No.7/83/2011-M.IV
Government of India
Ministry of Mines

New Delhi, the 3rd February, 2012

Subject: Minutes of the quarterly meeting of the Central Coordination-cum-Empowered Committee (CEC) on Mineral Development and Regulation held on 16th January, 2012 in New Delhi.

... The undersigned is directed to send herewith a copy of the minutes of the quarterly meeting of the Central Coordination-cum-Empowered Committee (CEC) on Mineral Development and Regulation, held under the chairmanship of Secretary (Mines) on 16th January, 2012 in New Delhi.

2. It is requested that a report on the action taken on the points discussed and the decisions taken in the meeting may please be furnished to this Ministry by 17th February, 2012.

Sd/-
(C.K. Rawat)
Under Secretary to the Government of India
Tel No. 23070260

To

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, 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.
1. Secretary, In charge of Mining and Geology in the State of:
   i) Andhra Pradesh
   ii) Chhatisgarh
   iii) Goa
   iv) Gujarat
   v) Jharkhand
   vi) Karnataka
   vii) Madhya Pradesh
   viii) Maharashtra
   ix) Orissa
   x) Rajasthan
   xi) Tamil Nadu

2. Separate copies for participants of the Central Ministries:

Copy for information to:

1. PS to Hon’ble MOS (I/C) (Mines)
2. PPS to Secretary (Mines)
3. Senior PPS to AS(Mines)
4. PS to JS(MR)

Sd/-
(C.K. Rawat)
Under Secretary to the Government of India
Minutes of the Quarterly Meeting of the Central Coordination-cum-Empowered Committee (CEC) on Mineral Development and Regulation, held on 16th January, 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 Monday, the 16th January, 2012 in Shastri Bhavan, New Delhi. A list of participants is given in Annexure.

2. Welcoming the participants, Secretary (Mines) observed that the CEC had assumed the role of a very important forum where the Central Ministries could have a regular interface with the State Governments in order to deliberate on various important issues facing the mineral sector, and find ways to deal with them in an effective manner. He observed that one such issue related to illegal mining, which had engaged the attention of the Government, and occupied a significant space in the working of the Central and the State Government machineries. He said that while some States had been able to tackle the problem of illegal mining effectively, there were other States who were still striving to curb it. Recognizing that there could be genuine compulsions and limitations on the part of the State Governments, he felt that through determined and sustained efforts by all concerned the problem could be overcome.

3. Chairman then invited M/s Ernst and Young to make a presentation on the Mining Tenement System. He, though, felt that in the context of mining, the word ‘Tenement’ used in the nomenclature could be substituted by a more suitable word.

4. Presentation by M/s Ernst & Young on the Mining Tenement System (MTS).

M/s Ernst and Young, consultants for preparing Detailed Project Report (DPR) for a Mining Tenement System (MTS), gave an update of the progress so far.
Chairman desired that the proposed system should be put on the Ministry’s portal. Additional Secretary (Mines) suggested that the pre-grant stage of mining leases should also be incorporated in the process. Director, Government of Karnataka pointed out that forest records were not available which made it difficult to demarcate boundaries. Commissioner, Government of Gujarat emphasized the need to structure in vehicle tracking system in the MTS. Principal Secretary, Government of Goa requested for ensuring that there was no duplication in the systems developed by the State Governments. Chairman clarified that MTS would largely be a Central system enabling a minimum common core functions /processes, with each State having facility for customization of the MTS for some of its specific needs. Considering the fact that the To-be processes for MTS had been prepared after studying the existing systems in four States, it was decided that:

(a) all the important mineral producing State Governments should furnish their comments within 15 days on the draft To-be processes which would be circulated by the Ministry.

(b) Committee to be set up in IBM with inclusion of all important mineral producing States and the first meeting to be held by the 16th February 2012.

(c) Nodal officers to be appointed by the State Governments for execution of this project.

