

ILLEGAL MINING
FIRST INTERIM REPORT

SUMMARY

There is enormous and large scale multi-state illegal mining of iron ore and manganese ore running into thousands of crores every year, having several pernicious evil effects on the national economy, good governance, public functionaries, bureaucracy, public order, law and order. It has encouraged huge corruption at all different levels in public life, mafia in society and money power. It is not only national loot, but also has deleterious effects on the national economy and society. This has to be stopped immediately and effectively.

The main cause & incentive for this illegal mining of iron ore and manganese ore is the huge profit in the export market (mainly China). The prices of these have gone up by about 20 times without any corresponding benefit and increase to the public exchequer.

Hence, the first and immediate step recommended is total ban on exports of iron ore and manganese ore.

This can be reviewed, relaxed and liberalized, once effective enforcement agency is in place to see that no illegal mining of these items takes place and also after reasonable estimate of reserves available and the demand of industries in this country for production of steel and

steel products. This step will also lend urgency to the other steps required to be taken.

There are other reasons also which facilitates such illegal mining, such as lack of effective enforcement, adequate staff, necessary infrastructure etc. There appears to be utter weakness or absence on the part of the concerned officers to effectively curb the menace of illegal mining which has been flourishing since about a decade.

For controlling illegal mining and its trade, following recommendations are suggested in this First Interim Report:

Firstly, for streamlining the procedure for renewal of mining lease, Rule 24A (1) and (6) of the Mineral Concession Rules, 1960 are required to be amended, as under:

Amendment of Rule 24A (1)

- (a) An application for the renewal of a mining lease shall be made to the State Government in Form J. at least twelve months before the date on which the lease is due to expire, through such officer or authority as the State Government may specify in this behalf.
- (b) In case of forest land, simultaneously with the application for the renewal of a mining lease**

under Rule 24(A) (1) (a) appropriate application should be filed before the concerned Forest Officer for approval.

- (c) Further, if required, simultaneously with the application for renewal of mining lease under Rule 24(A) (1) (a) appropriate application should be filed to State Pollution Control Board for its clearance.**

Amendment of Rule 24A(6)

“If an application for renewal of a mining lease made within the time referred to in Sub-Rule (1) is not disposed of by the State Government before the date of expiry of the lease, the period of that lease shall be deemed to have been extended **by a further period of one year or till the State Government passes the order thereon, whichever is earlier.**”

By this amendment, concerned officer would be required to decide the renewal application promptly within stipulated time. One year before expiry of lease and one year after expiry of lease (**two years**) for deciding renewal application is more than sufficient.

(II) For controlling illegal mining:

- (i) beyond lease area or
- (ii) mining without lease or licence.

It is necessary to amend the provisions of Section 24(1) of the Mines & Minerals (Development &

Regulation) Act, 1957 and Rule 26 and 27 of Mineral Concession Rules, 1960 by adding the provisions as under:

Amendment of Section 24(1)

(a)

(aa) verify whether the boundary pillars are properly structured and are easily visible; and reports thereof should be kept on record.

Amendment of Rule 26

(1) to (3)

(4) Notwithstanding the provisions of Sub-Rule (1), where it appears that the applicant is indulging in illegal mining or encroachment upon the non-lease area or has extended or changed, in any manner, the boundaries or boundary marks of lease area, the application for renewal shall be liable to be rejected.

Amendment of Rule 27

(1) to (4)

(4A) If the lessee / licensee is found to have encroached upon the non-lease area, in any manner, including shifting of boundaries or boundary marks, and / or if the boundary pillars are not maintained, the lease / license shall be

liable to be determined after giving 30 days' show cause notice.

Amendment is required in Circular issued by Government of India, Ministry of Mines, Indian Bureau of Mines, Circular No. 2 of 2010 dated 06.04.2010 by adding clause 9 & 10 as under:

(9) The distance between two pillars should not be more than 20 mtrs. and that the pillars should be of concrete.

(10) It should be mandatory for the concerned officer/s to visit the mine/s at least once a month, verify whether the boundary pillars are properly affixed and are easily visible, and the report/s thereof should be kept on record.

AND

If the report is incorrect, the explanation of the concerned officer who visited last should be sought for and if not found satisfactory, departmental action should be taken.

Aforesaid amendments would cast duty on the concerned officers to visit the site which itself would control mining beyond lease area.

Further, lessees would also know that if he carries out mining activity beyond lease areas, his lease would be cancelled.

Rest of suggestions are for –

- **Computerized weigh bridges** –
- **Check Posts at exist points** –
- **Maintenance of roads and toll tax** –
- **Adequate Staff**–

If Staff is adequate, it would control illegal mining to a large extent. The State can also recover proper Royalty payable.

If controlling machinery is weak and understaffed, illegal mining activities would continue unabated.
