New Delhi, the 7th February, 2014

Subject: Quarterly meeting of the Coordination-cum-Empowered Committee (CEC) on Mineral Development and Regulation, to be held under the chairmanship of Secretary (Mines) on Thursday, the 9th January, 2014 at 3.00 PM in Aluminium Room, First Floor, ‘D’ Wing, Shastri Bhawan, New Delhi.

The undersigned is directed to send herewith a copy of the minutes of the quarterly meeting of the Coordination-cum-Empowered Committee (CEC) on Mineral Development and Regulation, to be held under the chairmanship of Secretary (Mines) on Tuesday, the 9th January, 2014 in New Delhi.

2. It is requested that an action taken report on the decisions taken and points discussed in the meeting may please be furnished to this Ministry by 7th of March, 2014.

Sd/-
(A.K. Mallik)
Under Secretary to the Government of India
Telefax: 23384743

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 MOM for (Mines)
2. PS to Secretary (Mines)
3. PPS to AS(Mines)
4. PS to JS(AK)
5. PS to JS (NK)
6. Shri Prithul Kumar, DS
7. NIC with the request to upload the minutes in the Ministry’s website.

Sd/-
(A.K. Mallik)
Under Secretary to the Government of India
Telefax: 23384743
The quarterly meeting of the Coordination-cum-Empowered Committee (CEC) on Mineral Development and Regulation was held under the Chairmanship of Secretary (Mines) on Thursday, the 9th January, 2014 in Shastri Bhavan, New Delhi. The list of participants is given at Annexure.

2. Secretary (Mines) welcomed the participants to the meeting and initiated the discussions by reviewing the action taken by the State Governments, the Central Ministries/Departments and IBM on the decisions taken in the last meeting of the CEC held on 10.9.2013 which are as follows:

2.1 ATRs of the last CCEC meeting held on 10.9.2013. Many States and Departments have not sent their ATRs; while those who have submitted have done so at the eleventh hour. Secretary (Mines) impressed upon the State representatives that ATRs should be submitted within a month of issue of minutes.

[Action: State Governments, all participating Central Ministries/Departments]

2.2 MMDR Bill, 2011. State Governments were requested to expedite furnishing their comments to the Ministry’s reference on the recommendations of the Parliamentary Standing Committee on the MMDR Bill without any further delay.

[Action: State Governments]

2.3 Model Guidelines on Mining of Minor Minerals. State Governments were requested to expedite their comments on the draft ‘Model Guidelines on Mining of Minor Minerals’ which were circulated for suggestions/comments so as to enable the Ministry to finalise the Model Guidelines.

[Action: State Governments]
2.4 Secretary (Mines) reviewed the progress made by the States in complying with the directives of the Supreme Court judgment dated 27.2.2012 in the Deepak Kumar case, in framing rules for minor minerals under Section 15 of MMDR Act 1957. He requested the States to expedite action in this regard and report compliance to the Apex Court under intimation to the Ministry of Mines.

[Action: State Governments]

2.5 Due to a large number of proposals being examined by the SEIAAs inordinate delay is being faced by small miners especially for minor minerals. Representative from Gujarat suggested the idea of having multiple SEIAAs in the State which should be notified by MOEF.

2.5.1 Representative from the State of Madhya Pradesh informed the committee about the problems being faced in granting permissions for mining of minor minerals in the context of the National Green Tribunal judgment dated 28th November, 2013 wherein it dismissed the Madhya Pradesh government’s plea that its district level environmental committees be treated as competent authority for grant of clearance for such activity. The NGT bench stated that according to central law, environmental clearance (EC) can be granted only by MOEF and State Environment Impact Assessment Authority (SEIAA).

2.5.2 Additional Secretary (Mines) suggested that MOEF should be asked to explore the possibility of having SEIAAs at the district or zonal level so as to mitigate the problem of pendency and the inordinate delay in clearing proposals/applications. Secretary (Mines) emphasized that this was a key issue which needs to be tackled on priority. Secretary (Mines) therefore desired that the issue needs to be taken up with MOEF and that the views of the State Governments should be sought in going for an appeal against the order of the NGT dated 28.11.2013.

[Action: MOM, Mines V Section]
2.6 Members expressed the problems being faced in interpreting the import of the Deepak Kumar judgment as to whether obtaining Environmental Clearance (EC) for mining of minor minerals in areas less than 5 hectares was only a transitory provision pending finalization of framing of Rules for minor minerals by States or seeking ECs was a permanent obligation. Additional Secretary (Mines) suggested that the Supreme Court should be approached to seek clarity in this regard.

