argument of the State governments untenable that they recover more money by imposition of penalty, etc. on defaulters than losses on account of illegal mining of minerals. The Committee are disappointed at this state of affair wherein both the Union Government and State Governments have been unable to check the plague of illegal mining but are also oblivious of the extent and implications thereof.

The Committee are constrained to observe that the magnitude of illegal mining activities is not only detrimental to primary objectives of National Mineral Policy but also causing immense loss to the exchequer and the revenue realized through penalties imposed by the State Governments can in no case compensate the huge resources being drained away. The situation is too grim to be tackled by the State Governments on their own and, therefore, their insistence for not parting with their power in favour of IBM is not justifiable.

The Committee, therefore, desire that the State Governments join hands with IBM to check the menace of illegal mining. The Committee also desire the Ministry to regularly sensitize State Governments about their role and responsibilities under the Act and desirability of scientific exploration of mineral resources of the country.

2.18 The Committee also note that in most of the cases, illegal mining has been taking place stealthily and clandestinely from the abandoned/closed/disused mines/non-working part of mine or from outcrop region, as admitted by the Union Minister of State for Coal in reply to a Starred Question No. 306 dated 14.12.2005 in Lok Sabha. The Committee are anguished to note that Union as well as State Governments have neither the details of abandoned/closed/disused mines nor taken effective steps for prevention of illegal mining from such mines. This gives credence to the fact that no mine closure plans for the purpose of decommissioning, reclamation and rehabilitation in the mine or part thereof after cessation of mining and mineral processing operations are properly being prepared and implemented.

The Committee, therefore, desire the Ministry/IBM to ensure that the mine closure plans are prepared and executed immediately after cessation of mining activities and also that no mine is left in an abandoned state. The Committee would also like the Ministry to keep the State Governments informed about the mine closure plans in order to have a well coordinated approach for prevention of illegal mining.

CHAPTER III

PREVENTION OF ILLEGAL MINING—LEGAL FRAMEWORK

Mining operation is required to be carried out after obtaining a mining lease or in other areas after complying with the provisions made in the Mines & Minerals (Development and Regulation) Act, 1957 and rules made thereunder. If mining activity is carried out without complying with these provisions, it will fall under the category of illegal mining. The mining activities carried out beyond the permissible area and from abandoned/closed/disused mines/non-working part of mine also constitute illegal mining.

3.2 Section 23(c) of MMDR Act empowers the State Government to make rules for preventing illegal mining, transportation and storage of minerals which reads as under:

- (1) The State Government may, by notification in the official Gazette, make rules preventing illegal mining, transportation and storage of minerals and for the purposes connected therewith.
- (2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:
 - (a) Establishment of check-posts for checking of minerals under transit;
 - (b) Establishment of weigh-bridges to measure the quantity of mineral being transported;
 - (c) Regulation of mineral being transported from the area granted under a prospecting licence or a mining lease or a quarrying licence or a permit, in whatever name the permission to excavate minerals, has been given;
 - (d) Inspection, checking and search of minerals at the place of excavation or storage or during transit;
 - (e) Maintenance of registers and forms for the purposes of these rules;
 - (f) The period within which and the authority to which applications for revision of any order passed by any authority be preferred under any rule made under this

section and the fees to be paid therefor and powers of such authority for disposing of such applications; and

- (g) Any other matter which is required to be, or may be, prescribed for the purpose of prevention of illegal mining, transportation and storage of minerals.
- (3) Notwithstanding anything contained in section 30, the Central Government shall have no power to revise any order passed by a State Government or any of its authorized officers or any authority under the rules made under sub-sections (1) and (2).

3.3 On being enquired about the quantum of penalties being imposed for indulging in illegal mining, the Ministry of Mines furnished to Committee in written reply stated as under:

“As per section 21 of MMDR Act, 1957 penalty to be levied are as follows:

- (i) Whoever contravenes the provisions of sub-section (1) or sub-section (1A) of section 4 shall be punished with imprisonment for a term which may extend to two years, or with fine which may extend to twenty five thousand rupees, or with both;
- (ii) Any rule made under any provision of this Act may provide that any contravention thereof shall be punishable with imprisonment for a term which may extend to one year or with fine which may extend to five thousand rupees, or with both and in the case of a continuing contravention, with an additional fine which may extend to five hundred rupees for every day during which such contravention continues after conviction for the first such contravention;
- (iii) Where any person trespasses into any land in contravention of the provisions of sub-section (1) of section 4, such trespasser may be served with an order of eviction by the State Government or any authority authorized in this behalf by that Government and the State Government or such authorized authority may, if necessary, obtain the help of the police to evict the trespasser from the land;
- (iv) Whenever any person raises, transports or causes to be raised or transported, without any lawful authority, any mineral from any land, and, for that purpose, uses any tool, equipment, vehicle or any other thing, such mineral,

tool, equipment, vehicle or any other thing shall be liable to be seized by an officer or authority specially empowered in this behalf;

- (v) Any mineral, tool, equipment, vehicle or any other things seized under sub-section (4), shall be liable to be confiscated by an order of the court competent to take cognizance of the offence under sub-section (1) and shall be disposed of in accordance with the directions of such court;
- (vi) Whenever any person raises, without any lawful authority, any mineral from any land, the State Government may recover from such person the mineral so raised for, where such mineral has already been disposed of, the price thereof, and may also recover from such person, rent, royalty or tax, as the case may be, for the period during which the land was occupied by such person without any lawful authority; and
- (vii) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, an offence under sub-section (1) shall be cognizable."

3.4 When asked whether mining activities beyond the permissible area constitute illegal mining and any such case has been detected, the Ministry has replied as under:

"Mining activities continued beyond the permissible lease area constitute illegal mining unless & until the approval of Central Government is obtained under Section 6(1) (b) of the MMDR Act, for relaxing the limit in the interest of mineral development. Majority of the State Governments including Maharashtra, Tamil Nadu, Gujarat, Chhattisgarh and Andhra Pradesh have reported that no such cases have been detected in their State. However, Government of Madhya Pradesh has reported that two cases of mining in the prospecting licence area were detected in District Satna wherein the prospecting licence holders were found to be indulged in illegal extraction of mineral sand to the tune of 2950 cubic metre and 350 cubic metre respectively. The Government of Madhya Pradesh has cancelled his PL and proceeded against him under the Madhya Pradesh Land Revenue Code for illegal extraction of mineral and the case is being tried in the court of Collector. Government of Karnataka has informed that boundary dispute between the lessee exist in certain cases and in some cases resurvey has been conducted. Rest of the State Governments have not furnished the information".

3.5 On being asked whether Indian Bureau of Mines (IBM) found any deficiency/lacunae in the Acts and Rules while implementing them to curb illegal mining, the Ministry has stated that:

“The Tandon Committee had suggested certain amendments in MMDR Act for prevention of illegal mining. Section 4(1A) was introduced and Section 21(4) of the Act was amended to bring transport and storage of illegally raised mineral within the purview of law. Further, a new Section 23 C was introduced on 20 December 1999 under MMDR Act, giving powers to State Governments to make rules for prevention of illegal mining, transportation and storage. As per this amendment, the Central Government shall have no power to revise any order passed by the State Governments or its authorized officers. Section 24(1) as also amended delegates the powers of entry and inspection to the State Governments enabling them to authorize any person to undertake entry and inspection of any mine or abandoned mine or for any other purpose connected therewith. These amendments have made the State Governments better equipped to handle the problem of illegal mining.

Since the nature and magnitude of the problem of illegal mining activity varies from State to State, the full powers have been delegated to the State Governments to form their own rules for curbing illegal mining under Section 23C of MMDR Act. If the power to frame the rules is fully vested with the State Governments, then it will be possible for each of them to address the problems of illegal mining by suitably listing out the target areas depending upon the strengths of its law and order machinery and revenue implications for the States.

The issue of further delegation of powers to IBM to effectively control illegal mining was discussed in the meeting of the State Governments on 17 January 2005 under the Chairmanship of Secretary (Mines). The State Governments were unanimous that the provisions for prevention of illegal mining should continue to be under the administrative authority of the State Governments, as the mineral rights and collection of revenue also vests with the State Government and police and law and order machinery is with the respective States”.

