New Delhi, the 8th October, 2012

Subject: Minutes of the quarterly meeting of the Central Coordination-cum-Empowered Committee (CEC) on Mineral Development and Regulation held on 21st September, 2012 in Shastri Bhawan, New Delhi.

The undersigned is directed to send herewith a copy of minutes of the quarterly meeting of the Central Coordination-cum-Empowered Committee (CEC) on Mineral Development and Regulation held on 21st September, 2012 in Shastri Bhawan, New Delhi.

2. It is requested that an action taken report on the points discussed and the decisions taken in the meeting may please be furnished to this Ministry by 31st October, 2012 positively.

Sd/-
(C.K. Rawat)
Deputy Secretary to the Government of India
Telefax: 23070260

1. Secretary, Ministry of Environment and Forests, Paryavaran Bhavan, New Delhi.
2. Director General, Department of Forests, Paryavaran Bhavan, New Delhi.
3. Secretary, Ministry of Home Affairs (IS), North Block, New Delhi.
4. Secretary, Ministry of Steel, Udyog Bhavan, New Delhi.
5. Director General, Civil Aviation, Aurobindo Marg, Opposite Safdarjung Airport, New Delhi.
6. Chairman, Railway Board, New Delhi.
7. Secretary, Ministry of Shipping, New Delhi.
8. Secretary, Department of Revenue, New Delhi.
9. Secretary, Department of Fertilizers, New Delhi.
10. Secretary, Department of Atomic Energy, Mumbai
12. Director General, Geological Survey of India, Kolkata.
13. Secretary, In charge of Mining and Geology in the State of:

i) Andhra Pradesh
ii) Chhattisgarh
iii) Goa
iv) Gujarat
v) Jharkhand
vi) Karnataka
vii) Madhya Pradesh
viii) Maharashtra
ix) Orissa
x) Rajasthan
xi) Tamil Nadu

Copy to:

1. PS to Hon’ble MOS (IC) for (Mines)
2. Sr. PPS to Secretary (Mines)
3. PPS to AS(Mines)
4. PS to JS(MR)
5. PS to EA

Copy for Secretary (Mines)’s personal folder.

Sd/-
(C.K. Rawat)
Deputy Secretary to the Government of India
Telefax: 23070260
Government of India
Ministry of Mines

Minutes of the Quarterly Meeting of the Central Coordination-cum-Empowered Committee (CEC) on Mineral Development and Regulation, held on 21st September, 2012 in Shastri Bhavan, New Delhi.

The Quarterly Meeting of the Central Coordination-cum-Empowered Committee (CEC) on Mineral Development and Regulation was held under the chairmanship of Secretary (Mines) on Friday, the 21st September, 2012 in Shastri Bhavan, New Delhi. List of participants is given at Annexure.

Agenda items for the meeting, and the action taken on each of the points discussed and the decisions taken in the previous meeting were taken up as under:

1. **Strategic Plan for the mining sector**

1.1 The State Governments were requested to review/prepare their respective mineral policies in terms of the Strategic Plan document for the mining sector, and send a copy to the Ministry of Mines.

   (Action: State Governments)

1.2 The State Governments were also requested to review the strengthening of the State Directorates of Mining and Geology. Representatives from the State Governments of Madhya Pradesh, Maharashtra and Rajasthan stated that they were facing shortage of manpower, which is restricting them from modernizing their Directorate of Mining and Geology. Representative from State Government of Andhra Pradesh informed the CEC that their Government has prepared a model organization structure for the State Mining and Geology Directorate. Chairman desired that the model organization structure developed by State Government of Andhra Pradesh could be used by all the States for reviewing the organization strengths and structures of Directorates. He requested State Government of Andhra Pradesh to forward a copy of model organization to all the State Governments under intimation to the Ministry.

   (Action: Government of Andhra Pradesh)
2. **Steps taken by State Governments to curb illegal mining**

2.1 Action taken by the State Governments for curbing illegal mining was reviewed. It was observed that quarterly report on number of cases of illegal mining detected and action taken by the State Governments till June 2012 had been given only by Andhra Pradesh, Assam, Chhattisgarh, Gujarat, Karnataka, Maharashtra, Rajasthan, Tamil Nadu and West Bengal. Chairman requested the remaining State Governments to submit the returns immediately, and directed that the IBM should monitor this closely.

