



KARNATAKA LEGISLATIVE COUNCIL
ONE HUNDRED AND FIFTY SIXTH SESSION
THE KARNATAKA APPOINTMENT OF RECOVERY COMMISSIONER FOR
SEIZURE AND ATTACHMENT OF PROPERTY OF ILLEGAL MINING AND
PROCEEDS OF CRIME BILL, 2025
(LA Bill No. 64 of 2025)
(As passed by the Karnataka Legislative Assembly)

A Bill to provide for the appointment of Recovery Commissioner for seizure, attachment, forfeiture of properties derived from illegal mining activities including multiple transactions involving myriad number of lessees, transporters, exporters, stock holders, purchasers and other intermediaries, organized crime, cohesive conspiracy and proceeds of crime in the State of Karnataka.

Whereas, the Hon'ble Supreme Court in its Order dated: 16.9.2013 in an interlocutory application number 189 of writ petition 562/2009 has permitted the Central Bureau of Investigation (CBI) to refer the matters with respect to the exporters who had exported less than 50000 MTS and were not enquired into in the preliminary enquiry and also has permitted the Central Bureau of Investigation (CBI) to refer the cases of exporters who had exported less than 50000 MTS of iron ore without valid permit to refer to the Government of Karnataka for taking necessary action under the relevant laws as recommended by the Central Empowered committee vide letter, dated: 5.9.2012.

And whereas, in pursuant to the cabinet decision taken on 17.10.2013, issues relating to the illegal exports of iron ore through nine ports were referred to CBI vide G.O No: HD 98 CID 2013, dated: 18.12.2013. Accordingly the CBI has furnished intermittent details of the preliminary enquiries, charge sheeted cases registered by various branches of the Central Bureau of Investigation (CBI).

And whereas, it is expedient to provide for the appointment of Recovery Commissioner for seizure, attachment and forfeiture of properties derived from illegal mining activities including multiple transactions involving myriad number of lessees, transporters, exporters, stock holders, purchasers and other intermediaries, organized crime, cohesive conspiracy and proceeds of crime in the State of Karnataka and for matters connected therewith or incidental thereto.

Be it enacted by the Karnataka State Legislature in the seventy sixth year of the Republic of India as follows:-

1. Short title, commencement and application.-(1) This Act may be called the Karnataka Appointment of Recovery Commissioner for seizure and attachment of property of Illegal Mining and proceeds of crime Act, 2025.

(2) It shall come into force from such date as the State Government may, by notification, appoint.

(3) The provisions of this Act shall be applicable to all the cases enumerated in Government order number CI 282 MM 2011(p), dated: 22.11.2013, 06.06.2017, 21.03.2018, 22.11.2024 and to such other cases as may be notified by the State Government, from time to time.

2. Definitions.-(1) In this Act, unless the context otherwise requires,-

(a) "attachment" means the prohibition of transfer, disposal, or movement of property by an order of the Recovery Commissioner;

(b) "forfeiture" means the permanent deprivation of rights in property by order of the Recovery Commissioner;

(c) "illegal mining" and "illegal mining activity" means illegal extraction, removal or transportation of minerals and illegal mining activities including multiple transactions involving myriad number of lessees, transporters, exporters, stock holders, purchasers and other intermediaries, organized crime, cohesive conspiracy in contravention of the provisions of the Mines and Minerals (Development and Regulation) Act, 1957 (Central Act 67 of 1957) or relevant Laws and rules made there under;

(d) "prescribed" means prescribed by rules made under this Act;

(e) "property" includes any movable or immovable property, money, valuable security or other assets derived or obtained, directly or indirectly, from illegal mining activities including multiple transactions involving myriad number of lessees, transporters, exporters, stock holders, purchaser and other intermediaries, organized crime, cohesive conspiracy;

(f) "Recovery Commissioner" means the officer appointed under section 3; and

(g) "State Government" means the Government of Karnataka.

(2) All other words and expression used but not defined shall have the same meaning as assigned to them in the Mines and Minerals (Development and Regulation) Act, 1957 (Central Act 67 of 1957) or other relevant Laws and rules made thereunder.

3. Appointment of Recovery Commissioner.-(1) The State Government shall, by notification, appoint a serving or retired officer not below the rank of Additional Chief Secretary to Government to be the Recovery Commissioner for the purpose of supervising recovery proceedings under this Act.