3.6 When Committee enquired about the terms and conditions presently offered to the private sector regarding mining, the Ministry of Mines stated that:

“There are no separate terms and conditions presently being offered to the private sector regarding mining. Both the public and private

sectors are considered at par. Every mining lease granted is subject to the conditions mentioned in Rule 27 of Mineral Concession Rules, 1960 (MCR)".

3.7 When enquired about Section 23C of MMDR Act, which requires State Governments to frame rules for preventing illegal mining, the Ministry stated that:

"As per available information, 9 State Governments namely, Andhra Pradesh, Bihar, Goa, Himachal Pradesh, Jammu & Kashmir, Maharashtra, West-Bengal, Uttar Pradesh and Uttaranchal have framed and notified the rules for preventing illegal mining/ transportation/storage of minerals under section 23C of MMDR Act, 1957. In case of Tamil Nadu, Orissa, Rajasthan, Karnataka, Kerala, Chhattisgarh, Gujarat, Haryana and Jharkhand the rules are in the process of being framed/approved by the respective State Governments. Other ten States & six Union Territories are yet to frame these Rules. Government of Madhya Pradesh is of the view that there are suitable provisions for taking action against illegal mining within the existing provisions of law. State Government of Andhra Pradesh has framed Andhra Pradesh Mineral Dealers Rules, 2000, Bihar has framed Bihar Mineral (Prevention of Illegal Mining, Transportation and Storage) Rule, 2003 and Maharashtra has framed Maharashtra Minerals (Prevention of Illegal Mining, Transportation and Storage) Rule, 2001 under Section 23C of the MMDR Act, 1957. Government of Chhattisgarh has "The Minerals Transit Pass Regulation, 1996" for the purpose of checking of illegal mining. Government of Orissa has framed Orissa Minerals (Prevention of Theft, Smuggling and other Unlawful Activities) Act, 1999."

3.8 When asked to furnish a list of individuals/companies to whom the mining lease has been granted during the last three years and as to whether any application for grant of mining lease or renewal is pending with the Government, the Ministry stated that mining leases are granted by the State Governments under section 5(1) of the MMDR Act, 1957. Only in case of minerals specified in the First Schedule to the MMDR Act, prior approval of the Central Government is taken by the State Governments. A statement showing pending mining lease cases as on 31.3.2006 is given at Annexure-II.

3.9 The Ministry has informed that there were about 14,504 (from July, 2005 to December, 2005 given at Annexure-III) illegal mining cases reported from different States. The information in respect of illegal

mining have been compiled and updated based on the information furnished by major mineral producing States. The State-wise break-up of all the minor and major illegal mining cases are given at Annexure-IV.

3.10 As regards, the action taken by the States against illegal mining, the Ministry informed the Committee as under:

“State Governments have taken various action against illegal mining in their respective States. Government of Tamil Nadu has stated that the raids by the officials of Department of Geology and Mining and Revenue Department are conducted frequently. The team conduct raids, detect illegal quarrying and seize vehicles transporting illicitly quarried minerals. Chance of personal hearing is given and if accepted by the delinquent, compounding of offence is ordered. If not, FIR is lodged for arresting and filing of criminal case under Section 21 of MMDR Act, 1957 and Cr. PC, 1973. Government of Chhattisgarh has informed that District Collector/ Addl. Collectors are empowered to take action and impose penalty in the case of illegal mining within their respective jurisdiction under Sec. 247 of the Chhattisgarh State Land Revenue Code. Officers of the Mining Department up to the level of Assistant Mining Officers have been given powers to seize mineral, tool, equipment vehicle which causes to be raised or transported without lawful authority under section 21(4) of MMDR, Act, 1957. They have also been delegated powers of compounding of offences under section 23A of MMDR, Act, 1957. Government of Gujarat has intimated that Flying Squad has been created in Commissioner of Geology & Mining specially for preventing illegal mining, transportation & storage of minerals in the State. Special team under Flying Squad are also entrusted the job of surprise checking across the State. District officers functioning under District Collectors are also working to prevent the illegal mining in their respective districts. The Head Quarters officers, district officers and revenue officers are empowered under provisions of MMDR Act, 1957 and GMMR, 1966. State Government have imposed penalties and raised demand against illegal mining. The demand raised and demand realized by various State Governments is also given at Annexure-IV”.

3.11 On being enquired about the jurisdiction of Central Government and the State Governments is so far as detection and prevention of illegal mining is concerned, the Ministry of Mines stated that:

“Central Government’s Jurisdiction: Regulation of Mines and Minerals is the responsibility of the Central Government and the

State Governments in terms of Entry 54 of the Union List (List 1) and Entry 23 of State List (List II) of the Seventh Schedule of the Constitution of India. Accordingly, the Central Government has framed Mines and Minerals (Development and Regulation) (MMDR) Act, 1957, laying down the legal framework for the regulation of mines and development of all minerals other than petroleum and natural gas. The Central Government have framed Mineral Concession Rules, 1960 (MCR) for regulating grant of mineral concession in respect of all minerals other than minor minerals. The Central Government has also framed the Mineral Conservation and Development Rules—1988 (MCDR) for Scientific & systematic development and Conservation of minerals and for the protection of environment. These are applicable to all minerals except coal, atomic minerals and minor minerals. Hence, framing of laws for prevention of illegal mining is in the jurisdiction of Central Government.

State Government's Jurisdiction: As per section 23C of MMDR Act, 1957, the State Governments have been empowered to make Rules to prevent illegal mining, transportation and storage of minerals.

Further, with respect to minor minerals, as per the section 15 of the MMDR Act, the State Governments are empowered to make rules for regulating the grant of quarry leases, mining leases or other mineral concessions in respect of Minor Minerals, Separate Minor Mineral Concession Rules are framed by each State for minor minerals.

Therefore, under the federal framework as police and law & order machinery is with the State Governments all the powers for checking/prevention of illegal mining activities have been delegated to the State Governments".

3.12 A Committee which was constituted to consider necessary measures to check illegal possession and transportation of minerals had identified, in its Report April, 1988 (a) cumbersome procedure for grant of mining lease; (b) delay in grant of mining lease; and (c) ignorance of rules and procedures on the part of local villagers were the basic reasons for proliferation of illegal mining. On being asked what pro-active steps have been taken to overcome the problems, the Ministry stated as follows:

"The following amendments have been made in the MMDR Act, 1957 and Rules framed thereunder to simplify the mining laws

and procedures and delegation of more powers to the State Governments to curb delays:

- (i) "The area restrictions of Reconnaissance Permits, Prospecting Licenses and Mining Leases will apply only State-wise.
- (ii) No case of renewal of prospecting license/mining lease even for the 10 minerals mentioned in Part C of the First Schedule to MMDR Act, 1957, need reference to the Central Government.
- (iii) Similarly, transfer of mining leases even for these 10 minerals do not require reference to the Central Government.
- (iv) State Governments have been delegated powers to grant mineral concessions even for areas which are not compact or contiguous.
- (v) State Governments have been empowered to permit amalgamation of two or more adjoining mining leases.
- (vi) State Governments have been delegated powers to approve mining plans for certain category of mines.
- (vii) Level playing field between Government owned Companies and others have been provided, *e.g.* prematurely terminated lease areas is available for re-grant for both public and private sector, and Government owned companies can not charge premium in case of transfer of mining lease.
- (viii) Time limits have been prescribed for conveying a decision on applications for grant of mineral concessions, and for approval of mining plans".

3.13 When enquired about how far the rules made by State Governments under Section 23C has been able to curb illegal mining, the Ministry of Mines elaborated that the powers for prevention of illegal mining, transportation and storage rest with State Governments. A number of State Governments have framed Rules under Section 23C of the Act and some are in the process of formulating the Rules. The number of cases of illegal mining, transportation and storage of minerals detected during 2002-2003, 2003-2004 and 2004-2005 were 296, 942 and 1490 respectively in major minerals producing States.

