

## **CHAPTER – VII**

### **ENFORCEMENT ACTIVITIES OF DEPARTMENT OF MINES AND GEOLOGY**

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## CHAPTER VII - ENFORCEMENT ACTIVITIES OF DMG

In this Chapter we discuss the deficiencies noticed in the working of check posts such as deficiencies in vehicle check registers, inadequate inspection of vehicles, deficient enforcement activities in the absence of prescribed norms and targets for inspection of mines, unsecured custody of permits/trip sheets resulting in deficient monitoring of transportation of minerals affecting Government revenue besides causing theft of valuable trip sheets. As per the provisions of rule 43 of KMMC Rules 1994, the State Government may, by notification, direct to establish check posts at such place or places as it thinks fit with a view to prevent or check unauthorised transportation of minerals and evasion of royalty. It also provides that till the establishment of such check posts, the State Government may notify the check posts already established in such places under the provisions of the Karnataka Sales Tax Act, 1957 or the Karnataka Forest Rules 1964.

The DMG established 28 check posts (including 13 composite check posts<sup>1</sup>) to control illegal transportation of minerals. However, we noticed that only one check post had the facility of weighing machine to weigh minerals.

### 7.1 Deficiencies noticed at check posts

#### 7.1.1 Penalty collected at check posts

As per the information furnished by DMG, Bangalore, the details of vehicles checked at check posts and penalty realised are detailed below.

(₹ in lakh)

Year	Total number of vehicles checked		Total number of vehicles penalised		Penalty collected	
	Major minerals	Minor minerals	Major minerals	Minor minerals	Major minerals	Minor minerals
2006-07	386551	77400	1811	1125	97.89	12.91
2007-08	430635	73033	459	991	153.17	16.83
2008-09	792244	70269	1771	482	415.83	16.56
2009-10	481281	41988	843	1230	148.74	45.63
2010-11	536156	98270	2805	730	196.97	31.96
<b>Total</b>	<b>2626867</b>	<b>360960</b>	<b>7689</b>	<b>4558</b>	<b>1012.6</b>	<b>123.89</b>

It would be seen from the above table that the DMG collected penalty of ₹ 11.36 crore at the check posts. More vigil is required to be exercised at the check posts to prevent the unauthorised transportation of the mineral as is evident from the following paragraphs:

#### 7.1.2 Percentage check of vehicles at check posts

We checked the records of Chitradurga and Hospet check posts to ascertain the extent of inspections conducted in these check posts. We found that total

<sup>1</sup> These checkpoints are functioning in combination with the other Nodal Departments such as PWD, Forest, Commercial Tax and RTO.

number of vehicles that passed through Chitradurga and Hospet check posts were not available with the concerned checkpost. We called for the records relating to the movement of vehicles carrying iron ore in Chitradurga and Hospet. Out of these, records were furnished only by DD, Chitradurga. As regards, DD, Hospet, total despatch of the mineral only was furnished. We found that the percentage of check conducted at the check posts was very small as mentioned below:

Our cross check of Trip Sheets, Issue Registers, DCB registers maintained in the Divisional Offices with the "Vehicle Check Registers" at Checkposts (Chitradurga and Hospet), revealed that in Hospet Division, the number of vehicles checked was only eight *per cent* of the total number of vehicles during 2009-10 and 2010-11. In Chitradurga Division, the percentage of vehicles checked ranged from eight to 26 during 2007-08 to 2010-11 as detailed below:

Office of the Deputy Director, DMG	Year	Total number of vehicles passed (based on the tripsheets issued)	No. of vehicles checked at the checkpost	Percentage check of vehicles
Chitradurga	2007-08	498302	44166	8.9
	2008-09	562439	142837	25.4
	2009-10	573786	136804	23.8
	2010-11	431095	113839	26
Hospet*	2009-10	1602831	120621	8
	2010-11	3550362	276735	8.3

(\*Total number of vehicles in Hospet was arrived from total quantity despatched and considering 17 MT/lorry as per trip quantity).

The low percentage of check defeated the very purpose for which checkposts were notified.

### 7.1.3 Despatch of iron ore by Railways

We also noticed that 40 to 50 *per cent* of the iron ore produced in Chitradurga and Hospet Divisions were lifted from pit mouth of the mines to Railway sidings/Railway stations. The DMG had made no effort to reconcile/verify the figures of quantity despatched by Railways to ensure that no iron ore was moved out from the Railway sidings/stations illegally.

The DD, Chitradurga replied that Railway authorities had been requested to intimate the quantity despatched through Railway sidings/stations during 2005-06 to 2010-11 for verification. The fact, however, remains that the DMG failed to verify the quantity transported through railways for more than six years.

The DMG replied that steps to establish check posts at important locations have been taken and also introduced a Comprehensive Computerisation of Mineral Administration and Integrated Lease Management System, which provides information related to lease holders, end-users, payment transactions, updated mineral rates, issuance of e-permits, integration with weigh bridges/check posts, etc.