   (Action: All State Governments and IBM)

2.2 During discussions, it was pointed out by the representative from Railways that due to restrictive practices by the State Government of Odisha, the rake movement in the eastern sector has fallen by 50%, implying that the rakes are idle, causing loss to the Government. It was clarified by the representative from the State Government of Odisha that ore movement has been affected due to truckers strike and stopping of issue of transit passes to mechanized mines which were not complying with the Orissa Minerals (prevention of theft, smuggling, & illegal mining and regulation of possession, storage, trading and transportation) Rules, 2007. It was further informed that the situation has now been resolved and it was assured that the ore movement would be restored to normalcy soon.

   (Action: Government of Odisha)

2.3 The representative from Railways stated that the Railways had held discussions with the State Government of Odisha and Karnataka on paperless check mechanism on the ore transported through Railways. A trial run of the system had been undertaken and the Railways were proposing to shortly send a paper to the Ministry of Mines. In this context, representative from State Government of Karnataka and Railways pointed out that while clearance from Mines department was covered under the proposed system, the checks by the Forest Department would still remain outside the system. A concern was raised by the representative of State Governments of Chattisgarh, Jharkhand, Odisha and Madhya Pradesh that such checks by Forest Department are ongoing since the Forest Department
continues to classify ore as a forest produce. It was decided that the Ministry would take up this issue with the MoEF and State Government of Karnataka.

(Action: Ministry of Mines)


3.1 The representative from IBM informed that in implementation of the amended Rule 45 of MCDR, 1988, out of a total of 9346 mining leases in the country, 8200 lease holders have registered with the IBM so far. The operations of the remaining lease holders have been suspended. In so far as online monthly reporting was concerned, it was informed that Forms F1 to F8 under MCDR, 1988, had been made online. However, the monthly reporting under F1 for iron ore and under F2 forms for manganese ore has received 225 and 60 returns respectively, so far. Forms H1 and H2 are targeted to be made online next month. The Chairman requested the State Governments to ensure that all the lease holders furnish their returns online without fail, and also restrict any transaction of minerals between persons who are not registered with IBM.

(Action: All State Governments)

3.2 Representative from the State Government of Karnataka suggested that digital signature should be made mandatory. It was also pointed out that there is a difference in the data on grade of ore in the returns filed with the IBM and the State Governments, and it was requested that a suitable third-party audit system may be introduced. It was decided that IBM would make a system of third party check on the report submitted under Rule 45. It emerged in the discussions that this problem was due to lack of interface between the data maintained in IBM and the State Governments. It was also clarified that it would not be possible for the IBM to indicate royalty for each mineral consignment as it would be administratively unfeasible. The Chairman directed that till such time an interface is created between the IBM and the State Government data, the IBM shall make available all
the reported data in a non-editable format to the State Governments online through authorized access.

(Action: IBM)

4. Model State Mineral Policy

It was pointed out by the Ministry that concerns have been raised on the decision of the few State Governments to block large mineral bearing areas for exclusive use by their PSUs through State Mineral Policies, which is against the principles enshrined in the National Mineral Policy, 2008, and also the statutory provisions of the MMDR Act, 1957. In this context, representative from the Department of Fertilizer stated that M/s FAGMIL, a PSU under the Department, has been denied mineral blocks in State of Rajasthan merely on the grounds that the area is proposed to be reserved as per the policy for State PSUs. This restrictive practice was coming in the way of expansion of domestic Fertilizer mineral production capacity in the country. It was also pointed out that comments of State Government of Rajasthan has been sought on a reservation proposal under Section 17A (1A) of the MMDR Act in favour of M/s FAGMIL. Chairman requested the representative from State Government of Rajasthan to immediately furnish comments on the reservation proposal to the Ministry for taking an early decision.

(Action: Government of Rajasthan)

5. Mining Tenement System (MTS)

5.1 The representative from IBM gave a short presentation on the status of progress made in the MTS project. It was further apprised to all the participants that a meeting had been held under the chairpersonship of Additional Secretary (Mines) on 20.9.2012 with the nodal officers of the State Governments and the concerned officers of IBM, where the draft Detailed Project Report was discussed. Some of the important recommendations that emerged in the meeting on 20.9.2012 on the way forward for the MTS project, are given below:

(i) The project is being contemplated as a Central Sector Scheme. It was recommended that the Scheme may include a provision for technical
manpower support to the States, and hardware/equipment support to needy States.

(ii) GIS maps should be authenticated by the States through Space/Remote Sensing Agency/Departments as already being done by some States.

(iii) Survey of India maps digitized by NIC should be used as base map.

(iv) Concurrent implementation of the project at the Centre/IBM, States and GSI should be undertaken.

(v) The project would be envisioned for a period of seven years, with implementation period of 2 years followed by stabilization period of 5 years.

5.2 The DPR along with above modifications was endorsed by the CEC, and was recommended for approval by the Core Committee. It was also agreed that the draft MoU be executed between the State Governments and the IBM expeditiously.