3.14 As regards Mines and Minerals (Development and Regulation) Act and powers delegated to the State Governments and to IBM, the Secretary, Ministry of Mines has stated during oral evidence stated as under:

"From the legal point of view, two major actions need be taken. Under Section 26(1), we have authorized the IBM to act against

mines, which are covered under the Mining Plan. We have not authorized them to act against other offences. We have to delegate the powers. Section 23(B) empowers various Gazetted Officers of the Central and State Governments to search for checking illegal mining.”

“Section 26(1) delegates powers in respect of the Mining Plan. If we want them to take action in other aspects also where illegal mining is going on, then we have to give them authority. There are couple of other Sections under which we will take different types of action. We have to look at them very seriously. We have started doing the homework. Our interactions with the States show that the Governments do not show the kind of results which we expect them to show. The second thing which I would like to submit before the Hon. Committee is this. There are some other points, which are very important but not in the Mining Plan. They are related to mining areas which are outside the lease and which are not part of the lease.”

3.15 The Committee note that Mines & Minerals (Development and Regulation) Act, 1957, Mineral Concession Rules, 1960, Mines and Minerals Development Rules, 1988 provide the legal framework for prevention of illegal mining. In pursuance to the recommendations of Tandon Committee, MMDR Act was amended in 1999 by inserting new Section 23C empowering the State Governments to frame rules for preventing illegal mining, transportation and storage of minerals. The State Governments are also required to regulate and provide for establishment of check posts, regulation of mineral transport, inspection, checking and search of minerals at the place of excavation, storage or during transit.

The Committee feel that Section 23C of MMDR Act is immensely crucial provision for managing the mineral wealth of the country and its exploitation for the welfare of the people. The Committee are dismayed that even after the lapse of more than seven years, only 9 State Governments have framed the necessary rules under Section 23C of MMDR Act. The Committee are deeply concerned that several States with high incidence of illegal mining are still blissfully unaware of their responsibilities as well as ground realities which is eating into their vital source of revenue.

The Committee cannot but deprecate the lackadaisical attitude of the State Governments as well as the failure of the Ministry to convince them to frame such rules resulting in rampant illegal mining.

The Committee, therefore, desire the Ministry of mines to seriously look into the matter and issue directions to recalcitrant States to immediately frame the rules for prevention of illegal mining, transportation and storage of minerals.

3.16 The Committee also note that under section 23C(3), the Central Government shall have no power to revise any order passed by a State Government or any of its authorized officer or any authority under the rules made under sub-section (1) and (2). The Committee consider this an anomalous situation as in the absence of powers to revise any order passed by the State Governments, there may be conflicting provisions and deviations, inconsistent with the spirit of the Central Act.

The Committee feel that the Central Government should retain its moderating role and therefore desire that the MMDR Act should be suitably amended to provide powers to the Central Government to review/revise inconsistent orders passed by the State Governments.

3.17 The Committee observe that the MMDR Act, 1957 is silent whether mining activities beyond the permissible lease constitutes illegal mining. The Act is also silent whether any mining activity in the abandoned/closed/disused mines/non-working part of mine or from out crop regions constitutes illegal mining. The representatives of the Ministry during the course of evidence, had, however, informed the Committee that mining activity beyond the permissible lease constitutes illegal mining until the approval of the Central Government is obtained for relaxing the limit in the interest of mineral development. The Committee consider it as a glaring lacunae in the Act as definition of illegal mining does not find place in it.

The Committee view with concern the manipulation of existing mining plans and the violations in mining of major minerals in various States. As is evident from large scale transportation activities visible in the area, the mining companies are indulging in excessive excavation of minerals beyond the permissible limits under the approved plans. The Committee are also anguished to note that whereas mining plans are approved for a particular area, mining activities are clandestinely being carried out much below the ground level and beyond the approved area sometimes jeopardizing the historical and ancient monuments.

The Committee are also perturbed to find a large number of casualties taking place on account of dubious means adopted for

carrying out illegal mining particularly in coal bearing areas of several States. The Committee also believe that such activities necessarily involve large scale exploitation of the labours.

The Committee desire the Ministry to immediately come out with short term measures to contain such unlawful mining activities. The Committee also desire the Ministry to expeditiously frame the clear and unambiguous definition of illegal mining and also prepare a schedule of types of illegal mining for the information of concerned agencies/individuals and the State Governments.

3.18 The Committee are anguished to note that as on 31.3.2006, 204 cases for grant of mining lease have been pending with the State Governments of Maharashtra, Andhra Pradesh, Rajasthan, Karnataka and Madhya Pradesh and this figure may increase further with the availability of information from other States. The Committee further note that the cumbersome procedure for grant of mining lease has been identified as one of the reasons for the problem of illegal mining by the Ministry. The Committee have serious apprehensions that the malaise of the illegal mining will continue to raise its ugly head and the very purpose of streamlining the procedure for grant of mining leases would be defeated if the cases of grant of mining lease are not disposed of quickly.

The Committee desire the Ministry/IBM to seriously look at the problem and to ensure that the cases of grant of mining leases are disposed of as early as possible. The Committee would like to be apprised in this regard.

CHAPTER IV

MECHANISM FOR PREVENTION OF ILLEGAL MINING

The Ministry has informed that it is felt that in order to make the present law effective, all the State Governments need to complete the framing of the rules under Sec. 23C of the Act as per the provisions given under MMDR Act and to intensify their activity to strictly control illegal mining activities. Further amendments can be contemplated as and when such requirement is felt in consultation with the State Governments. The Ministry feels that greater focus and attention should be given by the States and IBM towards the problem of illegal mining. Several steps have been taken in this regard which are as follows:

- (i) Two meetings have been convened by Secretary (Mines), Government of India with Mining Secretaries of major mineral producing States on 17 January 2005 and 7 July 2005.
- (ii) The Minister of Mines has written to Chief Ministers of major mineral producing States highlighting the fact that illegal mining needs to be tackled strongly and effectively in view of the concern expressed by the Parliamentary Standing Committee.
- (iii) IBM has been asked to monitor detection and follow up action on cases of illegal mining on quarterly basis with State Governments at every regional level.
- (iv) States have been advised to set up Special Task Force/Flying Squads to check illegal mining.

4.2 Under the statutory provisions, no mining operations can be undertaken without a ML duly granted, executed and registered by the lessee with the State Government. Complaints were, however, being received by the Central Government from various State Governments regarding illegal mining.

4.3 In this context, the then Ministry of Steel and Mines, Department of Mines, had constituted a Committee to consider necessary measures to check illegal possession and transportation of minerals. That Committee submitted its report in April, 1988.

4.4 Under the MMDR Act, the main provisions regarding illegal mining are contained in Section 4 and Section 21. Sub-section 1 of Section 4 precludes any person from undertaking prospecting or mining, operations, except in accordance with the terms and conditions of the prospecting licence/mining lease granted under the provisions of the Act and the rules made thereunder. Section 21 has 6 sub-sections and these mainly deal with penalties pertaining to contravention of sub-section 1 of Section 4 of the Act; imposition of punishment/fine under any rule framed under the provisions of the Act for breach of such rule; the eviction of trespassers in contravention of sub-section 1 of Section 4, seizure of equipments, tools, etc. used for illegal mining from such mining site; recovery of minerals raised illegally and in case such illegal mineral has been disposed of, the price thereof, etc.; and stipulating such offence relating to contravention of sub-section 1 of Section 4 as a cognizable offence.

4.5 It was felt even in 1988 that the legal provisions need be made more stringent as regards the stage of transportation of the minerals from mining site and the stage of their storage. The lacunae in the existing provisions of Sections 4 and 21 which only relate to illegal mining at the site of illegal mining were taken note of. The need for checking transportation, possession and storage of illegally mined minerals was felt acutely. Various recommendations were made to restrict possession and sale of minerals only to lessees or holders of dealer's licences and at designated sites, impose prohibition on transport or engaging transport contractors for transport of minerals from the site of mining or location of sale to other places without valid permits and for seizure of minerals stocked at places other than designated sites of mining or various sale points and seizure of equipments, vehicles, etc. used for transportation of minerals in the violation of the restrictions.

4.6 The changes in the Act that were affected as a sequel to the recommendations in 1988 mainly relate to Section 23B in the Act empowering various gazetted officers of the Central and State Governments to search for checking illegal mining.

