New Delhi, the 17th September, 2012

Subject: Quarterly meeting of the Central Coordination-cum-Empowered Committee (CEC) on Mineral Development and Regulation, to be held under the chairmanship of Secretary (Mines) on Friday, the 21st September, 2012 at 3.00 PM in Aluminium Room, First Floor, ‘D’ Wing, Shastri Bhawan, New Delhi.

The undersigned is directed to refer to this Ministry’s O.M. of even number dated 29th August, 2012 on the subject mentioned above, and to send herewith agenda notes for the above-mentioned meeting.

2. Kindly confirm nomination of a senior level officer for the meeting.

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

with the request to make it convenient to attend the meeting.

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)

Sd/-
(C.K. Rawat)  
Deputy Secretary to the Government of India  
Telefax: 23070260
1. STRATEGIC PLAN FOR THE MINING SECTOR

1.1 The Strategy Paper for the Ministry of Mines titled “Unlocking the Mineral Potential of the Indian Mineral sector” (available on the website of the Ministry) has identified six initiatives as follows:

(i) Expand resource and reserve base to meet future demand by ensuring increase in mineral reserves through greater exploration, and acquisition of international assets for identified minerals
(ii) Reduce delays in grant of Exploration licence and mining lease, Environment and forest clearance, and Land acquisition
(iii) Put core enablers in place for Infrastructure, Human capital and Technology
(iv) Ensuring sustainable mining and development
(v) Focus on information, education and communication efforts
(vi) Implementation and governance structures

1.2 As part of the process of implementation of the strategic plan, the Ministry in the first phase is focusing on expansion of resource and reserve base of minerals, ensuring sustainable mining and development and implementation and Governance structures.

1.3 The State Governments to ensure that a State level mineral wise strategy is developed focusing on:

(i) Steps to improve mineral productivity,
(ii) Exploring, identifying and categorizing mineral resources in the State, in anticipation proposed competitive bidding systems under the new MMDR Bill, 2011,

(iii) Plan to develop the State Directorate of Mining and Geology.

1.4 Action taken by the State Government for strengthening the State Directorate shall be reviewed.

2. **STEPS TAKEN BY STATE GOVERNMENT TO CURB ILLEGAL MINING**

2.1 Action taken by the State Governments for curbing illegal mining would be reviewed as per the following table to be furnished by each State Government:

<table>
<thead>
<tr>
<th>Sl no.</th>
<th>Action taken to curb illegal mining</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Whether Rules framed for curbing illegal mining under Section 23C of MMDR Act, 1957</td>
<td>Yes / No</td>
</tr>
<tr>
<td>2.</td>
<td>Whether Task Force constituted</td>
<td>Yes / No</td>
</tr>
<tr>
<td></td>
<td>(a) at State level</td>
<td>Yes / No</td>
</tr>
<tr>
<td></td>
<td>(b) at District level</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Whether meetings of the Task Forces are held regularly</td>
<td>Yes / No</td>
</tr>
<tr>
<td>4.</td>
<td>Last date of meeting of:</td>
<td>dd/mm/yyyy</td>
</tr>
<tr>
<td></td>
<td>(a) State level Task Force</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) District Level Task Force</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Whether quarterly report on illegal mining sent to IBM for the Quarter ending:</td>
<td>Yes / No</td>
</tr>
<tr>
<td></td>
<td>• June 2012</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• September 2012</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Whether quarterly report on illegal mining circulated as agenda item for discussion in the meeting of</td>
<td>Yes / No</td>
</tr>
<tr>
<td></td>
<td>(a) State Level Task Force</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) SCEC</td>
<td></td>
</tr>
<tr>
<td>Sl no.</td>
<td>Action taken to curb illegal mining</td>
<td>Response</td>
</tr>
<tr>
<td>-------</td>
<td>-----------------------------------</td>
<td>----------</td>
</tr>
</tbody>
</table>
| 7.    | Status on use of satellite imagery / remote sensing data to curb illegal mining  
(a) whether Satellite imagery /Remote sensing data obtained for mineral bearing areas.  
(b) Total mineral bearing area covered (in hectares).  
(c) whether digitization of Cadastral maps initiated under the Central Sponsored Scheme of Department of Land Resources (DOLR) in the Union Ministry of Rural Development  
(d) No and name of mineral bearing districts where mapping completed under DOLR scheme.  
(e) whether digitized cadastral maps prepared under DOLR scheme integrated with Satellite imagery/ Remote sensing data. | Yes / No  
________  
________  
________  
Yes / No |
| 8.    | Total number of Mining Leases suspended by the State Government in the quarter for violations / illegal mining | ________ |
| 9.    | Whether Special Cell set up in Police Department to tackle cases of illegal mining and extortion. | Yes / No |
| 10.   | Action taken by State Governments on violations of provisions of MCDR, 1988, reported by IBM:  
(i) No. of Mining leases cancelled  
(ii) No. of Mining leases suspended | ________  
________ |
| 11.   | Whether lease details are being hosted on the website? | Yes/No |