(2) The Recovery Commissioner shall have jurisdiction over the entire State or such area as may be specified in the notification.

(3) The Recovery Commissioner shall supervise, coordinate, and control the functions of Recovery Officers appointed under this Act.

4. Powers and duties of Recovery Commissioner.- The Recovery Commissioner shall exercise and perform the following powers and duties, namely:-

(a) exercise overall supervisory jurisdiction over attachment, seizure, and recovery operation;

(b) issue directions to subordinate officers for timely enforcement of attachment or forfeiture order;

(c) receive complaints from individuals and persons and examine the person or persons making the affidavit accompanying the complaint;

(d) examine the records and reports submitted by subordinate officer;

(e) hear administrative appeals against actions taken by subordinate officer;

(f) recommend further legal or criminal action where necessary; and

(g) submit periodic reports to the State Government.

5. Recovery Commissioner to have powers of a civil court.- In exercising the functions conferred on the Recovery Commissioner under this Act, he shall have all the powers of a civil court, while trying a suit under the Code of Civil Procedure, 1908 (Central 5 of 1908) in respect of the following matters, namely:-

- (a) summoning and enforcing the attendance of any person and examining him on oath;
- (b) requiring the discovery and production of any document;
- (c) proof of facts by affidavits;
- (d) appointing commissions for examination of witness or documents; and
- (e) any other matter, as may be prescribed.

6. Power of entry and search.- (1) The Recovery Commissioner or any officer authorized by him may, after recording reasons in writing and with due authorization,-

- (a) enter any premises or place where any property liable for seizure is kept; and
- (b) conduct search for documents, records, or assets relevant to recovery.

(2) The search shall be conducted in accordance with the provisions of the Bharatiya Nagarik Suraksha Sanhita, 2023 (Central Act 46 of 2023) and the Criminal Law amendment Ordinance, 1944 relating to search and seizure.

7. Provisional attachment of property.-(1) Upon reasonable belief that property was acquired through illegal mining, the Recovery Commissioner may provisionally attach such property:

Provided that, in case of property acquired through illegal mining is situated outside the State of Karnataka, the Recovery Commissioner may do so after obtaining prior approval from the State Government.

(2) The provisional attachment shall remain in force for a period of sixty days unless confirmed or vacated by the Recovery Commissioner.

8. Confirmation of attachment or forfeiture.-All orders of attachment and forfeiture passed by a Recovery Commissioner shall be submitted for confirmation by the State Government.

9. Absolute attachment.- (1) On receipt of an application under the provisions of this Act, the Recovery Commissioner shall, unless for reasons to be recorded in writing, is of the opinion that,-

(i) there exist prima facie grounds to believe that the person in respect of whom the application is made has acquired property through illegal mining; or

(ii) has procured thereby any money or other property through illegal mining -shall pass without delay, an absolute order attaching the money or other property alleged to have been so procured, including the property alienated to the family members or any other person or if it transpires that such money or other property is not available for attachment, such other property of the said person of equivalent value, as he may think fit:

Provided that the Recovery Commissioner may, if he thinks fit before passing such order, and shall before refusing to pass such order, examine the person or persons making the affidavit accompanying the application.

(2) At the same time as The Recovery Commissioner passes an order under sub-section (1), he shall issue to the person whose money or other property is being attached, a notice, accompanied by copies of the order, the application and affidavits and of the evidence, if any, recorded, calling upon him to show cause on a date to be specified in the notice, why the order of attachment shall not be made absolute.

(3) The Recovery Commissioner shall also issue, copies of the documents accompanying the notice under sub-section (2), to all persons represented to him as

having or being likely to claim, any interest or title in the property of the person to whom notice is issued under the said sub-section calling upon each such person to appear on the same date as specified in the notice under the said sub-section and make objection if he so desires, to the attachment of the property or any portion thereof on the ground that he has an interest in such property or portion thereof.

(4) Any person claiming an interest in the attached property or any portion thereof may, notwithstanding that no notice has been served upon him under this section, make an objection as aforesaid to the Recovery Commissioner at any time before an order is passed under sub-section (1) or sub-section (3), as the case may be.

10. Forfeiture of property.- Upon conviction for an offence relating to illegal mining, the Recovery Commissioner may order the forfeiture of any property proven to be acquired through such means.