(Action: M/o Mines, All State Governments and IBM)

5. Strategic Plan for the Ministry of Mines

M/s Mckinsey India Ltd gave a presentation on the Strategy Plan for Indian Mining Sector, prepared for the Ministry of Mines. Director, Government of Karnataka emphasized the need to interlink the data generated by all exploration agencies. Secretary, Government of Odisha stated that there was a need to delineate between bulk and non-bulk minerals, whereby mining lease for bulk minerals should be given only by auction. It was further stated that there was a need for tighter monitoring of RP and PL data filing requirements, single-window clearance systems, Regional level planning, and a clear definition of the role of the IBM and the State Government in regulation of the sector. It was decided that all State Governments would furnish their comments by the 31st January 2012.
6. **Review of the steps taken by the State Governments for preventing illegal mining, and status of quarterly reports on prevention of illegal mining.**

The Committee undertook State-wise review of the action taken to curb illegal mining. Chairman reiterated the need for regular monitoring by the Task Force at the State and District Levels with proper coordination with the Forest authorities at the State level. It was informed by the representative from the Ministry of Railways that after the procedure for checking the rake wise transit permits had been introduced, there had been a drop in the loading capacity (up to 48% in Odisha, up to 38% in Karnataka and up to 8% in Jharkhand), due to restrictions on vehicle movement, limited working hours of State DMGs, and manual stamping processes. It was also stated that while the Committee of Secretaries (CoS) had taken a decision to ensure rake wise transit permit check for iron ore, State Governments were seeking similar systems from the Railways for all minerals, which was administratively not feasible for the Railways. Representative of the Ministry of Steel pointed out that the Sponge Iron units were facing severe raw material shortage due to restrictions on movement of ore from Odisha. Further, it was informed that the e-auction system in Karnataka was facing problems in Karnataka due to restrictions on transportation, whereby after mineral was loaded into the rake, separate forest permits were required to be furnished for dispatch. After discussion on the subject it was decided that:

(a) Representatives from the Ministry of Railways, the Government of Karnataka and the Government of Odisha would consult and prepare a position paper indicating the modifications that may be necessary in the CoS decision, within 15 days.

(Action: M/o Railways, State Govts. of Karnataka and Odisha)

(b) The Ministry of Mines would write to the Government of Karnataka to review the need for separate permits by DMG and the Forest departments, and if these permits could be integrated.

(Action: M/o Mines)
Representative from the Ministry of Shipping stated that directions had been given to all the Major ports to insist on verification of transit passes by DMG, and in case of non-major ports the Ministry had requested all State Governments to issue suitable directions to such ports. Representative from the Department of Revenue stated that the process for harmonization of the 13 grades of iron ore with the HS Codes was under finalization. Chairman stated that in view of the ongoing consideration in the Government to introduce effective monitoring of export of iron ore in the country, there was a need to assess whether the data on mineral export captured by the Customs on I/E codes could be used by the IBM to check the source of minerals. It was also decided that the State Government of Odisha would give a report on the possibility of linking Import / Export Code with the transit pass generation system developed by Odisha.

(Action: Government of Odisha/IBM)

7. **Implementation of Rule 45 of the MCDR, 1988.**

Joint Secretary (MR) gave an update on the status of implementation of Rule 45 of the MCDR, and stated that effective implementation of the said Rule would enable tighter monitoring. He emphasized the need for cooperation of all the State Governments to ensure compliance in a timely manner. After discussions it was decided that:

a. the State Governments should not issue transit passes for mineral transactions by any person who is not registered with the IBM.

   (Action: All State Governments)

b. Monthly reporting to be insisted upon by all the persons registered with the IBM, and in case there is no mineral transaction, then it needs to be ensured that such persons are filing “Nil” returns.

   (Action: IBM and all State Governments)

c. IBM would issue suitable guidelines on the minimum requirements for establishing presence of minerals in terms of UNFC for the purpose of mining plan.

   (Action: IBM)
d. IBM would give one month time to the State Governments while seeking comments on modification of Mining Plans.

   (Action: IBM)

e. The State Governments would ensure that special conditions under Rule 27 (3) of the MCR, 1960, for timely completion of prospecting activities in the Mining Leases is imposed in all mining leases.

   (Action: All State Governments)

8. Model State Mineral Policy

The status of notification of Mineral Policy by the State Governments was reviewed. In this context, Additional Secretary (Mines) emphasized that the State Mineral Policy should also incorporate ‘Special Reasons’ to be adopted and applied in recommending a later applicant in a non-notified area. He said that as already conveyed by the Ministry, the State Governments could also refer to the Mineral Policy formulated by the Government of Madhya Pradesh, which contained such ‘Special Reasons’. He clarified that in respect of the States who have not framed their Policy on ‘Special reasons’, recommendation in favour of a later applicant in a non-notified area would continue to be in terms of the Ministry’s guidelines dated 9.2.2010 on the subject.