3. **IMPLEMENTATION OF RULE 45 OF MINERAL CONSERVATION AND DEVELOPMENT RULES, 1988**

3.1 Rule 45 of MCDR, 1988 has been amended on 9\(^{th}\) February 2011 to make it mandatory for all mining lease holders, traders, exporters, stockists, and end-users of minerals to register online with the IBM. The Rule further makes it mandatory for all mining lease holders, traders, exporters, stockists and end-users to report to IBM and State Government on the transaction in minerals on monthly and annual basis.
3.2 The IBM has commenced online registration of miners, traders, exporters, stockists, and end-users of minerals on the website of IBM (http://ibm.nic.in).

3.3 The online monthly reporting system for forms F1, F2, F3 and F4 has also been commenced. All the lease holders, traders, exporters, stockists and end-users are required to report on this system with their log-in ID and Registration number. State Governments are requested to ensure compliance on reporting. IBM would give a presentation on status of Registration and Reporting in each State.

3.4 In this context, status on action taken by the State Governments on implementation of Rule 45 of MCDR, 1988 as per table given below would be reviewed.

<table>
<thead>
<tr>
<th>Implementation of amended Rule 45 of MCDR, 1988</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Implementation of amended Rule 45 of MCDR, 1988:</td>
<td></td>
</tr>
<tr>
<td>(a) Total number of Mining Lease holders in State:</td>
<td></td>
</tr>
<tr>
<td>(b) Total number of Mining Lease holders reporting in Form F1, F2, F3 and F4:</td>
<td></td>
</tr>
<tr>
<td>(c) Total number of Mining Lease holders not reporting</td>
<td></td>
</tr>
<tr>
<td>(d) whether details of non-reporting Mining Lease holders informed to IBM for initiating action:</td>
<td>Yes / No</td>
</tr>
<tr>
<td>(e) whether State Government has any mechanism for auditing of monthly reports by Mining Lease holders:</td>
<td>Yes / No</td>
</tr>
<tr>
<td>(f) If yes, number of reports of Mining Lease holders audited:</td>
<td></td>
</tr>
<tr>
<td>(g) Whether traders, exporters, stockist, end-users of minerals have started reporting to State Government as per Form ‘N’ of MCDR, 1988.</td>
<td></td>
</tr>
<tr>
<td>(h) Please give details on reporting by traders, exporters, stockist, end-users of minerals in the table given below:-</td>
<td></td>
</tr>
<tr>
<td>Activity</td>
<td>Total No. of persons registered in the State</td>
</tr>
<tr>
<td>----------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>Trader</td>
<td></td>
</tr>
<tr>
<td>Exporter</td>
<td></td>
</tr>
<tr>
<td>Stockist</td>
<td></td>
</tr>
<tr>
<td>End-user</td>
<td></td>
</tr>
</tbody>
</table>

2. Whether the State Government has evolved any mechanism for audit of monthly report given by traders, exporters, stockists and end-users of minerals in Form ‘N’ of MCDR, 1988. Yes / No

3. If yes, how many reports have been audited so far. ______

4. Whether Transporters of minerals have been registered Yes / No

5. Whether State Government has commenced automation of issue of Transit Permits (on the pattern of NCode System Solution in Gujarat). Yes / No

6. Whether data on export of mineral obtained from Customs/Port. Yes / No

7. If yes, whether correlated with data reported to State Government. Yes / No

8. Total number of licenses/ permits cancelled or restrictions issued violations by:
   (i) Traders of minerals ______
   (ii) Exporters of minerals ______
   (iii) Stockists of minerals ______
   (iv) End-users of minerals. ______
3.5 Implementation of Rule 45 of MCDR, 1988 by IBM would be reviewed region-wise state-wise.

4. MODEL STATE MINERAL POLICY

4.1 The Ministry of Mines had circulated a model State Mineral Policy for enabling each State to suitably prepare its own mineral policy in line with the National Mineral Policy, 2008. In the previous meetings of the CEC the Ministry had been requesting all the State Governments to harmonize their State mineral Policies with the Strategy Paper of the Ministry of Mines. Status on the preparation of Mineral Policies by the State Government would be reviewed. State Governments are requested to furnish a copy of the updated State Mineral Policy in the meeting.