4.7 Ministry of Mines further stated that:

“Secretary (Mines) had reviewed the position with State Governments on 17 January 2005 and 7 July 2005 State Governments have been asked to constitute Task Force for preventing Illegal Mining and furnish Return in the prescribed form to be reviewed in the Ministry on quarterly basis.

Minister of Mines has written to Chief Ministers of major mineral producing States to take necessary preventive measures for checking the menace of illegal mining”.

4.8 The representative of the Ministry has also informed the Committee as under:

“We have had several internal meetings and also several meetings with the State Governments. We would chalk out the action plan. Based on the questionnaire which we had received, we have attempted to give an answer from the point of view of direction which we felt we should take on the basis of the guidance and advice which we have received from the Committee. There are two types of efforts—one is short term and second is long term. The Committee has advised something in short term which is required to be taken seriously. We have to intensify our efforts for monitoring and ensuring that illegal mining comes to control. We have tried to take some steps from the short-term point of view. We have also started some home work from the long-term point of view. If we feel that short-term measures do not yield the desired result, then we will have to take serious review of the entire thing and go for the long-term approach. In the short-term, we have taken a few steps. Hon’ble Minister of Mines has written to all the Chief Ministers bringing to their notice that this is an important matter. We have not been able to pursue this matter as it should be. We have sought the cooperation of the State Governments for ensuring that serious efforts are made in this regard. We have also felt that we should have two kinds of mechanisms. We should make a regular meeting and institutionalize the monitoring mechanism. We will have a meeting with the Secretaries of the States every quarter and review the things on an on-going basis about the work which the States have done and the extent of assistance that is required from the IBM. This is one part on which we will have a regular meeting. We have worked out a format. We have distributed it to the States and we will view it. We will take it on a slightly *ad hoc* basis. State Governments will be sending regular returns and quarterly meetings will be held. We will be reviewing it thereafter. A suggestion, which we have made is that we will have at the State level. We will have a task force. This task force will be having a particular charter. We have said that in each State, at district level, our IBM representative will have participation in the task force meeting.

Then, we will get feedback from both sides. States will get assistance from our side. The technic which is required that will

get from IBM and we will be able to see as to how our task force is working and we will also see as to what extent the task force has been able to implement the seriousness of our intent.

Then as regards IBM, while they are doing their normal work of checking out mining plan, we have told them separately that instead of finding out illegal detection cases and sending them to the State Governments and forgetting about it, they should also do follow up and see whatever cases that have been sent, what is the action that has happened in respect of those cases. This is the short-term plan which we have thought”.

4.9 Regarding remedial measures proposed to be taken by the Ministry, the Committee have been informed that:

- “Earlier, the State Government was giving temporary permits for mining, collection of iron ore and sale. The State Government has cancelled these permits but some permit holders went to the court. The court directed them to stop illegal mining.
- The Government of Karnataka is being persuaded to notify Rules under Sec. 23C of the MMDR, Act, 1957 as soon as possible”.

4.10 Regarding long term and short term plan, the Secretary, Ministry of Mines during oral evidence stated as under:

“I would like to make two submissions. Firstly, as far as the short-term plan or long-term plan is concerned, we have said that our main thrust is going to be on the creation of task forces. We want a task force at each State level. IBM will associate with the task forces. We have given them a schedule of inspections and prescribed the return and we would monitor it. As per the present situation States have been given all the powers and they are doing it. IBM is not detecting the illegal mining. Here illegal mining means those mining works which have not been leased out. This is being done by the State Governments as they have the entire machinery, directorates and the Police. Now, we would monitor it and follow it up vigorously. This is our short-term plan. We hope States will be covered”.

“So far the States were doing it and not we. Now we have prepared a format and now we are going to ask the States to send all this information to us regularly. After receiving the information from

the States, we will organize quarterly meeting regularly and review the progress made in this regard and if something is not done, we would identify the problems”.

“The Second point is that we have envisaged setting up a taskforce for this work in the States□which has been accepted by the States. We will try to set up the taskforce. An IBM representative will also be there in the taskforce to help them in this work. These are the two types of actions”.

“I will just read out the proposed thinking, which is going on. In constitution of the State level task force, the Director of the Department of Geology and mines (DGM) will act as the Chairman. The Deputy Directors, Department of Geology and Mines, and District Mining Officers of the districts of major mining activities will be members. An official from the State Forest Department, Regional Controller of the mines of the Indian Bureau of Mines, a representative of the State Pollution Board, representatives of Mine Owners Association, Federation of Indian Minerals (FIMI) and any other suitable representative of Central or State Government as may be required by the State Government will be there. They will discuss in this subject and include two-three others. Then the Member Secretary will be from the office of the Director of the Department of Geology and Mines”.

4.11 The Secretary further informed the Committee as under:

“In short-term plan this is what we are trying to do. We will try to gear up in this. We have extensively discussed it with the State Governments. They are all of the opinion that the powers which are currently with the State Governments should not be duplicated and kept with the Central Government. This is their initial response. That is why we have chalked out this short-term plan. In the long run if we find, over a period of time, that despite doing all this there is really no action and illegal mining does continue, then we will have to seriously think of keeping some powers with the Central Government also. This has got some significant implications because today the Central Government does not really have proper machinery for acting against illegal miners in a very serious way. We really do not have the machinery we will have to create that machinery. The magnitude of the problem will have to be taken into account. We will have to see how much machinery we will have to create and to what extent of coverage that machinery should have. So, firstly, the problem of duplicate parallel authorities

and secondly the implications of setting up of a machinery with the IBM. If it does not come under control then we have to seriously look at that part. We have started doing the homework on that, what is the kind of machinery that we will need. We have identified something like 280 mineral importance districts in the States, categorized into three parts—main minerals importance districts, medium mineral importance districts and low minerals importance districts. If we have to set up a full-scale machinery in all the 280 districts, the expenses are going to be very significant. So, all these financial implications, physical implications, staffing implications, all these matters will have to be examined”.

4.12 When asked about strengthening the machinery of IBM to give more teeth to curb illegal mining like quarterly review of its performance and setting up of special task force, the representatives of the Ministry during oral evidence, stated as under:

“It will take about a year. We have to get proper feedback of three or four quarters. Then we have to delegate powers to IBM. It is very important to create a machinery. Today, there is no machinery. We have to give them inspectors and security guards. Eventually, we will still have to work along with the States because it is the States which are going to perform that job today. We will be trying to create a parallel authority. At the ground level, it does not play an effective role”.

4.13 The Secretary, Ministry of mines, during the course of evidence informed the Committee that as a result of constitution of Task Force 8469 cases of illegal mining spreading over 46 hectares land were detected during the quarter ending September, 2005. Out of these cases, 131 FIRs were lodged and 351 cases were filed in the court. A sum of Rs. 6.17 crore was released as fine. Similarly, 6035 cases of illegal mining spreading over 106 hectares land were detected during the quarter ending December, 2005. 371 FIRs were lodged, 1198, court cases were filed and in 1010 cases, the Court has delivered the judgement. During the quarter Rs. 3.84 crore were realized as fine. The details are mainly from Orissa, Chhattisgarh, Karnataka and Jharkhand.

4.14 The Secretary, Ministry of Mines further informed the Committee that where the cases of illegal mining are reported, action is immediately taken. The Task Force set up in this regard has been showing satisfactory results.

4.15 The Ministry has also informed the Committee that the last Conference of State Ministers of Mining & Geology was held on

22.1.2003. Some the major recommendations and action taken thereon are outlined below:

1. Appropriate amendment in the Mineral Concession Rules, 1960 (MCR) and Mineral Conservation and Development Rules 1988 (MCDR) providing for scheme of mine closure were decided and accordingly required amendment in MCR, 1960 and MCDR, 1988 were carried out.
2. It was decided to prescribe a minimum size of mining lease for systematic and scientific mining and accordingly a new rule 22D has been introduced in MCR, 1960.
3. The issue regarding empowering local bodies in the matter of granting mineral concessions was also discussed. Some State Governments had strict reservation in delegation of powers to local bodies and were of the view that States should retain the rights and responsibility for deciding matters of mineral concessions for minor minerals in non-scheduled areas and for major minerals and it was suggested to constitute a committee of ministers of Mining & Geology of State Governments to give its considered suggestions in the matter to the Central Govt. The matter was discussed by the committee so constituted and the matter will be further discussed in the meeting of the Mineral Advisory Council to be held a later.
4. It was also decided to adopt United Nations Framework Classification (UNFC) for mineral reserves and resources of the country so that National Mineral Inventory could be recast in the UNFC formats. Accordingly relevant forms under the Rule have been modified.
5. The issue of de-reserving the areas reserved for public sector exploitation was discussed and State Governments agreed to review the areas kept idle for possible de-notification.
6. Revision of guidelines for computing royalty on minerals on *ad valorem* basis under rule 64D of MCR, 1960 were discussed. Accordingly Rule 64D has been amended.
7. There was a general consensus that the State Governments could voluntarily earmark a portion of the mineral revenues for providing infrastructure facilities in the mining area by framing appropriate State legislation.