11. Appeal.- An appeal against any order of the Recovery Commissioner under this Act shall lie before the authority, as may be notified by the State Government, not below the rank of Chief Secretary to Government, within sixty days from the date of such order.

12. Management of attached property.- (1) The State Government may appoint an Administrator to manage the attached property.

(2) The Administrator shall maintain proper accounts, inventories, and comply with audits.

13. Protection of action taken in good faith.- No suit, prosecution or other legal proceeding shall lie against the Government or any officer appointed under the provisions of this Act, for acts done in good faith in pursuance of this Act.

14. Power to make rules.- (1) The State Government may, by notification, make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing powers, such rules may provide for,-

- (i) procedures for seizure, attachment and forfeiture;
- (ii) formats for registers, notices and reports;
- (iii) time limits and procedures for appeals;
- (iv) appointment of Recovery Officers and staff, as may deem fit; and
- (v) procedure of disposal or auction of forfeited property or absolutely attached property.

(3) Every rule made under this Act shall be laid, as soon as may be, after it is made, before each House of the State Legislature, while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session in which it is so laid or the session or sessions immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule shall not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done or omitted to be done under that rule.

15. Act not in derogation of other laws.- The provisions of this Act shall be in addition to, and not in derogation of, any other law for the time being in force.

16. Transitory provisions.- (1) Notwithstanding anything contained in this Act, until the Recovery Commissioner is formally appointed under section 3, the

State Government may, by order published in the official Gazette, designate existing officers of the Revenue Department, Police Department or the Department of Mines and Geology to discharge the functions of the Recovery Commissioner for a period not exceeding six months from the date of commencement of this Act.

(2) Any action taken, orders issued or proceedings initiated by officers so designated shall deemed to have been validly taken or done under the authority of this Act.

(3) The State Government shall ensure that the permanent institutional framework under this Act, including the appointment of the Recovery Commissioner, is established within six months from the date of commencement of this Act.

(4) The designated officers shall hand over all records, inventories, and pending matters to the duly appointed Recovery Commissioner immediately upon their assumption of office.

17. Transfer of pending cases.- From the date of commencement of this Act all cases pending before any court in respect of seizure, attachment of illegal mining activities, including properties derived from illegal mining activities including multiple transactions involving myriad number of lessees, transporters, exporters, stock holders, purchasers and other intermediaries, organized crime, cohesive conspiracy shall be transferred to the Recovery Commissioner.

18. Power to remove difficulty.- If any difficulty arises in giving effect to the provisions of this Act, the State Government may, by an order, published in the official Gazette, make such provisions not inconsistent with the provisions of this Act, which appear to it to be necessary or expedient for the purposes of removing the difficulty:

Provided that, no such order shall be made under this section after the expiry of the period of two years from the date of commencement of this Act.

STATEMENT OF OBJECTS AND REASONS**(As appended to at the time of introduction)**

It is considered necessary to provide for the appointment of Recovery Commissioner for seizure, attachment, forfeiture of properties derived from illegal mining activities including multiple transactions involving myriad number of lessees, transporters, exporters, stock holders, purchasers and other intermediaries, organized crime, cohesive conspiracy and proceeds of crime in the State of Karnataka.

Whereas the Hon'ble Supreme Court in its Order dated: 16.9.2013 in an interlocutory application number 189 of writ petition 562/2009 has permitted the CBI to refer the matters with respect to the exporters who had exported less than 50000 MTS and were not enquired into in the preliminary enquiry and also has permitted the CBI to refer the cases of exporters who had exported less than 50000 MTS of iron ore without valid permit to refer to the Government of Karnataka for taking for the necessary action under the relevant laws as recommended by the Central Empowered committee vide letter, dated: 5.9.2012. And in pursuant to the cabinet decision taken on 17.10.2013, issues relating to the illegal exports of iron ore through nine ports were referred to CBI vide G.O No: HD 98 CID 2013, dated: 18.12.2013. Accordingly the CBI has furnished intermittent details of the preliminary enquiries, charge sheeted cases registered by various branches of the CBI.

Hence, the Bill.

FINANCIAL MEMORANDUM

There is no extra expenditure involved in the proposed legislative measure at this stage.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause-14	Clause 14 empowers the State Government to make rules to carry out the purposes of the Act.
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The proposed delegation of legislative power is normal in character.

S. S. MALLIKARJUN

Minister for Mines and Geology and
Horticulture

K.R. MAHALAKSHMI

Secretary
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