

From

Dr. M. Karunakaran, I.A.S.,
District Collector,
Tirunelveli District,
Tirunelveli.

To

The Deputy Development
Commissioner,
Government of India,
Ministry of Commerce and Industry,
Office of the Development
Commissioner,
MEPT Special Economic Zone &
HEOUs in Tamil Nadu, Pondicherry,
Andaman & Nicobar Island,
Administrative Office Building,
National Highway-45, Tambaram,
Chennai - 45.



Re. No. M3/40365/2015, dated 11.12.2015

Sir,

Sub:

**Mines and Minerals - Beach sand minerals -
Prevention of illegal mining and
transportation of beach sand minerals -
certain clarification called for - furnished -
reg.**

Ref:

- 1) G.O. Ms. No. 156, Industries (MMD-1)
Department, dated 08.08.2013.
- 2) G.O. Ms. No. 173, Industries (MMD-1)
Department, dated 17.07.2013.
- 3) G.O. Ms. No. 179, Industries (MMD-1)
Department, dated 27.07.2013.
- 4) Minutes of the District Level
Committee Meeting held on
18.10.2016 & 09.11.2016 at Tirunelveli.
- 5) Deputy Development Commissioner's
letter No. F.No. 87/MMD-1
/MEPT/2015-16 dated 16.12.2015.

Kind attention is invited to the reference 5th cited
wherein it was requested to furnish clarification on certain issues.

related to mining, storage and transportation of beach sand minerals.

2) The clarifications called for by the Deputy Development Commissioner with reference to the orders passed by the Government in G.O. Ms. No. 156, Industries (MMD-I) Department, dated: 08.08.2013, G.O. Ms. No. 173, Industries (MMD-I) Department, dated: 17.09.2013 & G.O. Ms. No. 179, Industries (MMD-I) Department, dated: 27.07.2015 were examined and the following clarifications are issued:-

- i. As directed by the Government in G.O. Ms. No. 173, Industries Department dated: 17.09.2013 mining operations for raw sand and beach sand minerals such as Garnet, Ilmenite, Rutile, Zircon, Sillimanite etc., were stopped in the Districts and issuance of transport permits for the said minerals were also stopped from the month of September, 2013.
- ii. As per section 4(1-A) of the Mines and Minerals (Development and Regulation) Act, 1957, no person shall transport or store or cause to be transported or stored any mineral otherwise than in accordance with the provision of the Act and the rules made thereunder.
- iii. Therefore the entire quantum of beach sand minerals transported by all the lessees (including Export and

Local sale) without obtaining transport permits from the office of the Deputy Director of Geology and Mining / Assistant Director of Geology and Mining of the District concerned from the month of September 2013 to till date i.e. after stopping the beach sand mining operations and issuance of transport permits for beach sand minerals are treated as illegally mined, illegally transported and illegally stored one in violation of section 4(1) and 4(1-A) of the Act.

- iv. The entire quantum of processed, semi-processed and un-processed raw sand (ROM) is freezed by the Government to enable the inspection authorities to assess the actual quantum of illegally mined minerals.
- v. The orders passed by the Government stopping the mining operations for beach sand minerals and issuance of transport permits for the above said minerals are very much in force till now and the connected writ appeals filed by the State Government are pending before the Hon'ble First Bench of Madras High Court.
- vi. As advised by the Hon'ble First Bench of Madras High Court, the State Government in G.O. (Ms) No. 179 Industries Department dated: 27.07.2015 constituted Taluk Level and District Level Committees to look into

The complaints on illegal beach sand mining and transportation of beach sand minerals and for taking appropriate action by the authorities concerned. The District Level Committee is periodically reviewing the functioning of the Taluk Level Committee by suggesting suitable measures for prevention of illegal mining and transportation of beach sand minerals.

- vii. The careful examination of the details of quantum of raw sand (ROM) permitted by the Department of Geology and Mining, for the period from 2000-2001 to 2013-2014, the royalty remitted by the lessees, the quantum of all processed beach sand minerals permitted for transportation by the Department of Geology and Mining for the said periods, and the details furnished by the all the lessees in the district on the local sale and export of all beach sand minerals for the period from 2000-2001 to 2015-2016, reveal that the entire quantum of processed minerals / semi-processed minerals and raw sand said to be available with all the lessees in their pre-concentration plants, separation plants and other storing places are to be treated as illegally mined, illegally transported and illegally stored, one by contravening the provisions of section 4(1) & 4(1-A) of the Act.

- viii. The transportation of entire quantum of raw sand and beach sand minerals by all the lessees against the quantum of such minerals as permitted in the Approved Mining plan / Scheme of Mining is treated as unlawfully mined and unlawfully transported and therefore the entire quantum of raw sand, semi-processed and processed minerals said to be available with all the lessees are to be treated as illegally stored and in violation of section 4(1-A) of the Act.
- ix. The examination of the details submitted by the lessee companies before the Taluk Level Committee on the production and the export of raw sand / processed minerals were verified with Government Order wise / Commissioner of Geology and Mining proceedings wise transport permits issued to all the lessees for raw sand, garnet, rutile, etc., with reference to the quantum of raw sand and various beach sand minerals as permitted in the Approved Mining plan / Approved Scheme of Mining for the period from 2008-09 to 2012-13 reveal that M.V.V. Minerals have unlawfully transported a huge quantum of raw sand, garnet, illeminite, rutile, zircon, sillimanite and leucosene for the said period as detailed below:-

Sl. No.	Mineral	Excess quantity unlawfully transported.
1.	Raw sand	14,04,692
2.	Garnet	1,53,731
3.	Ilmenite	5,97,539
4.	Rutile	62,078
5.	Zircon	41,700
6.	Sillimanite	40,700
7.	Leucoxene	2,650

Similarly, Tvl Transworld Garnet India Pvt. Ltd., Tvl Beach Mineral Sands Company, Thiru K. Thangaraj and Thiru M. Ramesh (IOGS group) have also committed serious violations in production and export of beach sand minerals for the said period. The details are enclosed.