4.16 The Committee note that under the Constitution of India, as provided by Entry 54 of the Union List in the Seventh Schedule, the Ministry of Mines has been entrusted with the responsibility for regulation of mines and mineral development to the extent to which such regulation and development under the control of the Union is declared by Parliament by law to be expedient in the public interest. The State Governments have also been entrusted with the responsibility for regulation of mines and mineral development under Entry 23 of the State List, subject to the provision of Entry 54 of the Union List. The Committee are, therefore, inclined to draw inference that the primary responsibility for regulation of mines and mineral development, which undoubtedly includes prevention of illegal mining, rests with the Central Government, even though under Section 23C of MMDR Act, 1957, State Governments have been empowered to make rules to prevent illegal mining, transportation and storage of minerals. The Committee are convinced that the said delegation of powers to the State Governments in no case absolve the Central Government from their inalienable responsibilities.

In this backdrop, the Committee are extremely constrained to note that no mechanism whatsoever existed in the Ministry till recently for effective prevention of illegal mining. The Committee are also surprised that though the State Governments were empowered to take action for prevention of illegal mining, there was no semblance of coordination between the Ministry of Mines and the State Governments though forums like Mineral Advisory Council, Conference of State Ministers of Mining & Geology existed. The lack of seriousness was evident from the fact that the last conference of State Ministers of Mining & Geology was held in January, 2003. During all these years, the illegal mining continued unabated with unscrupulous miners playing havoc with scientific mineral exploration and environmental concerns. The Committee are, therefore, of the view that Ministry of Mines has performed miserably to discharge their constitutional responsibility of regulation, scientific development and exploration of mines and minerals in the country.

The Committee note that on their initiative, the Ministry is in the process of setting up of some sort of monitoring machinery. The Committee now hope that the Ministry will hold regular/quarterly meetings with the State Governments and the Conference of State Ministers which was last held more than three years back will be held at regular intervals. The Committee expect that the Conference of State Ministers of Mining & Geology besides deliberating on various issues concerning mineral industry would also focus on vital issue of prevention of illegal mining.

The Committee note that while the Ministry/IBM has taken some proactive steps to curb the proliferation of illegal mining in pursuance of the Tandon Committee recommendations, nothing seems to have been done to educate the villagers regarding the rules and procedures. The Committee feel that the ignorance on the part of the villagers in this regard has been one of the reasons for illegal mining.

The Committee recommend that adequate measures should be taken to educate and sensitize the villagers about the rules and procedures to rein unintended illegal mining.

4.17 The Committee note that earlier no separate cell existed in the Ministry to exclusively deal with the problem of illegal mining. A cell for reviewing/monitoring the returns to be filed by State Governments has since been set up in the Ministry. The Committee observe that the cell which has recently come into being has a limited role of reviewing/monitoring the returns filed by the State Governments.

The Committee desire the Ministry to clearly demarcate the powers and the responsibilities of this cell to not only review the returns filed by the State Governments but to also play a greater role in the direction of prevention of illegal mining. The Committee also desire that cell should be headed by a senior officer with adequate supporting staff.

4.18 The Committee feel that the amendments made in MMDR Act in pursuance of Tandon Committee recommendations have not brought about desired results as the cases of illegal mining continue to take place unabated. The Committee note that 8469 cases of illegal mining spreading over 46 hectares land were reported during the quarter ending September, 2005 and 6035 such cases spreading over 106 hectares land were reported during the quarter ending December, 2005 as deposed by Secretary, Ministry of Mines before the Committee. The Committee strongly feel that if more inspections are carried out, the possibility of a large number of cases of illegal mining being detected cannot be ruled out particularly in Orissa, Chhattisgarh, Karnataka, Jharkhand, Rajasthan and Madhya Pradesh.

The Committee, therefore, desire that the Ministry should take initiative to suggest periodicity of routine and regular inspections by the State Governments and IBM for detecting and preventing such cases.

4.19 The Committee appreciate that the constitution of Task Force by the State Governments and consider it a step in the right direction. The Committee desire the Ministry to direct all State Governments to set up Task Forces at State level at the earliest.

4.20 The Committee also desire that the composition of the Task Forces apart from Director of the Department of Geology & Mines of the concerned State, Deputy Directors, Department of Geology & Mines and District Mining Officers, and Officials of the State Forest Department, Regional Controller of Mines of IBM, Representatives of State Pollution Board, Representatives of the Mine Owners Association and Federation of Indian Minerals should also include officials concerned with police and public order with clear mandate, guidelines and adequate powers for enforcement of rules. The Task Forces should also carry out frequent random/regular inspections to detect and prevent illegal mining to achieve their objectives.

4.21 The Committee also expect the IBM to play a major and decisive role in the functioning of Task Forces in consonance with the primary function of the Ministry of Mines for balanced and scientific development and exploration of mines and minerals in the country. The Committee desire the Ministry of Mines to adequately strengthen IBM both in terms of manpower and finances to enable it to shoulder the greater responsibilities.

4.22 The Committee would like the Ministry to review the performance of Task Forces at quarterly intervals and conduct a detailed study and assessment about the efficacy of the new mechanism revolving around the Task Forces constituted in various States. In the event of menace of illegal mining continuing unabated despite the efforts of the new mechanism, the Committee would like the Ministry to entrust more powers to the IBM by suitable amendments in the central legislation and also consider taking back the delegated powers from the State Governments. The Committee would also like the Ministry to take the assistance to recent advancement in science and technology including satellite mapping to assess the extent and impact of illegal mining and prepare a detailed data bank thereon for the use of State Governments.

NEW DELHI;
3 August, 2006
12 Sravana, 1928 (Saka)

ANANTH KUMAR,
Chairman,
Standing Committee on Coal and Steel.

STATEMENT OF OBSERVATIONS/RECOMMENDATIONS OF
THE STANDING COMMITTEE ON COAL AND STEEL
CONTAINED IN THE REPORT

Sl.No.	Reference Para No. of the Report	Observations/Recommendations
1	2	3
1.	1.9	<p>The conservation as well as systematic and scientific harnessing of mineral resources is bedrock of economic development of a nation. However, unscientific and unlawful mining has been thriving endlessly causing not only immense loss to the national exchequer but destruction of natural environment. The Government in its efforts to promote and develop mining sector had taken a number of steps and commissioned studies from time to time under National Mineral Policy, 1993. But, the impact thereof has been far from the satisfactory and the exploration and development of mineral wealth of the country remained unproductive both economically and socially.</p> <p>The Committee, therefore, desire that the Ministry should prepare a revised National Mineral Policy in consultation with the State Governments, concerned agencies/ organizations and other stakeholders with adequate investment proposals to harness the vast mineral resources of the country and effectively meet the challenges of future in our strides towards the status of a developed country.</p>
2.	2.17	The Committee note that Indian Bureau of Mines (IBM), a subordinate office under the

Ministry of Mines has been entrusted with the responsibilities for the promotion, conservation and scientific development of minerals in the country other than coal petroleum, natural gas, atomic minerals and minor minerals. IBM also performs regulatory functions *viz.* enforcement of the Mines and Minerals (Development and Regulation) Act, 1957, the Mineral Concession Rules, 1960 and the Mineral Conservation and Development Rules, 1988. The Committee further note that as an executive arm of the Ministry, IBM also regulates mining activities as per the provisions of the Central Act and rules made thereunder.

