Minutes of the Meeting held from 29-10-2014 to 31-10-2014 with different State Governments/UTs to discuss the issue of illegal mining of sand

The issue of alleged large scale illegal mining of sand in various parts of the country came up for discussion at the recent meetings of the Parliamentary Standing Committee on Water Resources as well as the Parliamentary Committee on Steel and Mines. Although mining of sand comes within the purview of the State Governments, it was felt necessary to discuss the problem with the State Governments so as to share their experiences and understand the gravity of the problem and find out ways and means to help the State Governments to curb and eliminate illegal mining of sand, especially in view of the fact that there are serious environmental consequences that follow from such illegal mining.

2. Accordingly, all the Principal Secretaries/Secretaries in charge of Mines in the States/UTs were invited in a meeting held in the Ministry of Mines from 29 to 31st October, 2014 to discuss the following issues:

1) Legal and related framework in place in each State to govern mining of sand
2) The actual experience of states in terms of cases of illegal mining of sand;
3) The steps taken by the States to curb and eliminate illegal mining of sand;
4) The steps taken by the States to prevent adverse consequences of illegal mining of sand on the environment; and
5) Suggestions from the States as to what further needs to be done in this regard.

3. In order to have meaningful discussion with the State Governments/UT Administrations, States/UTs were divided into three groups and meetings were held on three consecutive days starting from 29-10-2014 to 31-10-2014 under the chairmanship of Dr. Anup K Pujari, Secretary, Ministry of Mines. The list of participants is at Annexure -I.

4. At the outset, Additional Secretary(Mines) welcomed the participants to the meeting and gave a brief background and the objective of convening the meeting as also the concerns on illegal mining raised at the national level and the responsibility cast upon the Central Government to examine the issue from the environmental angle though the subject matter of sand mining is entirely under the jurisdiction of the States. Thereafter, Secretary (Mines) while welcoming the participants flagged the issues to be discussed in the meeting highlighting the concerns expressed in various quarters over the adverse effect of sand mining on the environment and other issues arising from illegal mining of sand.

5. The Secretary(Mines) requested the representatives of the State Governments to furnish information on the five issues listed at para 2 above.
6. The representatives of all the participating State Governments brought to the notice of the Ministry the legal framework to curb/stop illegal sand mining that exist in their respective States and the problems being faced by them in curbing the menace of illegal mining of sand as well its adverse impact to the environment. Information on the price of sand, rates of royalty, the mode of payment and the revenue sharing methods practiced by each state was shared in the meeting. The issue regarding the size of the mines/reaches as well as the issues involved in obtaining environmental clearance subsequent to Deepak Kumar judgment was also discussed.

7. Most of the States like Maharashtra and Madhya Pradesh have shared that there has been a rise in the cases of illegal mining of minor minerals especially sand, which in their opinion is due to the requirement of obtaining EC as mandated in the Deepak Kumar judgment. Obtaining EC has proved to be difficult, with the various stages in obtaining it. The matter was discussed at length and it was felt necessary to approach the Supreme Court to seek a clarification as to whether the requirement of obtaining EC for minor minerals for areas less than 5 Ha is a permanent obligation or is only a transitory requirement till such time all the State Governments frame rules under Section 15 of MMDR Act taking into consideration the recommendations of MoEF in its Report of March 2010 and model guidelines framed by the Ministry of Mines. MoEF and MoM to file an interlocutory application to seek a clarification from the Apex Court in this regard.
8. It was noticed that each State Government has adopted different approaches for governing sand mining based on the geomorphology of State, the prevailing socio-economic conditions, the demand for the sand and the strength of the administrative machinery. Almost all the State Governments pointed out that litigation is strangulating the administrative integrity impeding grant/renewal of sand mining leases resulting in increase in illegal mining. Most of the State Government have evolved/are evolving sand mining policy subsequent to Deepak Kumar judgement and have also adopted IT in a big way.

The submissions on sand mining, legal framework and other issues made by the State Government have been briefly summed up in Annexure-II.

9. To have an overall view of issue and gauge the extent of illegal mining in different States, Secretary requested the State representatives to provide information on the following points:

   1. Each state should provide details of the action taken on illegal mining of sand for the last three years and upto 30.9.2014 and specifically on number of cases of illegal mining of sand detected, action taken, and the amount of penalty/fine collected.