[Action: MOM, Mines VI Section]

2.7 Dump mining policy. State Governments were requested to expedite furnishing their comments / suggestions on the draft Policy on Dump Mining which was circulated to the States for their comments so as to enable the Ministry to finalise the Policy on Dump Mining.

[Action: State Governments]

2.8 Report of the Task Force set up in Tamil Nadu to investigate the illegalities/irregularities in beach sand mining. Representative of Tamil Nadu informed the Committee that some affected parties had gone to the court questioning the action of the Committee which investigated into the beach sand mining malpractices in the State; and that the High Court of Madras upheld the stance of the government in the matter. It was also informed that an interim report was submitted by the Committee which is under consideration of the government. Additional Secretary (Mines) requested the State representative to give all the details in the matter.

[Action: State of Tamil Nadu]

2.9 Secretary (Mines) noted with concern the absence of participation from MOEF and the State of Goa and desired that the matte may be taken up MOEF and Government of Goa for not participating in the CCEC meeting.

[Action: MOM, Mines IV Section]

3 Action Taken By State Governments to Curb Illegal Mining
3.1 The status of quarterly reporting to IBM on illegal mining detected and action taken by the State Governments was reviewed. State Governments were requested to submit the returns regularly to IBM in time. Additional Secretary (Mines) initiated a discussion on the quality of reports submitted by the State Governments and highlighted the need for a consensual understanding on the issue of illegal mining. Examination of the reports submitted by the State Governments on illegal mining shows that there is a vast difference / disparity in the number of illegal mining cases detected ex. while the number of cases reported by the State of Maharashtra runs into thousands, the numbers reported by other states in this regard is either a few hundreds or even less – the basis for the wide disparity in these numbers was sought for from the representatives of the state governments. It was noted that the relatively high numbers reported from the State of Maharashtra was possibly attributable to illegal mining of sand due to the difficulty in obtaining statutory permissions. Similarly it was realized that reporting on ‘number of vehicles confiscated’ was actually the figures on the number of vehicles intercepted/checked and penalties realized.

3.1.1 Additional Secretary (Mines) asked IBM to examine the reports being submitted by the states to not only ensure that the reports are submitted in time but are also qualitatively meaningful/clear in terms of standardized meanings/connotations to the terms attributed in the reports. IBM should actively engage with the states to ensure that the reports do not reflect disparities in reporting in terms of the units etc.

[Action: IBM, State Governments]

3.2 The efforts to curb illegal mining being circumscribed by the staff available in the mining directorates of the states, in the review of the state governments’ efforts against illegal mining, Secretary (Mines) noted that while on one hand the State of Rajasthan has undertaken an exemplary initiative for curbing illegal mining by constituting a special task force in every district, the situation in some states like Jharkhand is woefully poor what with skeletal staffing in the directorate of mining as reported by the representative of Jharkhand. In this context there was a suggestion from the representative of Odisha that the Central Government should take up the issue of
adequate staffing of the mining directorates with the state governments. Secretary (Mines) stated that while the state governments faced a serious challenge in strengthening the state machinery by augmenting manpower for want of adequate budgetary resources and curbs imposed on creation of additional posts, some states like Gujarat have taken recourse to innovative measures like employing staff on contractual basis. Secretary (Mines) emphasized that states which have rich mineral deposits should understand that illegal mining results in loss of revenue and other realizations to the state; and therefore requested the representatives of the states to impress upon their respective governments that having adequate staff for curbing illegal mining should remain a priority for their own benefit.

3.2.1 Secretary (Mines) instructed that a state-wise comparative statement showing details of the value of minerals vis-à-vis the manpower available in the mining directorates should be prepared with a view to enable the Ministry of Mines to advise/prescribe a viable structure of the directorates to bring in efficiency in curbing illegal mining and to facilitate explorational activities.

3.2.2 Additional Secretary (Mines) summed up the discussion on the matter by emphasizing that strengthening of DMGs is a requirement in many states; and that the efforts in curbing illegal mining is a continuous effort - a fact which should not be lost sight of by the states.

[Action: State Governments, IBM]

4 Framing of Rules under Section 23C of MMDR Act, 1957

It was noted that all the major mineral producing states have framed rules in this regard; state governments were requested to furnish a copy of the rules so framed to Ministry of Mines.

[Action: IBM, State Governments]

5.1 Shri Ranjan Sahai, COM, IBM, informed the Committee that the system developed for online reporting was found to be robust in terms of hardware, software, security, and format. The representatives of the states also agreed that the system of online reporting was working satisfactorily. Since there were no objections from the state representatives to the system introduced for on-line reporting, Additional Secretary (Mines) stated that the Ministry will go ahead with the decision for making online reporting mandatory w.e.f. 1.4.2014. However, it was decided that manual reporting would also continue initially for a period of six months to facilitate a smooth transition from manual to on-line reporting.

