

CHAPTER-VI

IMPLEMENTATION OF THE MINING RULES AND REGULATIONS

6.1 Challans not found in treasury records

During test check of the mining lease case files and treasury receipts of DDMA, Raipur, we noticed (May 2011) that in two cases, royalty of ₹ 76,500 was deposited into Government account through two challans in May 2009 and March 2011.

However, while cross checking these challans with the treasury records we did not find the above challan amounts in the Consolidated Treasury Receipt statement. The Department also failed to detect these missing challans and no action was taken by the DDMA to reconcile the discrepancy.

During the Exit Conference, the Government stated that one challan amounting to ₹ 31,500 has since been found in the treasury and in the case of the other lessee, Anita Jain, the matter is being examined by the Collector. Further examination of the first challan in Audit revealed that though the challan amount was the same, the name of the lessee was different. Further report in case of the second lessee has not been received (August 2012).

6.2 Non obtaining permit for temporary storage of mineral

According to Rule 6 of the Chhattisgarh Minerals (Mining, Transportation and Storage) Rules 2009, the lessee has to obtain a permit in form 7 for temporary storage/beneficiation/crushing of minerals which are kept outside the lease area. Storage fee for the first 250 MT is ₹ 20,000 and thereafter for every 100 MT or part thereof, the fee is payable at the rate of ₹ 2000.

During scrutiny of the mining lease case files and monthly returns of DMO, Dantewada, we noticed that a lessee, NMDC Ltd., dispatched iron ore from the railheads at Bacheli and Kirandul which are located outside the lease area. At the railhead, the lessee blends lower grade

iron ore with higher grade iron ore. Between August 2009 and March 2011, the lessee had temporarily stored 11.85¹ lakh MT iron ore at the railhead from Bacheli deposit no. '5', '10, 11A'. Similarly, 61.56² lakh MT iron ore was stored at the railhead from Kirandul deposit no. '14, 11C'. Since the minerals were

¹ Bacheli (Deposit No. 5,10 &11A) - 11,85,387 MT - 250MT = 11,85,137MT/100 = 11,852x ₹ 2000 = ₹ 2,37,04,000 + ₹ 20,000 = ₹ 2,37,24,000

² Kirandul (14&11C) - 61,56,254MT-250MT = 61,56,004MT/100 = 61561X ₹ 2000 = ₹ 12,31,22,000 + ₹ 20,000 = ₹ 12,31,42,000

stored outside the lease area, the lessee was required to obtain storage permit from the Collector (Mining) Dantewada. However neither did the lessee obtain the permit nor did the DMO take any action against the lessee for storing the minerals outside the lease area. This resulted in non levy of storage fees amounting to ₹ 14.69 crore.

During the Exit Conference, the Government stated that in Bachel and Kirandul minerals dispatched are temporarily stored at the dumping yard/Railway siding adjoining the lease area. Therefore, asking for permission of temporary storage of minerals is not practical. We do not agree as in the Departments' reply of May 2012, it was stated that the lessee is blending mineral outside the lease area. Hence, the lessee had not only temporarily stored iron ore outside the lease area but had also blended iron ore at the railhead. Therefore permission was necessary as per Rules *ibid*.

6.3 Operation of mines without environmental consent

Under Section 21(4) of the Air (Prevention and Control of Pollution) Act, 1981 and Section 25 and 26 of the Water (Prevention and Control of Pollution) Act, 1974, no person shall establish or operate any industrial plant in an air pollution control area without the previous consent of Chhattisgarh Environment Conservation Board (CECB). The State Government directed all the Collectors (July 2004) that environmental consent from CECB is required for all stone crushers under the provision of the Water (Prevention and Control of Pollution) Act 1974 and Air (Prevention and Control of Pollution) Act, 1981.

During test check of the case files of two DDMA³, and information received from three other DMOs⁴ we noticed that consent from the Chhattisgarh Environment Conservation Board in the case of 289 out of 434 lessees of stone crushers were not on record. These lessees however continued their mining operations and the Department did not take any steps to ensure submission of the required certificate from the CECB by the lessees. In other DMOs, neither was any record regarding environmental consent found maintained nor were the DMOs able to furnish information of lease holders having consent from the Board.

During the Exit Conference, the Government stated that instructions will be issued to the DMOs not to grant fresh leases without getting consent from the Environment Board. In Raipur district all lessees had obtained environmental consent. In Korba district, working permission has been withdrawn from six out of 28 lessees due to non-obtaining environmental consent from the Board.

Though the Government had issued instructions in July 2004 regarding requirement of environment consent from CECB, the Department did not adhere to these directions. Further no mechanism was available either at the district or

³ Korba and Raipur

⁴ Dantewada, Janjgir-Champa and Korea

DGM/Government level to ascertain whether a mine was working with or without environmental consent. Regarding the cases in Raipur, the list of consent holders provided by DDMA Raipur did not tally with the cases pointed out by Audit.

The Government may consider prescribing a monitoring mechanism to ensure that a lessee had obtained consent to operate any industrial plant in an air pollution control area.

6.4 Recommendation

- *The Department may consider prescribing periodic reports/returns to be furnished by the DDMA/DMOs indicating the cases requiring environmental consent and should develop a monitoring mechanism to ensure the operation of mines only after obtaining environmental consent.*

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