The Committee further note that the IBM also provides technical consultancy services to mining industry apart from advising the Central and State governments on all aspects of mineral industry, trade, legislation etc. The IBM undertakes inspection/studies for the enforcement of provisions of MMDR Act, 1957 and rules made thereunder for ensuring that mining operations are carried out in accordance with the approved mining plans/schemes of mining. The Committee therefore, feel that while ensuring that mining operations are carried out as per approved plans and schemes, the IBM is duty bound to point out the violations in this regard.

The Committee note that IBM with its 12 Regional Offices and two Sub Regional Offices has also been implementing a scheme of inspection of mines for scientific and systematic mining, mineral conservation and mines environment. The Committee further note that consequent to

inspections and studies during the year 2005-06 (upto December, 2005) 1487 violations of MCDR, 1988 were pointed out in respect of 702 mines and 825 violations were rectified.

The Committee are, however, constrained to note that as compared to 1487 cases of violations detected by IBM during 2005-06 (upto December, 2005), 14504 cases of illegal mining have been reported from various States with the number of cases going on unreported is likely to be much more. The Committee note that in ten States namely Andhra Pradesh, Maharashtra, Karnataka, Madhya Pradesh, Tamil Nadu, Rajasthan, Chhattisgarh, Gujarat, Jharkhand and Orissa, the total illegal mining/illegal transportation cases reported during 2002-2005 were 7536 and 44780 respectively. This includes 3194 cases of major minerals and 4342 cases of minor minerals. In the State of Karnataka alone, 1731 cases of illegal mining of major minerals were reported during this period. The Committee are deeply concerned that the IBM though vested with primary responsibility for scientific development of mineral resources, has failed to detect even a fraction of illegal mining activities.

The Committee are surprised that most of the State Governments were unable to indicate the exact area under illegal mining and at the same time, stating that there is no monetary loss in such cases. The Committee consider the argument of the State governments untenable that they recover more money by imposition of penalty, etc. on defaulters than losses on account of illegal mining of minerals. The

Committee are disappointed at this state of affair wherein both the Union Government and State Governments have been unable to check the plague of illegal mining but are also oblivious of the extent and implications thereof.

The Committee are constrained to observe that the magnitude of illegal mining activities is not only detrimental to primary objectives of National Mineral Policy but also causing immense loss to the exchequer and the revenue realized through penalties imposed by the State Governments can in no case compensate the huge resources being drained away. The situation is too grim to be tackled by the State Governments on their own and, therefore, their insistence for not parting with their power in favour of IBM is not justifiable.

The Committee, therefore, desire that the State Governments join hands with IBM to check the menace of illegal mining. The Committee also desire the Ministry to regularly sensitize State Governments about their role and responsibilities under the Act and desirability of scientific exploration of mineral resources of the country.

3.

2.18

The Committee also note that in most of the cases, illegal mining has been taking place stealthily and clandestinely from the abandoned/closed/disused mines/non-working part of mine or from outcrop region, as admitted by the Union Minister of State for Coal in reply to a Starred Question No. 306 dated 14.12.2005 in Lok Sabha. The Committee are anguished to note that Union as well as State Governments have neither the details of

abandoned/closed/disused mines nor taken effective steps for prevention of illegal mining from such mines. This gives credence to the fact that no mine closure plans for the purpose of decommissioning, reclamation and rehabilitation in the mine or part thereof after cessation of mining and mineral processing operations are properly being prepared and implemented.

The Committee, therefore, desire the Ministry/IBM to ensure that the mine closure plans are prepared and executed immediately after cessation of mining activities and also that no mine is left in an abandoned state. The Committee would also like the Ministry to keep the State Governments informed about the mine closure plans in order to have a well coordinated approach for prevention of illegal mining.

4.

3.15

The Committee note that Mines & Minerals (Development and Regulation) Act, 1957, Mineral Concession Rules, 1960, Mines and Minerals Development Rules, 1988 provide the legal framework for prevention of illegal mining. In pursuance to the recommendations of Tandon Committee, MMDR Act was amended in 1999 by inserting new Section 23C empowering the State Governments to frame rules for preventing illegal mining, transportation and storage of minerals. The State Governments are also required to regulate and provide for establishment of check posts, regulation of mineral transport, inspection, checking and search of minerals at the place of excavation, storage or during transit.

The Committee feel that Section 23C of MMDR Act is immensely crucial provision for managing the mineral wealth of the country and its exploitation for the welfare of the people. The Committee are dismayed that even after the lapse of more than seven years, only 9 State Governments have framed the necessary rules under Section 23C of MMDR Act. The Committee are deeply concerned that several States with high incidence of illegal mining are still blissfully unaware of their responsibilities as well as ground realities which is eating into their vital source of revenue.

The Committee cannot but deprecate the lackadaisical attitude of the State Governments as well as the failure of the Ministry to convince them to frame such rules resulting in rampant illegal mining.

The Committee, therefore, desire the Ministry of mines to seriously look into the matter and issue directions to recalcitrant States to immediately frame the rules for prevention of illegal mining, transportation and storage of minerals.

5. 3.16

The Committee also note that under section 23C(3), the Central Government shall have no power to revise any order passed by a State Government or any of its authorized officer or any authority under the rules made under sub-section (1) and (2). The Committee consider this an anomalous situation as in the absence of powers to revise any order passed by the State Governments, there may be conflicting provisions and deviations, inconsistent with the spirit of the Central Act.

1	2	3
		<p>The Committee feel that the Central Government should retain its moderating role and therefore desire that the MMDR Act should be suitably amended to provide powers to the Central Government to review/revise inconsistent orders passed by the State Governments.</p>
6.	3.17	<p>The Committee observe that the MMDR Act, 1957 is silent whether mining activities beyond the permissible lease constitutes illegal mining. The Act is also silent whether any mining activity in the abandoned/closed/disused mines/non-working part of mine or from out crop regions constitutes illegal mining. The representatives of the Ministry during the course of evidence, had, however, informed the Committee that mining activity beyond the permissible lease constitutes illegal mining until the approval of the Central Government is obtained for relaxing the limit in the interest of mineral development. The Committee consider it as a glaring lacunae in the Act as definition of illegal mining does not find place in it.</p> <p>The Committee view with concern the manipulation of existing mining plans and the violations in mining of major minerals in various States. As is evident from large scale transportation activities visible in the area, the mining companies are indulging in excessive excavation of minerals beyond the permissible limits under the approved plans. The Committee are also anguished to note that whereas mining plans are approved for a particular area, mining activities are clandestinely being carried out much below the ground level and beyond the approved area sometimes jeopardizing the historical and ancient monuments.</p>

The Committee are also perturbed to find a large number of casualties taking place on account of dubious means adopted for carrying out illegal mining particularly in coal bearing areas of several States. The Committee also believe that such activities necessarily involve large scale exploitation of the labours.

The Committee desire the Ministry to immediately come out with short term measures to contain such unlawful mining activities. The Committee also desire the Ministry to expeditiously frame the clear and unambiguous definition of illegal mining and also prepare a schedule of types of illegal mining for the information of concerned agencies/individuals and the State Governments.

7. 3.18

The Committee are anguished to note that as on 31.3.2006, 204 cases for grant of mining lease have been pending with the State Governments of Maharashtra, Andhra Pradesh, Rajasthan, Karnataka and Madhya Pradesh and this figure may increase further with the availability of information from other States. The Committee further note that the cumbersome procedure for grant of mining lease has been identified as one of the reasons for the problem of illegal mining by the Ministry. The Committee have serious apprehensions that the malaise of the illegal mining will continue to raise its ugly head and the very purpose of streamlining the procedure for grant of mining leases would be defeated if the cases of grant of mining lease are not disposed of quickly.