   2. Each state should provide details of the latest policy formulated for sand mining and
3. Each state should provide details of the all court cases pertaining to sand mining in which the State Government is a party for preparing of database of cases on sand mining.

4. Data on cost and royalty of sand in each State.

10. Secretary utilized this opportunity to sensitize the participants with the latest developments with regard to MMDR Act,1957, the Guidelines on grant of mineral concession and latest advisory to the State Governments for notifying all non-notified areas for transparency in the light of latest Supreme Court judgment, the state representatives were apprised of the following:

i) The state representatives were informed of the recent decision by the Ministry whereby State Governments have been advised to notify all mineral concession proposals for transparency and revert back to the Ministry within six months in case State Government is not in a position to notify the area by giving strong reasons for not doing so.

ii) A copy of the revised guidelines issued by the Ministry on 30-10-2014 in supersession of all earlier guidelines on grant of mineral concessions was provided to the participants and they were informed that from now onwards, proposals would be examined in terms of the latest guidelines.

iii) State Governments were requested to furnish their comments latest by 10.11.2014 on the timelines for processing of mineral concession proposals already circulated to them by different authorities. It was pointed
out that in the event no reply is received from the State Government by that date, it will be presumed that the suggested timelines are acceptable to the State Governments.

iv) State Governments were also requested to furnish their comments by 10-11-2014 on the ‘Note on Reforms in Framework for Mining Sector’ received from the PMO.

The meeting ended with vote of thanks to the Chair.
Annex-I

List of participants on 29th October, 2014

Ministry of Mines
1. Dr. Anup K Pujari, Secretary,
2. Mr. R Sridharan, Additional Secretary
3. Mr. Arun Kumar, Joint Secretary
4. Mr. Naresh Kumar, Joint Secretary
5. Mr. Niranjan Kumar Singh, Joint Secretary
6. Mr. Sudhakar Shukla, Economic Advisor
7. Mr. Shersha, Director
8. Mr. Prithul Kumar, Director
9. Mr. Vinay Kumar, Section Officer
10. Mr. R.K. Sinha, Controller of Mines, IBM

Ministry of Environment Forest & Climate Change
11. Mr. V.P. Upadhyay, Director, Ministry of Environment & Forest, Jor Bagh, New Delhi -3
12. Mr. Satish C Garkoti, Director, M/Environment Forest

Department of Atomic Energy
13. Mr. K Ramesh Kumar, Head BSOI & MR Group AMD

State Governments
14. Ms. Shalini Misra, Principal Secretary, Government of Andhra Pradesh
15. Mr. Sheo Shekhar Shukla, Secretary, MRD, Government of Madhya Pradesh
16. Mr. A Karunagaran, Additional Secretary, Industries Department Secretariat, Government of Tamil Nadu
17. Mr. B.N. Acharya, Additional Secretary, Department of Steel & Mines, Government of Odisha
18. Mr. Radheyshyam Mopalwar, Office of Divisional Commissioner, Government of Maharashtra
19. Mr. Rafi Ahmed, Technical Director, Government of Telengana
20. Mr. Pankaj Gahlot, Add Director Mines, Government of Rajasthan
21. Mr. T Natarajan, Commissioner of Geology and Mining, Government of Gujarat
22. Mr. P Anbalagan, Director, Mining Government of Chhattisgarh
List of participants on 30\textsuperscript{th} October, 2014

\textbf{Ministry of Mines}

1. Dr. Anup K Pujari, Secretary,  
2. Mr. R Sridharan, Additional Secretary  
3. Mr. Arun Kumar, Joint Secretary  
4. Mr. Naresh Kumar, Joint Secretary  
5. Mr. Niranjan Kumar Singh, Joint Secretary  
6. Mr. Sudhakar Shukla, Economic Advisor  
7. Mr.Shersha, Director  
8. Mr. Prithul Kumar, Director  
9. Mr.R.K.Malhotra, Consultant  
10. Mr.Vinay Kumar, Section Officer  
11. Mr. R.K.Sinha, Controller of Mines, IBM