(Action: All State Governments and IBM)

6. Comprehensive Guidelines for Reporting of Mineral Reserves & Resources under UNFC System

6.1 It was pointed out by the Ministry that draft guidelines for reporting of Mineral Reserves & Resources under UNFC System had been hosted on the website and comments sought from all stakeholders. Now, the Ministry had completed consultations with the Industry, and a draft had been finalized. The State Governments were requested to furnish their comments, if any, by the 25th September 2012, failing which the draft guidelines would be finalized and notified.

(Action: State Governments)

6.2 It was also informed that in order to increase the awareness of the UNFC system of classification in India, the Ministry was proposing to organize a two-day workshop in Delhi in January, 2013. Chairman directed that the IBM should prepare a background note for circulation within a week.

(Action: IBM)

6.3 The Chairman stated that till the UNFC became a part of the curriculum of the various academic courses for Mining Engineers and Geologists, the State
Directorate of Mining and Geology should be the agency to disseminate the concepts of UNFC to all the legacy miners.

(Action: All State Governments)

7. **Status of setting-up of ‘special anti-extortion and anti-money laundering Cell’ to prevent the nexus between illegal mining / forest contractors and extremists**

The Ministry of Mines reminded all the State Governments that the information on setting up of a Special Anti-Extortion and Anti-Money Laundering Cell to prevent the nexus between illegal mining / forest contractors and extremists, as per the recommendations of the Second Administrative Reforms Commission in its Seventh Report, needs to be furnished immediately. It was also decided that each State would take up this issue in its State Coordination-cum-Empowered Committee meeting for early resolution.

(Action: State Governments)

8. **Royalty issues**

The representative of the Government of Odisha stated that the comments of the State Government on assessing and levying royalty on higher value of iron ore lump/processed form of lump/iron ore fines generated during processing of ore has been sent to the Ministry recently. It was clarified by the IBM that such classification would create administrative problem as the number of classification would increase in each grade of ore. It was decided that this issue may be discussed in detail by the State Government in the Monitoring Committee meeting of the IBM at the earliest.

(Action: IBM)

9. **Revision of guidelines of IBM for approval of Mining Plan**

It was apprised that the IBM has redrafted its existing norms and guidelines for preparation of Mining Plans with a view to reduce discretions and facilitate transparency. These guidelines are available on the website of the IBM, and comments have been invited. It was requested that the State Governments should
immediately sent their comments by the 30th September 2012 in order to facilitate the IBM to finalize the same.

(Action: State Governments)

10. **Proposal for conducting examinations for Recognized Qualified Persons (RQP)**

It was stated that the IBM has proposed introducing a system of examination for grant of RQP Certification to evaluate the knowledge, expertise and capability of the persons to prepare Mining Plans and Scheme of Mining of desired quality by amending Rule 22B and C. While the State Governments were in favor of the proposal, it was requested that in case of minor minerals, some level of relaxed norms for RQPs could be provided.

11. **Amendment in Rule 37 of Mineral Concession Rules, 1960.**

It was stated that the Ministry is considering amendments in Rule 37 of the MCR, 1960 to bring in clarity on the interpretation of the terms “directly or indirectly financed to a substantial extent” and the terms “undertakings will or may be substantially controlled” so as to bring in greater compliance. It was requested that the State Governments may send their comments to the Ministry by the 15th October 2012. After taking into consideration the inputs, necessary action will be taken for notification of amendment in Rule 37.

(Action: State Governments)

12. **Reconstitution of State Level Empowered Committees and review of their functioning.**

12.1 Reference was invited to the Ministry of Mines’ order dated 20th October, 2011, reconstituting the CEC as ‘Coordination-cum-Empowered Committee on Mineral Development and Regulation’. AS (M) mentioned that the Terms of Reference (TOR) of the CEC had been widened so as to bring within its purview other important aspects viz. Sustainable Development Framework, coordination and review of steps for prevention of illegal mining, etc. She said that as requested in the Ministry’s letter dated 17.11.2011, all State Governments must also review the composition and Terms of Reference of their State Empowered Committees (SEC). It was noted that though all State Governments had their SECs, which were
meeting regularly, they were yet to be reconstituted on the same lines as the CEC. She requested all State representatives to look into the matter urgently.

12.2 JS (MR) requested all State Governments to also ensure action on the following aspects:

(a) The order reconstituting the SEC as mentioned above should be put on the website of the State Government;

(b) The SEC should meet once in three months, and discuss the whole gamut of issues relating to mineral development and regulation in the States;

(c) The proceedings of the SEC meetings should be put on the State’s website.