The Committee desire the Ministry/IBM to seriously look at the problem and to ensure

1	2	3
		<p>that the cases of grant of mining leases are disposed of as early as possible. The Committee would like to be apprised in this regard.</p>
8.	4.16	<p>The Committee note that under the Constitution of India, as provided by Entry 54 of the Union List in the Seventh Schedule, the Ministry of Mines has been entrusted with the responsibility for regulation of mines and mineral development to the extent to which such regulation and development under the control of the Union is declared by Parliament by law to be expedient in the public interest. The State Governments have also been entrusted with the responsibility for regulation of mines and mineral development under Entry 23 of the State List, subject to the provision of Entry 54 of the Union List. The Committee are, therefore, inclined to draw inference that the primary responsibility for regulation of mines and mineral development, which undoubtedly includes prevention of illegal mining, rests with the Central Government, even though under Section 23C of MMDR Act, 1957, State Governments have been empowered to make rules to prevent illegal mining, transportation and storage of minerals. The Committee are convinced that the said delegation of powers to the State Governments in no case absolve the Central Government from their inalienable responsibilities.</p> <p>In this backdrop, the Committee are extremely constrained to note that no mechanism whatsoever existed in the Ministry till recently for effective prevention of illegal mining. The Committee are also</p>

surprised that though the State Governments were empowered to take action for prevention of illegal mining, there was no semblance of coordination between the Ministry of Mines and the State Governments though forums like Mineral Advisory Council, Conference of State Ministers of Mining & Geology existed. The lack of seriousness was evident from the fact that the last conference of State Ministers of Mining & Geology was held in January, 2003. During all these years, the illegal mining continued unabated with unscrupulous miners playing havoc with scientific mineral exploration and environmental concerns. The Committee are, therefore, of the view that Ministry of Mines has performed miserably to discharge their constitutional responsibility of regulation, scientific development and exploration of mines and minerals in the country.

The Committee note that on their initiative, the Ministry is in the process of setting up of some sort of monitoring machinery. The Committee now hope that the Ministry will hold regular/quarterly meetings with the State Governments and the Conference of State Ministers which was last held more than three years back will be held at regular intervals. The Committee expect that the Conference of State Ministers of Mining & Geology besides deliberating on various issues concerning mineral industry would also focus on vital issue of prevention of illegal mining.

The Committee note that while the Ministry/IBM has taken some proactive steps to curb the proliferation of illegal

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		<p>mining in pursuance of the Tandon Committee recommendations, nothing seems to have been done to educate the villagers regarding the rules and procedures. The Committee feel that the ignorance on the part of the villagers in this regard has been one of the reasons for illegal mining.</p> <p>The Committee recommend that adequate measures should be taken to educate and sensitize the villagers about the rules and procedures to rein unintended illegal mining.</p>
9.	4.17	<p>The Committee note that earlier no separate cell existed in the Ministry to exclusively deal with the problem of illegal mining. A cell for reviewing/monitoring the returns to be filed by State Governments has since been set up in the Ministry. The Committee observe that the cell which has recently came into being has a limited role of reviewing/monitoring the returns filed by the State Governments.</p> <p>The Committee desire the Ministry to clearly demarcate the powers and the responsibilities of this cell to not only review the returns filed by the State Governments but to also play a greater role in the direction of prevention of illegal mining. The Committee also desire that cell should be headed by a senior officer with adequate supporting staff.</p>
10.	4.18	<p>The Committee feel that the amendments made in MMDR Act in pursuance of Tandon Committee recommendations have not brought about desired results as the cases of illegal mining continue to take</p>

place unabated. The Committee note that 8469 cases of illegal mining spreading over 46 hectares land were reported during the quarter ending September, 2005 and 6035 such cases spreading over 106 hectares land were reported during the quarter ending December, 2005 as deposed by Secretary, Ministry of Mines before the Committee. The Committee strongly feel that if more inspections are carried out, the possibility of a large number of cases of illegal mining being detected cannot be ruled out particularly in Orissa, Chhattisgarh, Karnataka, Jharkhand, Rajasthan and Madhya Pradesh.

The Committee, therefore, desire that the Ministry should take initiative to suggest periodicity of routine and regular inspections by the State Governments and IBM for detecting and preventing such cases.

11. 4.19 The Committee appreciate that the constitution of Task Force by the State Governments and consider it a step in the right direction. The Committee desire the Ministry to direct all State Governments to set up Task Forces at State level at the earliest.
12. 4.20 The Committee also desire that the composition of the Task Forces apart from Director of the Department of Geology & Mines of the concerned State, Deputy Directors, Department of Geology & Mines and District Mining Officers, and Officials of the State Forest Department, Regional Controller of Mines of IBM, Representatives of State Pollution Board, Representatives of the Mine Owners Association and

1	2	3
		<p>Federation of Indian Minerals should also include officials concerned with police and public order with clear mandate, guidelines and adequate powers for enforcement of rules. The Task Forces should also carry out frequent random/regular inspections to detect and prevent illegal mining to achieve their objectives.</p>
13.	4.21	<p>The Committee also expect the IBM to play a major and decisive role in the functioning of Task Forces in consonance with the primary function of the Ministry of Mines for balanced and scientific development and exploration of mines and minerals in the country. The Committee desire the Ministry of Mines to adequately strengthen IBM both in terms of manpower and finances to enable it to shoulder the greater responsibilities.</p>
14.	4.22	<p>The Committee would like the Ministry to review the performance of Task Forces at quarterly intervals and conduct a detailed study and assessment about the efficacy of the new mechanism revolving around the Task Forces constituted in various States. In the event of menace of illegal mining continuing unabated despite the efforts of the new mechanism, the Committee would like the Ministry to entrust more powers to the IBM by suitable amendments in the central legislation and also consider taking back the delegated powers from the State Governments. The Committee would also like the Ministry to take the assistance to recent advancement in science and technology including satellite mapping to assess the extent and impact of illegal mining and prepare a detailed data bank thereon for the use of State Governments.</p>

ANNEXURE I

STATE-WISE BREAK-UP OF NUMBER OF CASES REFERRED TO
THE STATE GOVERNMENT AND ACTION TAKEN
THEREON AS ON 1.7.2005

Sl. No.	Name of the State	No. of cases referred to State Govt.	Cases resolved by the State Govt. (*)	Mining Plan approved	Action in progress in State Govt.
1.	Madhya Pradesh	128	122	6	—
2.	Uttar Pradesh	5	5	—	—
3.	Andhra Pradesh	308	283	25	—
4.	Karnataka	65	53	12	—
5.	Maharashtra	47	45	2	—
6.	Bihar	54	51	3	—
7.	Jharkhand	176	143	29	4
8.	Chhattisgarh	10	2	8	—
9.	Meghalaya	4	1	1	2
10.	Assam	12	10	1	1
11.	Manipur	2	2	—	—
12.	Sikkim	1	—	1	—
13.	Orissa	68	13	55	—
14.	Rajasthan	494	397	97	—
15.	Gujarat	148	109	39	—
	Total	1522	1236	279	7

(*)Various actions taken by State Government: issuing termination letters, closed due to forest notification, closed due to Supreme Court order, lease expired but not applied for renewable, lease surrendered, rejected renewal application, deleted from the record, etc.

ANNEXURE II

YEAR-WISE STATEMENT OF PENDING MINING LEASE
CASES RECEIVED AS ON 31.3.2006

State	2002-2003	2003-2004	2004-2005	2005-2006	Total
Andhra Pradesh	—	03	09	37	49
Chhattisgarh	—	06	02	02	10
Gujarat	—	—	02	05	07
Jharkhand	—	—	06	—	06
Karnataka	—	05	—	08	13
Kerala	—	—	—	08	08
Madhya Pradesh	—	01	06	27	34
Maharashtra	02	—	17	15	34
Manipur	—	—	—	01	01
Orissa	—	—	—	03	03
Rajasthan	—	—	02	11	13
Tamil Nadu	07	05	03	11	26
Total	09	20	47	128	204

ANNEXURE III

STATE-WISE BREAK-UP OF ILLEGAL MINING CASES (FROM
JULY, 2005 TO DECEMBER, 2005)

Sl.No.	State	No. of Cases
1.	Gujarat	5769
2.	Haryana	107
3.	Himachal Pradesh	483
4.	Jharkhand	820
5.	Karnataka	1064
6.	kerala	608
7.	Maharashtra	1726
8.	Orissa	127
9.	Punjab (Chandigarh)	79
10.	Rajasthan	345
11.	Tamil Nadu	333
12.	Uttar Pradesh	1912
13.	Jammu & Kashmir	02
14.	Madhya Pradesh	1129
	Total	14504