   (Action: All State Governments)

9. Royalty issues

It was informed that the IBM had circulated a Questionnaire to all the States seeking comments on the rates for Royalty and Dead rent. Since this information was necessary to the Study Group to review rates of royalty and dead rent, and complete the exercise in a timely manner, it was requested that State Governments may send their feedback by 30th January 2012 to the IBM.

   (Action: All State Governments)

10. Reservation of mineral bearing areas

The Committee reminded all the representatives from State Governments that subsequent to the Sandur judgment by the Supreme Court there was an
immediate need for all State Governments to inventorise and review the status of all the areas reserved prior to amendment of the MMDR Act in the year 1987.

(Action: All State Governments)

11. Strengthening of State Directorates of Mining and Geology

Chairman stated that there was a need for all the State Governments to prepare action plan for strengthening their DGMs, considering that the new draft MMDR Bill required active role for the DMG in identifying areas for competitive bidding and stringent monitoring of the mining activities.

(Action: All State Governments)


Secretary, Government of Odisha gave a detailed presentation on the online monitoring system developed in the State for regulating the mining activities. While appreciating the initiative taken by the State Government, Chairman stated that the system would now need to be integrated with the National system being developed in the IBM for enabling wider application. He desired that the IBM and Government of Odisha may suitably work out the methodology.

(Action: Government of Odisha/IBM)

13. Reconstitution of the Central Coordination-cum-Empowered Committee and review of the position regarding constitution of State Level Empowered Committees.

Additional Secretary (Mines) stated that the Ministry had reconstituted the CEC as 'Coordination-cum-Empowered Committee on Mineral Development and Regulation', and its Terms of Reference (TOR) had also been widened so as to bring within its ambit other important matters viz. Sustainable Development Framework, coordination and review of steps for prevention of illegal mining, issues arising out of the National Mineral Policy and legislation governing mineral development etc. He said that as requested in the Ministry’s letter dated 17.11.2011, all State Governments also needed to review the composition and TOR of their SEC on the lines of the CEC. It was noted that no State Government had yet reconstituted its SEC similarly. He requested the State representatives to take it up urgently and
also see that the SEC include the Ministries/Departments of Steel, Environment & Forests, Shipping, Railways, Revenue (Customs) and Fertilizers, besides GSI and IBM. Additional Secretary (Mines) also requested the State Governments to nominate a sufficiently senior level officer to function as the Nodal Officer for dealing with the matters concerning the Ministry of Railways, Ministry of Shipping and Department of Revenue. He also reiterated that like the SEC, the CEC should also meet on a quarterly basis. He said that the progress on all these aspects would be reviewed by the CEC regularly.

(Action: All State Governments)

14. **Steps taken by the Ministry of Environment and Forests for expediting environment and forest clearances.**

14.1 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 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, at the earliest.

(Action: All State Governments/MoEF)

14.2 It was informed that the Working Group constituted under the chairmanship of Additional Secretary (mines) to evolve software solution for monitoring the pendency of FCA applications at the State Government level, had already held a series of meetings and arrived at conclusions on all aspects of the software. The representative from the MoEF informed that the said software had been operationalised from 2\textsuperscript{nd} January, 2012. The software had different categories of applications submitted by various agencies for forest clearances, mining being one of them. He also informed that the MoEF had issued detailed guidelines on the working of the software, and training programmes in the regional offices for the State functionaries had also commenced. He also stated that the nodal officers would populate the data in the software, which was expected to be completed by March, 2012. Additional Secretary (Mines) emphasized that all applications needed
to be first registered by the nodal officers, and then sent to the State Forest Officer. He said that the guidelines on the subject and the list of nodal officers could be sent to the Ministry of Mines, for circulation among the State Mining and Geology Departments.

(Action: MoEF)

14.3 On the question of generation of a unique ID, the MoEF representative clarified that the system would generate a unique ID No. for each application on the basis of the LOI issued by the State Government. Chairman stressed that all applications should be accepted and registered at the Nodal Officer level so that the system captured them immediately, and its status was available to the users online.