## **7.2 Improper maintenance of Vehicle-check register**

According to Rule 43(4) of the KMMC Rules, 1994, the driver or any other person in-charge of the vehicle, as the case may be, carrying the mineral shall stop the same at every check post and allow the officer in charge of the check post to examine and take measurements of the minerals in transit and inspect all records relating to the minerals in possession of such driver.

We noticed that DMG had not prescribed any format for the Vehicle Check Register of the vehicles inspected. Test check of Vehicle Check Register in seven check posts, revealed that in 531 cases no other details were recorded except the name of the driver. In certain cases only the words 'lorry driver' was recorded in place of his name. The essential details of the vehicle like name of the owner, quantity of mineral in transit, name of the driver, reference to permit issued and cases of violation, if any, in the check register were not being recorded. Thus, details of the material transported and offences committed could not be ascertained.

Absence of these necessary details has rendered the inspection of vehicles at the check posts ineffective. After we pointed out these omissions, the DD, Chitradurga replied that all the details are now being indicated in the Vehicle Check Register. The DD, Hospet replied that no Departmental manual, notifications or circulars were issued by the Government prescribing procedure or format for maintenance of registers at the check post.

## **7.3 Working of the Mobile squad**

To curb illegal mining/quarrying in the State, three mobile squads each consisting of one DD, three Senior Geologists, four Geologists and four Group 'D' officials were formed between March and April 2008 by the Director, DMG, Bangalore. No posts were sanctioned by the Government for these squads and the persons were deployed from the existing strength. The squads were entrusted with the work of inspection of the mining activity besides checking the vehicles transporting minerals.

We noticed that targets were not fixed for inspection of mines and number of vehicles to be checked by the squad each year. Besides, criteria for selection of mines for inspections were also not laid down by the DMG.

As per the information made available by the Director, DMG, Bangalore, out of 120 mines in operation, 61 mines were inspected and 9,14,721 MT of iron ore was seized in 65 cases during the years 2008 to 2011. Further, 56,026 vehicles were also checked and 3,83,058 MT of iron ore valued at ₹ 30.22 crore was seized after booking 427 cases of illegal transportation during the above period. The DMG replied that target would be fixed for the mobile squad to inspect mining lease areas as well as checking of vehicles transporting the ore.

## **7.4 Improper maintenance/misuse of Tripsheets**

The stock register of trip sheets should indicate the details such as opening balance, quantity of trip sheets received, issued. The closing balance has to be worked out at the end of every month.



Source : Dy. Director Office, Hospet

From the stock registers maintained in Hospet Division, we noticed that the details such as opening balance, quantity of trip sheets received, quantity issued and closing balance were not indicated in the register. Periodical physical stock verification was also not conducted. It was also noticed that the trip sheets were bundled and piled up in a corner of the office in a highly insecure manner. Thus, the correctness of the receipts, issues and balances could not be ascertained. The chances of loss/misuse of trip sheets could not be ruled out.

Transportation of iron ore through fake trip sheets was detected (September 2010) in Hospet Division. A case was registered before Judicial Magistrate First Class (JMFC), Sandur in Crime No.171/2010 against Yeriswamy Minerals, Hospet. The improper maintenance of stock accounts and unsecured storage of trip sheets may have resulted in misuse of the trip sheets and consequent loss of revenue.

The DMG accepted the misuse of trip sheets and stated that through Integrated Lease Management System online e-permits/trip sheets will be generated, which will be helpful to monitor transportation of minerals and prevent illegal/excess transportation and misuse of trip sheets.

Though the State Government was conversant with e-enabled technology such as Global Positioning System (GPS) fitted to transportation vehicles and issue of online permits, insertion of load sensors at check posts, to check actual quantities of minerals transported, etc., enabling verification at various toll gates/ports/railway yards/forest checkposts/RTO checkposts, installation of the same were reported to be still under consideration (June 2012) of the Government.

Besides, with no mechanism institutionalised by the State Government to mark the coordinates of the boundary stones of the lease areas with reference to specific longitudes and latitudes, the boundary violations often go unnoticed. The Department may evolve a mechanism of marking the coordinates with GPS at the time of grant of lease and so as to resolve the issues of encroachments of lease boundaries.

## **7.5 Conclusion**

We noticed that no format was prescribed under the rules for maintaining the Vehicle Check Register of vehicles inspected. The necessary details like name and address of the driver or of the vehicles owner were not recorded in the Vehicle Check Register. Verification of the quantity despatched by Railways was also not done by the Department to ensure that no excess quantity of iron ore was moved out from the Railway sidings/stations. We noticed that targets were not fixed for inspection of mines and number of vehicles to be checked by the enforcement squad each year. Besides, criteria for selection of mines for inspection were also not laid down by the department. We noticed that the trip sheets were bundled up in the corner of the office in a highly insecure manner. Thus, the chances of loss/misuse of trip sheets could not be ruled out.

## **7.6 Recommendations**

The Government may consider:-

1. Prescribing a proforma/format for maintaining vehicle check register so as to record all the details required for enforcement purposes and fixing the targets for inspection of vehicles at check posts and for the mobile squad to prevent illegal transportation of minerals
2. Technological advances such as GPS on trucks, load sensors at check points etc., should be leveraged by DMG to improve enforcement activities.