- x. Many deviations were observed in the royalty accounts settled by the former District Collectors in respect of all the lessees. Further, large scale violations of illegal mining, illegal transportation and illegal storage of raw sand and all beach sand minerals by all the lessees reveal that the entire quantum of raw sand, semi-processed and processed minerals said to be available with the lessees are to be treated as illegally stored one by contravening the provisions of section 4(1-A) of the Act. Therefore, all the transported materials were suffered with royalty is unsustainable and unenforceable.

- xi. It is further clarified that many violations were noticed by the District Level Committee in the transportation of raw sand and all beach sand minerals for the period from 2000-2001 to 2015-2016 and the District Level Committee has resolved to initiate penal action against all the lessee companies for recovering the cost of unlawfully mined and unlawfully transported minerals under section 21(5) of the Act and therefore the entire stock of raw sand / semi-processed mineral in possession of the pre concentration of plants of the lessees and the entire quantum of semi-processed and processed minerals said to be available with the separation plants of the lessees are to be treated as illegally mined, illegally transported and illegally stored one by violating the provisions of section 4(1) and 4(1-A) of the Act and thus attracts the penal provisions of section 21(1) and 21(5) of the Act.
- xii. In view of the large scale violations of illegal mining and transportation of raw sand and beach sand minerals detected for the period from 2000-01 to 2015-2016, the royalty accounts settled for any periods earlier are to be treated as null and void.
- xiii. The District Level Committee has resolved to initiate penal action against all the lessee companies for

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recovering the cost of minerals unlawfully mined and transported under section 21 (5) of the Act.

xiv. Further it was resolved to request the customs authorities concerned to produce the certificate of legally mined minerals obtained from the District Collectors concerned for export and to insist on transport permits along with bulk permit.

xv. As per the instructions issued by the Government in letter (D) No. 131, Industries Department, dated 13.06.2000, Raw sand has to be transported from the lease hold area to the separation plants or to the pre-concentration plants only after collecting advance royalty and after obtaining Gate Pass-I. Further, pre-concentrated raw sand from pre-concentration plant to the separation plant has to be transported after obtaining Gate Pass-II. Further, separated garnet and other minerals from the separation plants to domestic or foreign destination shall be transported with transport permit along with the bulk permits. Tvl V.V Minerals and other lessees have not been issued with any Gate Pass-I or Gate Pass-II or transport permits for transportation of raw sand, pre-concentrated raw sand and separated minerals after the stopping of mining operations by the Government in G.O. Ms. No. 173.

Industries MM(DT) Department, dated: 17.09.2013.

Therefore, the entire quantum of minerals transported without obtaining transport permits after the stopping of mining operations is illegal transport.

xvi Further illegally mined beach sand lorry and loader were seized by the Sub-Collector

Cheranmahadevi, Tirunelveli on 11.08.2016 and FIR filed in

Uvari Police Station is under investigation. Similarly FIR has

been filed for illegal transportation of beach sand mineral on

01.12.2016 in Soolagiri Police station, Hosur Taluk, Krishnagiri

District. Hence the criminal activities and illegal transport of

beach sand minerals are open secret beyond any doubt.

3. The following clarifications are issued in response to the issues raised by the Deputy Development Commissioner in the referenced 5th cited.

(i) As the District Level Committee came to a conclusion that all the stock of minerals at present in all places are illegally mined stock. Only the District Collector can certify the legality of the minerals and the legality of the royalty. In the absence of such certificate, the lessee companies cannot claim that royalty has been paid already. The question of royalty payment does not arise for the illegal stock of minerals.

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Illegal quarrying found out in both pre-ban and post-ban periods and hence the entire present stock is illegal.

(ii) All the stock of semi processed and processed minerals in possession of these units which were separated from the raw sand that was mined before and after the imposition of ban are also illegal. The quantum of royalty payment does not arise for the illegally semi processed /processed Beach sand Minerals.

(iii) Ban of mining to calculate the exact quantum of stock includes freezing of all the processed, unprocessed and semi processed minerals.

(iv) The Government order of stopping issuance of transport permits includes transport of raw sand from the mines to the warehouse /units and transport of semi processed/processed minerals from the units to the Ports for export.

4. Apart from the District Level Committee's proceedings as pointed earlier, the State Government stopped the mining operations of beach sand minerals from September 2013. Therefore, the entire mining and stock of processed and unprocessed minerals is freezed by the Government to enable the inspection authorities to assess the quantum of illegally mined

material. As per the Government Orders in the 1st and 2nd cited, all transport permits for raw sand, semi-processed minerals and processed minerals were stopped by the authorities concerned. No stay has been granted against the said Government Orders. The lessees filed writ petitions against the Special Team inspections headed by Thiru. Gagandeep Singh Bedi, J.A.S.

5. Therefore, the lessees cum illegal miners have no locus standi to export beach sand minerals without valid transport permits issued by the Deputy Director / Assistant Director of Geology and Mining concerned and no export of beach sand minerals can be allowed in the absence of such permits by the Deputy Development Commissioner, MEPZ or any other authority at present. Already the Additional commissioner of customs, office of the commissioner of customs, customs house, Tutuconin stopped export of Beach sand minerals on the same grounds mentioned above.

AM/16
District Collector,
Tirunelveli.

13.12.24