(Action: MoEF)

14.4 Chairman desired to know whether applications for wildlife clearance could be integrated with the system, and whether the system could generate a single UID No. for both forest as well as wildlife clearances. He desired that this could be given a thought by the Forest Department in consultation with the Wildlife Division.

(Action: MoEF)

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

15.1 It was noted with satisfaction that most of the State Governments had started sending their quarterly reports on disposal of mineral concessions applications, lease/licence execution and renewal of concessions, in time. The position regarding receipt of the quarterly reports was reviewed State-wise, and it was seen that the States of Chhattisgarh, Goa, Gujarat, Karnataka, Maharashtra, Odisha and Rajasthan had submitted their reports for the quarter ended September, 2011. The representatives of the remaining States were asked to submit the reports for all the quarters up to September, 2011 immediately.

(Action: All State Governments)

15.2 The State-wise pendency of mineral concessions applications, lease/licence execution and renewal of concessions was reviewed. It was noted with concern that an enormous number of mineral concession applications were lying pending
with the State Governments. As per the reports submitted by the State Governments, a total of 46,876 applications (463 RP applications, 15,950 PL applications and 30,463 ML applications) were pending with the State Governments. Besides, a total of 972 lease/licence execution cases and 2089 renewal applications were pending with the State Governments. It was noticed that the pendency was particularly high in the States of Andhra Pradesh, Chhattisgarh, Gujarat, Jharkhand, Karnataka, Madhya Pradesh, Orissa and Tamil Nadu.

15.3 Chairman emphasized that the pending applications should be disposed of in a manner that is in conformity with the extant Rules and guidelines. Additional Secretary (Mines) requested the State Governments to scrupulously 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). In particular, he said, RP and PL applications could be disposed of expeditiously. With regard to renewal cases, he deplored the fact that due to the State Governments’ inability to renew mining leases in time, a large number of leases had to work under ‘deemed extension’ for an indefinite period. He asked the State Governments to act well in advance for renewal of mining leases as per the provisions of Rule 24A of the MCR.

15.4 Representatives of all the State Governments assured that they would convey the CEC’s concern in this regard to the State authorities, and ensure that disposal of the pending applications, lease execution cases and renewal applications was expedited.

(Action: All State Governments)

16. Disposal of Reconnaissance Permit (RP) applications

Additional Secretary (Mines) observed that the progress regarding disposal of Reconnaissance Permit (RP) applications pending with the State Governments was rather slow and needed to be expedited. It was also noted that the States of Andhra Pradesh (32), Chhattisgarh (65), Jharkhand (72), Karnataka (143), Madhya
Pradesh (52) and Odisha (33) had a large number of RP proposals pending with them.

(Action: All State Governments)

17. **Status of Letters of Intent (LOIs)**

It was noted that in a large number of cases where the prior approvals of the Ministry had been conveyed by the Ministry, no intimation was being sent by the State Governments regarding issuance of LOIs. A State-wise review of the status of LOIs was undertaken. It was found that there were a number of cases in which LOIs had been either not issued or not reconciled. He said that since the Central Government conveyed its prior approvals on the State Governments’ own recommendations, any subsequent delay in actual grant of concession at the State level was inexplicable. He emphasized the need for putting efficient systems in place at various levels in the State Governments, and ensuring that there was no inordinate delay in issuance of LOIs. The State Governments were requested to send complete list of LOIs issued by them till date to IBM.

(Action: All State Governments)

18. **Return of long pending cases**

Additional Secretary (Mines) stated that the Ministry was keen that mineral concession cases were disposed of within a reasonable time. He referred to the guidelines issued by the Ministry on 29.7.2010 regarding return of cases to the State Governments wherein there had been no response to the Ministry’s queries for over six months. State-wise lists of pendency cases referred to the State Governments with queries were circulated in the meeting, and the States were advised to furnish clarifications/comments at the earliest.

(Action: All State Governments)

19. **Status of active/working mines**

At IBM’s request, all State Governments were asked to put lists of active/working mining leases in their States on their websites, to facilitate their inspections by IBM.