(Action: All State Governments)

13. Steps taken by the Ministry of Environment and Forests (MoEF) for expediting environment and forest clearances.

13.1 As decided in the previous CEC meetings, all State Governments had to send a list of cases awaiting forest clearance to the MOEF, so that they could be expeditiously followed up. It was noted that the Governments of Chhattisgarh, Gujarat, Jharkhand and Rajasthan had sent their lists to the Ministry of Mines, which were forwarded to the MoEF. All other State Governments were requested to send their respective lists to the MoEF directly, under intimation to the Ministry of Mines, without any further delay, so that the matter could be followed up with the MoEF.

(Action: All State Governments/MoEF)

13.2 The MoEF had informed in the CEC meeting held on 16.1.2012 that the software for monitoring the pendency of FCA applications at the State Government level had been operationalised in January, 2012. The MoEF had also informed that it had issued detailed guidelines on the working of the software, and training programmes in the regional offices for the State functionaries had also been conducted. The MoEF had also informed that the nodal officers would populate the data in the software, which was to be completed by March, 2012. The MoEF was to
issue guidelines on the subject; organise training programmes for the MoEF personnel; and circulate list of the Nodal Officers.

13.3 No representative from the MoEF attended the CEC meeting on 21.9.2012. It was decided that the position on the afore-said points would be ascertained from the MoEF.

(Action: All State Governments/MoEF)

14. **Timely decisions in accordance with the MMDR Act and the MCR, and submission of quarterly reports.**

14.1 The State-wise pendency of mineral concessions applications, lease/licence execution and renewal of concessions was reviewed. AS (Mines) expressed concern over the fact that a huge number of mineral concession applications and renewal cases were lying pending with the State Governments. It was noted that as per the State Governments’ quarterly reports, a total of 48,591 applications (515 RP applications, 16,829 PL applications and 31,247 ML applications) were pending with the State Governments. Besides, 518 lease/licence execution cases and 2088 renewal applications were pending with them. The pendency was alarmingly high in the States of Andhra Pradesh, Chhattisgarh, Gujarat, Jharkhand, Karnataka, Madhya Pradesh, Orissa and Tamil Nadu.

14.2 The need for expeditious disposal of the pending applications in accordance with the provisions of the MMDR Act, and the Rules and guidelines framed thereunder was re-emphasized. JS (MR) requested the State Governments to adhere to the time-frame prescribed under Rule 63A of the MCR for disposal of concession applications, viz. RP (within 6 months); PL (within 9 months); and ML (within 12 months). He called upon all State Governments to take concrete steps and show tangible results in disposal of the applications, which would be reviewed again in the CEC’s next meeting. The representatives of the State Governments assured that they would convey the CEC’s concern over the pendency of mineral concession applications and renewal cases to the competent State authorities, in order to expedite their disposal.

(Action: All State Governments)
15. **Policy/Guidelines on ‘Special Reasons’ to be recorded by State Governments for invoking Section 11(5) of the MMDR ACT while recommending a later application in a non-notified area.**

15.1 JS (MR) referred to para 8.14 of the guidelines dated 24.6.2009, which states that in view of the express provisions in the National Mineral Policy with regard to transparency and selection criteria in the case of multiple applicants, State Governments need to adopt and apply a uniform and publicly stated Policy on ‘Special Reasons’. Accordingly, all States were advised to make available a copy of their policy to this Ministry, and make specific reference to the policy if they seek to apply the provisions of Section 11(5) of the MMDR Act. Since no State Government formulated policy on ‘special reasons’, the Ministry in due consultation with the State Governments formulated a policy on ‘special reasons’, dated 9.2.2010, and since then has been uniformly applying it in all such cases.

15.2 It was noted that the Government of Madhya Pradesh had since come up with their Mineral Policy, 2010 which includes the ‘special reasons’ framed by them for recommending a later applicant under Section 11(5) of the MMDR Act. The Ministry of Mines while taking note of the said guidelines of the Government of Madhya Pradesh advised them to ensure uniform compliance of the same in a consistent and transparent manner in all such cases. The other State Governments had also been requested vide letter dated 20.10.2011 to examine their own State Mineral Policies and incorporate therein suitable ‘Special Reasons’ specific to their respective States for invoking the provisions of Section 11(5) of the MMDR Act.

15.3 It was informed that the Government of Rajasthan had sent extracts of their State Mineral Policy which contained ‘Special Reasons’ to be invoked by them under Section 11 (5) of the MMDR Act. The Government of Rajasthan was asked to send a complete copy of their Mineral Policy to the Ministry. All other State Governments were also requested again to finalise their policy on ‘Special Reasons’ for invoking Section 11(5) of the MMDR Act.