4.2 The National Mineral Policy, 2008, clearly provides that conservation of minerals is to be taken in positive sense of augmentation of mineral resources and zero waste mining, rather than abstaining from use of available minerals. However, it has been noticed that some State policies are seeking to reserve mineral bearing areas in favor of their PSUs as a policy decision, thereby restricting the availability of the area available for concessions. This is against the interest of mineral development, and the State Governments were advised to seek the approval of the Central Government under the provisions of section 17A of the Mines and Minerals (Development and Regulation) Act, 1957.

4.3 The Ministry of Fertilizer has raised concerns on the policy decision of the State Government of Rajasthan to reserve mineral bearing areas for use by State PSUs, which is impacting the operations of PSU of Department of Fertilizer, FAGMIL. Recently, the Ministry of Fertilizer has requested reservation of area under section 17A(1A) of the MMDR Act, 1957, in favour of FAGMIL. The proposal has been sent to the State Government as part of consultation process, and the State Government may submit its comments in the matter.
5. **MINING TENEMENT SYSTEM (MTS)**

5.1 The MTS has been envisaged by the Government to facilitate e-enabling of the various processes associated with the mineral concession regime with a view to adopt a comprehensive approach towards development of mineral resources in the country. IBM has been nominated by the Ministry as the Nodal Implementing Agency, and M/s Ernst and Young have been appointed as the consultants for the project. The matter has been discussed earlier in several meetings of the CEC.

5.2 The draft Detailed Project Report (DPR), based on the State Assessment Report and Functional Requirement Specification (FRS), finalized in consultation with the State Governments had been circulated to important mineral producing State Governments along with a draft MoU to be executed between the State Governments and the IBM. Comments of State Governments are still awaited on both the documents. A Review and Consultation meeting under the Chairpersonship of Additional Secretary (Mines) is being held in the Ministry on 20th September 2012 to elicit the response of the State Governments on the two documents. Suggestions emerging from the meeting will be presented by the IBM before the CEC for finalization of the two documents.
6. COMPREHENSIVE GUIDELINES FOR REPORTING OF MINERAL RESERVES AND RESOURCES UNDER UNFC SYSTEM

6.1 In order to improve the quality of reporting of exploration data, the Ministry of Mines has drafted Comprehensive Guidelines for Reporting of Mineral Reserves & Resources under UNFC System. While the United Nations Framework Classification (UNFC) had been adopted by the Government in the year 2003, and the Indian Bureau of Mines (IBM) had issued guidelines for various stakeholders from time to time for adopting the UNFC, there was a felt need to prepare comprehensive guidelines to ensure better compliance to UNFC as enunciated in the National Mineral Policy, 2008. It is expected that the guidelines would not only assist Governments in strengthening their framework for management of mineral bearing areas but would also assist the prospectors in planning and supervision of exploration programmes and encourage a responsible and accountable reporting of resources/ reserves that provide wider investor acceptability. The draft Guidelines had also been hosted on the website of the Ministry and circulated to all the State Governments. Based on the comments received so far, the IBM has drafted a final version of the Guidelines.

6.2 Any remaining comments of the State Governments on the guidelines may be furnished in the CEC meeting, failing which the draft Guidelines would be finalized in the Ministry.

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

7.1 Ministry of Mines issued an advisory on 7.7.2008 to State Governments to establish Special Anti-Extortion and Anti-Money Laundering Cell” to prevent the nexus between illegal mining / forest contractors and extremists as Second Administrative Reforms Commission in its Seventh Report has expressed deep concern at the nexus between illegal mining/ forest contractors and transporters
and extremists, which provides the financial support for the extremist movement and recommended that it needs to be broken.

7.2 All the State Governments were requested in the previous CEC meeting to immediately furnish information on the setting up of Cell in State Government to the Ministry. Information from the State Governments is still awaited. The same may be furnished in the meeting.

8. **ROYALTY ISSUES**

8.1 Concerns had been raised by the Industry Associations on the practice of the State Government of Odisha in assessing and levying royalty on higher value of either iron ore lump or processed form of lump on the iron ore Fines generated during processing of ore vide State Government circular No5905/SM-AUD-SM-17/2010 dated 7.9.2010.

8.2 The Ministry had clarified to the State Government that this practice was not in consonance with Rule 64B of the Mineral Concession Rules, 1960 and should be immediately withdrawn to avoid litigations. However, action taken by the State Government on the said circular is not known. The position would be reviewed in the meeting.