\textbf{Ministry of Environment Forest & Climate Change}

12. Mr.V.P.Upadhyay, Director(S)

\textbf{State Governments}

13. Mr.Tushar Giri Nath, Secretary (Mines), Government of Karnataka  
14. Mr. Imtiaz A Khan, Joint DGM, Department of Geology & Mining, Udhyog Bhawan- Jammu, J&K Government  
15. Mr. Tasser Talar, Director(G&M), Department of Geology Mining, Govt of Arunachal Pradesh, Itanagar  
16. Dr A.S. Rawat, State Geologist, Department of Geology & Mining, Government of Ar. Pr, Itanagar  
17. Mr.Rajender Singh, Director Industries, Government of Himachal Pradesh  
18. Mr.D.P.Sreekumar, Director, Directorate of Mining & Geology, Thiruvananthapuram, Kerala
List of officers who attended the meeting on 31st October, 2014

Ministry of Mines

1. Dr. Anup K Pujari, Secretary
2. Mr. R Sridharan, Additional Secretary
3. Mr. Arun Kumar, Joint Secretary
4. Mr. Naresh Kumar, Joint Secretary
5. Mr. Niranjan Kumar Singh, Joint Secretary
6. Mr. Sudhakar Shukla, Economic Advisor
7. Mr. Shersha, Director
8. Mr. Prithul Kumar, Director
9. Mr. R.K. Malhotra, Consultant
10. Mr. Vinay Kumar, Section Officer

Ministry of Environment Forest & Climate Change

11. Manoj Kumar Singh, Joint Secretary Ministry of Environment & Forest
12. Mr. V.P. Upadhyay, Director(S)

State Governments

13. Mr. Arun, Secretary, Mines & Geology, Jharkhand
14. Mr. B Purusharth, Director Mining, Punjab
15. Mr. M.S. Lyngdohi, Joint Director, Directorate of Mineral Resources, Meghalaya
Important issues relating to sand mining highlighted by State Governments

Andhra Pradesh

- Andhra Pradesh has announced its Sand Mining Policy recently.
- Andhra Pradesh Mineral Development Corporation will be given all sand reaches and will prepare feasibility report to get Environment Clearance. This policy is to be implemented w.e.f. 1st Nov. 2014.
- Women Self-Help Groups will be excavating the sand.
- Sand will be sold at 1000/- per cu.m.
- Rs.390 crores earned from penalties imposed on illegal mining.

Chhattisgarh

- Sand regulation is through 2006 order.
- Entire business given to local bodies.
- All leases are of more than 5 ha. area. All mining plans are prepared by Geologists. Therefore, no problem with ECs.
- Due to abundance of sand, State Government not facing problem of illegal mining.
- No ban on inter-state transportation of sand.

Gujarat

- During the last 2 years allotment is being made through auctions which is largely on-line.
- Mechanism to grant EC has now been set up.
• There is ban on inter-state movement of sand.
• Permission is needed in the State even for stocking sand.
• Flying squads headed by Surveyors/ Mines Supervisor/ Class-I or II Officers have been set up at State and District level to check illegal sand mining.
• Sale Price of Sand in the State is Rs.100-150/ cu. m.
• Transportation cost is much more than pit-mouth-value (PMV).
• 95% of sand royalty goes to village panchayats.
• In the past 3 years, State Government faced lot of problems due to strangulatory Court orders. As per SC order sand mining below 3 metre depth is not allowed.

Himachal Pradesh
• Minor Mineral Concession Rules are in place.
• Land holdings are very small and therefore the mine leases are not of more than 5 Ha.
• State Government has made provision for mining plan as per court order.

Jammu and Kashmir
• Very small workings which are excavated by poor people manually.
• Difficult to submit forms and other requirements.
• State Government wants uniform policy for rates of sand.

Jharkhand
• Minor Mineral Rules, 2004 were amended in 2014 in compliance to the NGT order for including ECs and mining plan.
• 80% revenue goes to the Village Panchayats and rest to the State Government.
• State Government started treating sand as a mineral from 2011.
• Last auction for sand mines was held in 2011 for 3 years.
• No inter-state ban on sand transportation.
• Royalty revision is in process.
• Mining plans being prepared by RQPs recognized by IBM.
• Price of sand in the State varies from Rs.400-560/cu. m.

