

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

UNSTARRED QUESTION NO:2042
ANSWERED ON:02.12.2011
SHAH COMMISSION ON ILLEGAL MINING
Panda Shri Prabodh;Siricilla Shri Rajaiah

Will the Minister of MINES be pleased to state:

- (a) whether the Union Government has appointed Shah Commission to inquire into the large scale mining of iron-ore and manganese ore without lawful authority and to fix ore extraction amount in several States;
- (b) if so, the details thereof alongwith its terms of references;
- (c) whether the Commission has submitted any interim/preliminary report in this regard;
- (d) if so, the details thereof including recommendations/suggestions made by the Commission;
- (e) the follow-up action taken by the Union Government thereon; and
- (f) the time by which the Commission is likely to submit its final report?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR MINES (SHRI DINSHA PATEL)

(a) and (b): The Government has appointed Shri Justice M. B. Shah Commission of Inquiry under the Commission of Inquiry Act, 1952 to inquire into the large scale mining of iron ore and manganese ore without lawful authority in several States vide Notification S. O. 2817 dated 22nd November, 2010. The Terms of Reference of the Commission of Inquiry are:

- i. to inquire into and determine the nature and extent of mining and trade and transportation, done illegally or without lawful authority, of iron ore and manganese ore, and the losses resulting there from; and to identify, as far as possible, the persons, firms, companies and others that are engaged in such mining, trade and transportation of iron ore and manganese ore, done illegally or without lawful authority;
- ii. to inquire into and determine the extent to which the management, regulatory and monitoring systems have failed to deter, prevent, detect and punish offences relating to mining, storage, transportation, trade and export of such ore, done illegally or without lawful authority, and the persons responsible for the same;
- iii. to inquire into the tampering of official records, including records relating to land and boundaries, to facilitate illegal mining and to identify, as far as possible, the persons responsible for such tampering; and
- iv. to inquire into the overall impact of such mining, trade, transportation and export, done illegally or without lawful authority, in terms of destruction of forest wealth, damage to the environment, prejudice to livelihood and other rights of tribal people, forest dwellers and other persons in the mined areas, and the financial losses caused to the Central and State Governments.

(c) to (e): The Commission of Inquiry has submitted an Interim Report to the Government on 14.7.2011 recommending, inter alia :
Amendment in section 24 of the Mines and Minerals (Development and Regulation) Act 1957
Amendments in Rules 24A of Mineral Concession Rules (MCR), 1960 regarding deemed extension of mining leases, in Rule 26 and Rule 27 of MCR restricting persons convicted for illegal mining from renewal of mining lease and cancellation of mining lease;
Amendments in field circulars issued by Indian Bureau of Mines for stringent regulation of boundary pillars of mining leases;
ban on export of iron ore and manganese ore; and
measures to be taken by State Governments for improving regulation by:

- (i) introducing Computerized weigh bridges,
- (ii) installing Check Posts at exit points,
- (iii) proper maintenance of roads and collection of toll tax, and
- (iv) providing adequate staff for regulatory purposes in State.

The Government has considered the recommendation of the Commission of Inquiry and has accepted recommendations pertaining to amendment of Rule 26 and Rule 27 of MCR restricting persons convicted for illegal mining from renewal of mining lease and cancellation of mining lease, amendments in field circulars issued by Indian Bureau of Mines for stringent regulation of boundary pillars of mining leases, and measures to be taken by State Governments for introducing computerized weigh bridges, installing Check Posts at exit points, proper maintenance of roads and collection of toll tax, and providing adequate staff for regulatory

purposes in State. The Government has commenced suitable action for implementation of the accepted recommendations. The Government is considering recommendation on ban on exports of iron ore and manganese ore in the context of EXIM Policy.

(f): The Commission of Inquiry is required to submit its final report within 18 months of its first sitting as per the Terms of Reference.