[Action: Mines VI, State Governments, IBM]

6 Calculation of Average Sale Price by IBM

Shri G Srinivas, Secretary, Department of Mines and Geology, Odisha raised the issue of Average Sale Price being reported by IBM for the purpose of calculation of Royalty. Sale price of iron ore by IBM is calculated as the weighted average price per tonne of the ore as reported by the top ten non-captive producers. This method, he argued, is flawed as it does not accurately reflect the market price especially in the case of iron ore – resulting in loss of revenue to the State. Underscoring the need for obviating under reporting by unscrupulous lessees who submit erroneous figures, Secretary (Mines) asked him to take initiative in this matter to resolve the issue.

7 E-auction [Reference Addl Agenda Item No.4]

In this context Joint Secretary, M/o Steel stressed the need to understand that raw materials security through long term linkages is an important issue for the growth and development of domestic iron and steel industry; and in order to ensure availability of iron ore for steel sector, it is required that steel companies’ demand for iron ore should be fully met in the form of assured linkages for supply before selling iron ore through e-auction. Secretary (Mines) asked the state governments to give their comments/views on the concept of introducing the method of e-auction which will enable realizing fair values for computation of royalty.
8   **Status of Setting-Up of ‘Special Anti-Extortion and Anti-Money Laundering Cell’ To Prevent the Nexus between Illegal Mining / Forest Contractors and Extremists**

No information was forthcoming from any of the States in this regard. State representatives were asked to report cases to IBM if at all.

[Action: State Governments]

9   **Proposal for Conducting Examinations For Recognized Qualified Persons (RQP)**

Shri Ranjan Sahai, COM, IBM, suggested the idea that the system of independent RQPs should be dispensed with and instead RQPs should be employed by holder of mineral concessions analogous to employment of geologist and mining engineer by mineral concessionaires. Some states opposed the idea saying that it would not be effective especially during pre-grant stage of the mineral concession. Secretary (Mines) sought the state governments to give their comments / suggestions in this regard.

[Action: State Governments]

10  **Crisis Management Plan (CMP)**

It was decided that the Ministry would take effective action in this regard.

[Action: MOM – Mines VI Section]

11  **Mineral Concessions and submission of quarterly reports**

The status of pendency of applications received for grant of mineral concessions was reviewed and the States were requested to expedite action for clearing the pendency. States to submit their quarterly reports in time.

[Action: State Governments]

12  **Mining Tenement System**
The State of Tamil Nadu was requested to expedite the process for signing the MOU with IBM within a fortnight.

[Action: Tamil Nadu]

13 UNFC Guidelines for Exploration
Shri Ranjan Sahai, COM, IBM, informed that a workshop was conducted on UNFC in the last week of November 2013. Additional Secretary (Mines) informed the states that adherence to UNFC guidelines has been adopted as a policy by the Ministry to change the standard of exploration to be compliant with the latest UNFC standards; and that states while forwarding proposals for prior approval of Central Government under Section 5(1) of the MMDR Act should ensure that certification of mineralization as required under Section 5(2) of the MMDR Act should be in terms of UNFC guidelines. AS (Mines) also informed that officers of states could be trained by IBM in the nuances of the new mode of UNFC classification to be adopted in case the states feel the need for training of their officers so that they acquire proficiency in the subject matter. AS (Mines) impressed upon the states that Section 5(1) proposals which are not UNFC compliant would be returned back to the states. Secretary (Mines) urged the States to strictly follow UNFC guidelines.

[Action: State Governments]

14 Implementation of “Integrated Mines & Minerals Management System (I3MS) of Mines Department, Govt of Odisha & FOIS (Freight Operation Information System), M/o Railways

Representative of the M/o Railways informed the Committee that M/o Mines was required to obtain the approval from COS for implementation of the integration of I3MS and FOIS softwares. It was decided that the M/o Mines concurs with the proposal of the M/o Railways and that they should go ahead and obtain the necessary approvals in this regard.

[Action: M/o Railways, MOM – Mines VI Section]
15. Summing up the proceedings, Secretary (Mines) called upon the State representatives to critically evaluate the mineral related issues in their respective spheres and work at solutions. He reiterated that the CEC is a very important and useful forum for the Central and the State Governments to meet and resolve outstanding issues, and if we are sitting four times in a year that means we are very serious about it, therefore, States should participate in the meetings actively for harmonizing their endeavour for mineral development in the country.

16. The meeting ended with a vote of thanks to the Chair.