**Karnataka**

- Legal framework for sand mining in the State is in place.
- PWD has been authorized to carry out sand mining.
- District and Taluk Sand Mining Committees are being constituted.
- Sand will be sold at the rates fixed by District Committee.
- Mining leases are generally granted for 5 years. However, if lessee establishes plant for manufacturing sand, the lease is granted for a period of 20 years.
- It is mandatory for all buildings costing over Rs.1 crores to use manufactured sand. The price of manufactured sand is equal to river sand.
- Manufactured sand is being used about 10% of the total sand requirement in suburban areas of Bangalore and also in road projects.
- 25% of royally collected will be shared with the concerned Gram Panchayat.
- The details of FIRs filed in cases relating to illegal sand mining were spelt out.
- State Government wants EC procedure to be simplified and de-centralized.
- Suggestions for shifting of EC to concurrent list were given.

**Kerala**

- Kerala Mines and Minerals Ltd. and IREL are the only entities who mine Beach-sand minerals.
- 75% sand used is manufactured sand.
- Special squads constituted under ADGP to check illegal mining.
- State Government imports sand.

**Madhya Pradesh**

- State is auctioning sand in 33 Districts and in remaining 18 Districts it is through Madhya Pradesh State Mining Corporation.
- There are 1250 sand mines in the State out of which 1024 mines are of less than 5 ha. There are only 250 operational mines in the State.
- State Government charges royalty @ Rs.100/- per MT on sand. The price of sand in MP ranges from Rs.500/- to Rs.1000/- per cubic meter.
- Minor Mineral Concession Rules have been amended by the State Government in the light of the judgment of the Supreme Court in Deepak Kumar case.
- State Government has filed SLP in the Supreme Court against NGT orders.
- State has become the hub of illegal mining because of not being able to grant or renew MLs.
- 100% of receipts (royalty) from minor minerals to go to panchayats.

**Maharashtra**

- Since 2003, a detailed regulatory mechanism exists for sand mining.
- Rules amended in 2010 to provide for auctioning of river beds.
- State Government facing problems in sand mining in coastal areas.
- State Government has not been able to auction sand mines for last 3-4 years due to PILs.
- State Government facing problems with State Environment Appraisal Committees (SEACs).
- Channel clearing allowed /SEACs need to handle Distt. Admns./ Distt Geologist / 70% of posts are vacant. / ECs majorly through hiring private consultants.
Meghalaya

- All minor minerals come under the forest department as they are treated as forest produce.
- Minor Mineral Policy is in place.

Odisha

- Minor Mineral Concession Rules amended in September, 2014 in the light of Supreme Court’s judgment in Deepak Kumar case.
- Mining plans mandatory for mines of less than 5 Ha. area.
- Cluster-approach is adopted. Unit of cluster is 100 Ha.
- No serious case of illegal mining.
- State wants grant of ECs to be expedited.
- No ban on inter-state transportation of sand.

Punjab

- Mining lease is given where sand replenishment takes place.
- Numerous litigations.
- Punjab and Haryana High Court ordered that there shall be no compounding and only prosecution to be done in cases of illegal mining.
- Facing problems on account of two different Supreme Court judgments for EC.
- Small quantities of by product sand is also utilized.
- Brick-kiln owners in the State are facing problems due to requirement of ECs as per interpretation given by Ld. Attorney General for India.

Rajasthan
• There were no restrictions prior to Deepak Kumar case judgment.
• Rules amended suitably to provide for grant of sand mining lease for 5 years period through auction without provision for renewal.
• State Government granted 98 Letter of Intents (Lols) out of which 82 has applied for EC in view of the Supreme Court's order dated 25/10/13 in Deepak Kumar case.

Tamilnadu

• Sand mining in private hands upto 1/10/2003. From 2/10/2003 onwards, sand mining is exclusively done through PWD.
• Rule 38A of Mines Minerals Concession Rules introduced.
• Traders can take sand from PWD and resell – PWD sells @ 8000/- per 6 cu.m.
• Royalty goes to local panchayats.

Telengana

• State Government of Telengana is in the process of evolving a new Sand mining policy. A draft policy has been placed before cabinet on 24/10/14.
• Pre-reorganization policy still in force.
• Telengana Mineral Development Corporation is being entrusted with the job-for obtaining approval of Mining Plan /ECs etc.
• Inter-state ban on transportation of sand.