

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

UNSTARRED QUESTION NO:6998
ANSWERED ON:18.05.2012
PENALTY ON ILLEGAL MINING
Ray Shri Rudramadhab

Will the Minister of MINES be pleased to state:

- (a) whether the Central Empowered Committee (CEC) on illegal mining has recommended a penalty of Rs. Five crore per hectare for illegal mining and Rs. One crore per hectare for dumping;
- (b) if so, whether this is dilution from the CEC's earlier recommendation that ill gotten profits of wrong doers should be disgorged at five times the market value;
- (c) if so, the reasons for diversion from the earlier stand of the CEC;
- (d) whether these recommendations are likely to encourage illegal mining with lesser penalty; and
- (e) if so, the reaction of the Government thereto along with the steps taken or being taken by the Government to curb illegal mining in the country?

Answer

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

(a) to (c): The Central Empowered Committee (CEC) which has been set-up by the Hon'ble Supreme Court of India, in its Report (Final) on mining in Karnataka has given the recommendation that persons found to be involved in illegal mining are bound to pay exemplary compensations / penalty depending upon on the illegalities found which includes a compensation / penalty of Rs. Five crore per hectare for area under illegal mining and Rs. One crore per hectare for area under illegal over burden dump. The basis for finalization of CEC's recommendation is not maintained in the Ministry of Mines.

(d) and (e): The CEC recommendations have been accepted by Hon'ble Supreme Court vide order dated 13.4.2012. While State Government has been directed to comply with CEC recommendations by Hon'ble Supreme Court, separately the Central Government has also taken the following steps to curb and check illegal mining in the country:

(i) State Governments were asked to frame rules to control illegal mining as per Section 23 C of MMDR Act (so far 18 States have framed Rules).

(ii) State Governments were requested to set up Task Forces at State and District level to control illegal mining since the year 2005 (so far 21 States have reported to have set up Task Forces).

(iii) State Governments were advised to set up State Coordination-cum-Empowered Committee (SCEC) to coordinate efforts to control illegal mining by including representatives of Railways, Customs and Port authorities (13 State Governments have set up such Committees).

(iv) All State Governments advised to adopt an Action Plan with specific measures to detect and control illegal mining including, use of remote sensing, control on traffic, gather market intelligence, registration of end-users and setting up of special cells etc.

(v) Ministry of Mines has so far held five meetings with the State Governments to specifically review the action taken by the State Governments on illegal mining on 3.8.2009, 27.11.2009, 22.2.2010, 16.4.2010 and 21.9.2010. This periodical review has been dovetailed in the meeting of Central Coordination-cum-Empowered Committee meetings.

(vi) A Central Coordination-cum-Empowered Committee set up under Secretary (Mines) on 4.3.2009 and reconstituted on 20.10.2011 has held eight meetings on 24.7.2009, 22.12.2009, 18.6.2010, 22.12.2010, 3.5.2011, 20.9.2011, 16.1.2012 and 27.3.2012 to consider all mining related issues, including matters relating to coordination of activities to combat illegal mining.

(vii) Railways have instituted a mechanism to allow transportation of iron ore only against permits issued rake-wise and verified by State Government, apart from taking measures to fence and set up check post at the railway sidings.

(viii) Customs Department has issued instructions to all its field units to share information on ore export with State Governments.

(ix) Ministry of Shipping has issued a direction to all major Ports to streamline the verification procedures for movement of

consignment by road and rail to Ports for exports.

(x) Government has notified amendment in Rule 45 of Mineral Conservation and Development Rules, 1988, on 9.2.2011 making it mandatory for all miners, traders, stockist, exporters and end-users to register with Indian Bureau Mines (IBM) and report their transaction in minerals on monthly basis for a proper end-to-end accounting of minerals. As on 7.5.2012, out of 9409 mining leases in the country, 8001 mining leases have registered online with the IBM. The IBM has suspended 1587 mines for non-compliance and initiated prosecution in 4 cases and recommended 21 cases to State Governments for termination. IBM has also requested the State Governments not to issue transit passes for movement of minerals to unregistered operators.

(xi) IBM had constituted Special Task Forces for inspection of mines in endemic areas by taking the help of Satellite imageries. Special Task Force conducted inspections in a total of 454 mines in the States of Karnataka, Andhra Pradesh, Odisha, Jharkhand and Gujarat and suspended 155 mines under rule 13(2) of Mineral Conservation and Development Rules, 1988 due to serious violations. Further, the Indian Bureau of Mines have recommended for termination of eight leases.

(xii) The Central Government has also set up Shri Justice M. B. Shah Inquiry Commission for illegal mining of iron ore and manganese vide gazette notification dated 22.11.2010. The Commission submitted its First Interim Report to the Ministry of Mines, which has been laid before the Lok Sabha on 20.12.2011 alongwith the Memorandum of Action Taken. The Commission has so far visited States of Karnataka, Andhra Pradesh, Goa and Odisha. The Commission has recently submitted its report on its findings in the State of Goa.