15.4 It was suggested that the State Governments should consider issuing separate guidelines on ‘Special Reasons’, if the same did not find a mention in their
State Mineral Policy, and revision of the State Policy was likely to take time.

(Action: All State Governments)

16. **Return of cases pending with the State Govts. for over six months.**

The need for disposal of mineral concession cases within a reasonable time was emphasized. AS (Mines) referred to the guidelines issued by the Ministry on 29.7.2010 regarding return of the cases to the State Governments where there had been no response to the Ministry’s queries for over six months. The Ministry had, on 10th July, 2012, sent lists of cases pending with State Governments with the request to send their replies by 1st August, 2012, failing which the Ministry would return the cases pending with the State Governments for over six months. Another letter along with list of cases pending for over 6 months was issued on 17th September, 2012. State-wise lists of over six months pendency with the State Governments were again circulated in the meeting.

(Action: All State Governments)

17. **Declassification of ‘earth’ as a minor mineral**

The Ministry informed all the participants that NHAI had requested that ‘earth’ when used for filling purposes and for building embankments for roads should not be considered as a minor mineral, since obtaining environmental clearance in terms of Supreme Court order was impacting all its projects. The State Governments were of the view that such declassification was not acceptable, and it was requested that instead of taking it out of the minor mineral list, the matter should be taken up with the Ministry of Environment and Forests for delegation of powers to grant environment clearance for such activity at the District level with separate set of guidelines.

(Action: Ministry of Mines)

The meeting ended with a vote of thanks to the Chair.
List of participants in the meeting of the Central Coordination-cum-Empowered Committee on Mineral Development and Regulation held in Shastri Bhawan, New Delhi on 21st September, 2012.

1) Shri Vishwapati Trivedi, the then Secretary (Mines) .... In the Chair
2) Ms. Gauri Kumar, Additional Secretary (Mines)
3) Shri G. Srinivas, Joint Secretary (M&R), Ministry of Mines
4) Ms. Vinita Aggarwal, Economic Adviser, Ministry of Mines
5) Shri H.L. Sharma, Sr. Technical Director, NIC, Ministry of Mines.
6) Shri H. D. Gujral, ED, Ministry of Railways.
7) Shri Srinivasa Naik, Director, Ministry of Shipping
8) Shri Neeraj Singhal, Director, Ministry of Fertilizers
9) Shri S.K. Das, CMD, FAGMIL, Ministry of Fertilizers
10) Shri G.S. Sinha, OSD (Customs), Department of Revenue, Ministry of Finance
11) Shri Rajesh Verma, Principal Secretary, Deptt. of Steel & Mines, Govt. of Orissa
12) Shri Deepak Mohanty, Director, Department of Mines, Government of Orissa
13) Shri Vineet Austin, Joint Director, DGM, Government of Madhya Pradesh
14) Shri Anurag Diwan, Joint Director, DGM, Government of Chhattisgarh
15) Shri S. Chandrasekaran, Head, Beach Sand Group, AMD.
16) Shri H.D. Nagaraja, ED, APMDC (Mines & Geo), Govt. of Andhra Pradesh
17) Shri H.R. Srinivasa, Director, Department of M&G, Govt. of Karnataka
18) Shri S.K. Shah, Director, DGM, Government of Madhya Pradesh
19) Shri Rajendra Sonp, Assistant Geologist, Government of Madhya Pradesh
20) Shri V.S. Sawakhande, Director, Directorate of Geology, Govt. of Maharashtra
21) Shri Prakash Govindaswamy, Jt. Secy., Industries Deptt., Govt. of Tamil Nadu
22) Shri R.K. Hirat, Addl. Director, Mines, Government of Rajasthan
23) Shri V.N. Baitha, DGM, Government of Jharkhand
24) Shri A.K. Muley, Commr of Geo & Mining, Govt of Gujarat
25) Shri Ranjan Sahai, COM, Indian Bureau of Mines (IBM)
26) Shri Pankaj Kulshreshtha, RCOM (CZ), IBM
27) Shri V.K. Misar, SMG, IBM
28) Shri D.D Bhardwaj, ACOM, IBM
29) Shri C.K. Rawat, Deputy Secretary, Ministry of Mines
30) Shri Anil Subramanium, Under Secretary, Ministry of Mines
31) Shri V. Prasad, Section Officer, Ministry of Mines
32) Shri P. Vinay Kumar, Section Officer, Ministry of Mines
33) Shri Abhishek Gupta, M/s Ernst & Young.