(Action: All State Governments)
20. Mining plans for beach sand minerals

Representative of the Department of Atomic Energy suggested that mining plans for beach sand minerals like monazite should be approved by both the DAE as well as the IBM. COM, IBM stated that since the IBM was not technically competent to comment on existence of beach sand minerals, the DAE should continue to approve the mining plans for these minerals. It was desired that a proposal covering all aspects of the matter may be submitted in this regard by the IBM.

(Action: IBM)

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

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List of Participants in the Meeting of the Central Coordination-cum-Empowered Committee on Mineral Development and Regulation held on 16th January, 2012.

1) Shri Vishwapati Trivedi, Secretary (Mines) .... In the Chair
2) Shri S.K. Srivastava, Additional Secretary, Ministry of Mines
3) Shri G. Srinivas, Joint Secretary (M&R), Ministry of Mines
4) Shri R.K. Malhotra, Director, Ministry of Mines
5) Shri S.L. Sharma, Sr. Technical Director, NIC, Ministry of Mines.
7) Shri Srinivasa Naik, Director, Ministry of Shipping
8) Shri V.K. Arora, DDG, DGCA
9) Shri Sunil Kumar, Deputy Director, DGCA
10) Shri H.C. Chaudhary, AIG(FC), MoEF.
11) Shri Sanjay Mangal, Director, Ministry of Steel.
12) Shri R.P. Singh, Director(Customs), Department of Revenue.
13) Dr. R.N. Patra, CMD, IREL, Department of Atomic Energy, Mumbai.
14) Dr. R.P. Acharya, OSD, Department of Atomic Energy, Mumbai.
15) Shri S. Chandrasekaran, Head, Beach Sand Group, AMD, Hyderabad.
16) Shri C.K. Asnani, Director (Tech), IREL, Department of Atomic Energy, Mumbai.
17) Shri Khirod Parida, DDG, Geological Survey of India
18) Shri Ranjan Sahai, COM, IBM
19) Shri K. Thomas, DDG, IBM
20) Dr. S.S. Bhatke, SME, IBM.
21) Shri V.K. Misar, Sr. Mining Geologist, IBM, Nagpur.
22) Shri A.B. Panigrahi, RCOM, IBM, Kolkata.
23) Shri P. Kulshrestha, RCOM, IBM, Nagpur.
24) Shri R.K. Verma, Pr. Secretary (Mines), Government of Goa.
26) Shri Manoj Ahuja, Secretary, Steel & Mines, Govt of Orissa.
27) Shri Dhiren K. Behra, IT Consultant, Steel & Mines, Govt of Orissa.
28) Shri Priyadarshini N. Punj, IT Consultant, Steel & Mines, Govt of Orissa.
30) Shri K.C.C. Narasimha Reddy, Jt. Director (Mines & Geo), Govt of Andhra Pr.
31) Shri B. Jayakumar, Joint Director, G&M, Govt of Tamil Nadu
32) Shri H.R. Srinivasa, Director, Department of M&G, Govt of Karnataka
33) Shri Vinay Vyasa, Commissioner, Geo & Mining Deptt, Govt of Gujarat
34) Shri J.M. Patel, Addl. Director, Govt of Gujarat
35) Shri S.K. Shah, Director, DGM, Government of Madhya Pradesh
36) Shri Vineet Austin, Joint Director, DGM, Government of Madhya Pradesh
37) Shri V.N. Baitha, Additional Director (Mines), Government of Jharkhand
38) Shri V.K. Mishra, Deputy Secy, Mineral Resources Deptt., Govt of Chhattisgarh
39) Dr. D. Mainkar, Deputy Director, DGM, Government of Chhattisgarh
40) Shri R.S. Kalamkar, Deputy Director, DGM, Govt of Maharashtra
41) Shri S.N. Khan, PSA, NIC, Ministry of Mines
42) Shri Anil Subramanium, Under Secretary, Ministry of Mines
43) Shri C.K. Rawat, Under Secretary, Ministry of Mines
44) Shri Sidharth Prasad, Consultant, Ernst & Young, New Delhi.
45) Shri Abhirup Banerjee, Consultant, Ernst & Young, New Delhi.
46) Shri Abhishek Gupta, Consultant, Ernst & Young, New Delhi.
47) Shri Rajat Bhargava, Partner, Mckinsey & Co.