ANNEXURE IV

CASES OF ILLEGAL MINING DETECTED BY STATE
GOVERNMENTS & ACTION TAKEN DURING
3 YEARS PERIOD OF 2002-2005

(Rupees in lakhs)

State	No. of cases detected		No. of vehicles seized	Demand created		Total	Demand realized		Total
	Illegal mining	Illegal transportation		Illegal mining	Illegal transportation		Illegal mining	Illegal transportation	
1	2	3	4	5	6	7	8	9	10
Andhra Pradesh									
Major Mineral	3	—	—	1.22	—	1.22	1.22	—	1.22
Minor Mineral	1	—	—	2.88	—	2.88	2.88	—	2.88
Maharashtra									
Major Mineral	1	11	11	—	—	6.38	—	—	6.38
Minor Mineral	—	12242	12242	373.00	—	373.00	373.00	—	373.00
Karnataka									
Major Mineral	1731	—	1676	—	—	570.32	—	—	570.32
Minor Mineral	—	10989	10752	—	—	211.56	—	—	211.56
Madhya Pradesh									
Major Mineral	88	200	200	—	—	—	0.38	28.89	29.27
Minor Mineral	1071	8409	8409	—	—	—	31.84	284.42	316.26
Tamil Nadu									
Major Mineral	496	—	—	168.32	—	168.32	13.06	—	13.06
Minor Mineral	949	—	—	7355.36	—	7355.36	124.92	—	124.92
Rajasthan									
Major Mineral	152	—	1120	56.50	—	56.50	55.45	—	55.45
Minor Mineral	1575	—	2598	384.91	—	384.91	88.51	—	88.51
Chhattisgarh	782	3296	Nil	736.17	100.86	837.03	118.84	100.86	219.70

1	2	3	4	5	6	7	8	9	10
Gujarat									
Major Mineral	24	335	—	—	—	—	—	—	41.84
Minor Mineral	76	12408	—	—	—	—	—	—	554.46
Jharkhand									
Major Mineral	60	—	9	68.25	—	68.25	0.24	—	0.24
Minor Mineral	670	—	176	154.33	—	154.33	14.46	—	14.46
Orissa									
Major Mineral	639	160	130	91.32	102.41	193.73	90.32	100.65	190.97
Minor Mineral	Nil	26	2	—	2.09	2.09	—	2.09	2.09
Total									
Major Mineral	3194	706	3146	385.61	102.41	1064.72	160.67	129.54	908.75
Minor Mineral	4342	44074	34179	8270.48	2.09	8484.13	635.61	286.51	1688.14
Grand Total	7536	44780	37325	8656.09	104.50	9548.85	796.28	416.05	2596.89

Note: The State of Chhattisgarh has not reported separate figure for major and minor minerals.

‘—’ Indicate no information furnished by State Government under the head.

ANNEXURE V

MINUTES OF THE FIRST SITTING OF SUB-COMMITTEE ON MINES
OF THE STANDING COMMITTEE ON COAL AND STEEL (2004-05)
HELD ON 4TH JANUARY, 2005 IN COMMITTEE ROOM NO. 'E',
PARLIAMENT HOUSE ANNEXE, NEW DELHI.

The Committee met from 1500 hrs. to 1700 hrs.

PRESENT

Shri Ananth Kumar—*Chairman*

MEMBERS

2. Smt. Karuna Shukla—*Convenor*
3. Shri Dalpat Singh Parste
4. Shri Harishchandra Chavan
5. Shri Bikash Chowdhury
6. Shri B.J. Panda

SECRETARIAT

1. Shri N.K. Sapra — *Joint Secretary*
2. Shri A.K. Singh — *Director*
3. Shri Shiv Singh — *Under Secretary*

WITNESSES

1. Shri C.D. Arha — Secretary, Ministry of Mines (MoM)
2. Shri R.K. Bhargava — Additional Secretary, MoM
3. Shri Prashant Mehta — Joint Secretary, MoM
4. Shri V.K. Thakral — Joint Secretary, MoM
5. Shri Harbhajan Singh — JS&FA, MoM
6. Shri Sunil Barthwal — Director, MoM
7. Shri A.K. Singh — Director, MoM
8. Shri S.S. Das — Controller General, Indian Bureau of Mines (IBM)

9. Shri Meerul Hasan	—	Controller of Mines, IBM
10. Shri Ranjan Sahay	—	Regional Controller of Mines, IBM
11. Shri G. Upadhyaya	—	CMD, NALCO
12. Shri S.C. Chatwal	—	Director (Finance), NALCO
13. Shri C.R. Pradhan	—	Director (Project), NALCO
14. Shri S. Nanda	—	Regional Manager, NALCO

2. At the outset, the Convenor of Sub-Committee on Mines of the Standing Committee on Coal and Steel welcomed the Members and the Officers of Ministry of Mines to the sitting of the Sub-Committee. Thereafter, the Secretary, Ministry of Mines briefed the Sub-Committee on the subject "Prevention of Illegal Mining and Modernisation of Expansion of Aluminium Industry with special reference to National Aluminium Company Ltd. (NALCO)", selected by the Standing Committee on Coal and Steel for detailed examination during the year 2004-2005.

3. A verbatim record of the proceedings of the sitting has been kept.

The Sub-Committee then adjourned.

ANNEXURE VI

MINUTES OF THE TWELFTH SITTING OF THE STANDING
COMMITTEE ON COAL AND STEEL (2004-05) HELD ON
19.7.2005 IN COMMITTEE ROOM 'E', PARLIAMENT HOUSE
ANNEXE, NEW DELHI.

The Committee met from 1500 hrs. to 1615 hrs.

PRESENT

Shri Ananth Kumar—*Chairman*

MEMBERS

2. Shri Hansraj G. Ahir
3. Shri Bikash Chowdhury
4. Shri Chandra Sekhar Dubey
5. Shri Chandrakant Khaire
6. Shri Bhubneshwar Prasad Mehta
7. Shri E. Ponnuswamy
8. Shri Ramsevak Singh (Babuji)
9. Shri Devdas Apte
10. Shri Ramadhar Kashyap
11. Capt. Jai Narayan Prasad Nishad
12. Shri Vidya Sagar Nishad
13. Shri B.J. Panda
14. Shri G.K. Vasani

SECRETARIAT

1. Shri N.K. Sapra — *Joint Secretary*
2. Shri A.K. Singh — *Director*
3. Shri Shiv Singh — *Under Secretary*

WITNESSES

1. Shri A.K.D. Jadhav, Secretary Ministry of Mines
2. Shri R.K. Bhargava, Addl. Secretary -do-

ANNEXURE VII

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON
COAL AND STEEL (2005-06) HELD ON 3RD AUGUST, 2006 IN
COMMITTEE ROOM 'A', PARLIAMENT HOUSE ANNEXE,
NEW DELHI.

The Committee met from 1530 hrs. to 1620 hrs.

PRESENT

Shri Anant Kumar—*Chairman*

MEMBERS

2. Shri Prasanna Acharya
3. Shri Hansraj G. Ahir
4. Shri Chandra Sekhar Dubey
5. Shri E. Ponnuswamy
6. Smt. Karuna Shukla
7. Capt. Jai Narayan Prasad Nishad
8. Shri B.J. Panda
9. Shri Swapan Sadhan Bose
10. Shri Saman Pathak
11. Shri Jesudas Seelam

SECRETARIAT

1. Shri A.K. Singh — *Joint Secretary*
2. Shri A.K. Singh — *Director*
3. Shri Shiv Singh — *Under Secretary*

2. At the outset, Chairman, welcomed the Members to the sitting of the Committee. Thereafter, the Committee considered and adopted the following Draft Reports:

- (i) ** ** ** ** **
- (ii) Report on "Prevention of Illegal Mining" relating to the Ministry of Mines.

**Does not pertain to this Report.

3. The Committee adopted the aforesaid Draft Reports with minor additions/deletions/amendments.

4. The Committee authorised the Chairman to finalise these Reports after making consequential change arising out of factual verification by the concerned Ministries and to present the same to both the Houses of Parliament.

The Committee then adjourned.