9. **REVISION OF GUIDELINES OF IBM FOR APPROVAL OF MINING PLAN**

In order to incentivize use of state-of-art, in conformity with required standard scientific & systematic methods, conservation of minerals and sustainable development in mining, the IBM has redrafted its existing norms and guidelines for preparation of Mining Plans with a view to reduce discretions and facilitate transparency. This is one of the recommendations of the IBM Review and Restructuring Committee. The IBM has invited comments on modified guidelines/procedures for preparations of mining plans, which are also available on the web-site of the IBM. The same may be furnished in the CEC meeting by the State Governments.
10. PROPOSAL FOR CONDUCTING EXAMINATIONS FOR RECOGNIZED QUALIFIED PERSONS (RQP)

10.1 The preparation of Mining Plan and Scheme of Mining under Rule 22 B of Mineral Concession Rules 1960 and under Rules 10 and 12 of the Mineral Conservation and Development Rules 1988 is a multidisciplinary task as both these documents are essentially techno-statutory and scientific documents approved by the IBM / State Governments and other authorities authorized for this purpose. These documents are prepared by a Recognized Qualified Person (RQP). Presently, IBM is granting RQP certification to qualified and experienced mining engineers and Geologists as per provisions of Rule 22 C of MCR 1960 who possess qualifications and experience as provided for in sub-rule (2) of Rule 22 B of MCR 1960.

10.2 To improve the quality of Mining Plan / Scheme of Mining, IBM decided to review the process of grant of RQP certification by introducing a system of examination for grant of RQP Certification. The examination will evaluate the knowledge, expertise and capability of the persons to prepare Mining Plans and Scheme of Mining of desired quality. Examination will be conducted by the Board of Examinations constituted for the purpose on the lines that are conducted by the Director General of Mines Safety (DGMS), Dhanbad. Accordingly, it is proposed to Rule 22 B of MCR 1960 proposing to introduce method of Examination, and the desired Qualifications and Experience for eligibility to appear in the RQP examination. Similarly, Rule 22 C of MCR 1960 will also be amended to propose grant of recognition by the Central Government of the various categories of RQP certifications.


11.1 At present Rule 37 of the MCR, 1960 provides for a lessee to enter into an arrangement, contract, or understanding with any person or body of persons other than the lessee so far as the lessee is not substantially financed or the lessee’s operations or undertakings are not substantially controlled by such a person or
body of persons. The Ministry is of the opinion that there is lack of clarity in the interpretation of the terms “directly or indirectly financed to a substantial extent” and the terms “undertakings will or may be substantially controlled”, which may lead to non-compliance of Rule 37 of the MCR on one hand and disincentivise flow of genuine specialists with state-of-art mining technologies as service providers on the other hand.

11.2 Therefore in order to bring in greater clarity and increase transparency, it is proposed that Rule 37 of the MCR should be amended to add an explanation under sub-rule (1) as follows:

**Explanation**: For the purposes of this sub-rule a bonafide arrangement, contract or understanding between the lessee and any other person or body of person or a company shall not be construed as financing to a substantial extent or substantial control of lease, where the following conditions are satisfied:

(i) the arrangement, contract or understanding between the lessee and any other person or body of person or a company is documented and duly registered;

(ii) any financing by a person or body of persons or company other than lessee in the arrangement, contract or understanding does not exceed fifty per cent of the paid-up share capital (whether equity or preference or partly equity and partly preference) of the firm or company holding the mining lease;
(iii) the arrangement, contract or understanding between the lessee and any other person or body of person or a company for undertaking any mining or exploration activities does not allow consumption of the minerals won in mining operations by such person or body of persons or a company in the arrangement, contract or understanding in any direct or indirect manner;

(iv) the person or body of person or a company who has entered into an arrangement, contract or understanding with the lessee is paying service tax.

11.3 It is further proposed to make it mandatory for the lessee to report and register any contract or any such arrangement or understanding with any person other than the lessee to the State Government.

11.4 State Governments may like to furnish their comments on his proposed amendments.
12. RECONSTITUTION OF STATE LEVEL EMPOWERED COMMITTEES, AND REVIEW OF THEIR FUNCTIONING.

12.1 The Ministry of Mines had, on 4th March, 2009, constituted a Coordination-cum-Empowered Committee (CEC) in order to monitor and minimize delays in grant of approvals by the Central Ministries/Departments for mineral concessions. Considering the need for having more effective coordination among the Central Ministries/Departments and the State Governments for grant of mineral concessions as well as for dealing with other important matters relating to mineral development and regulation in the country, the Ministry has on 20.10.2011 reconstituted the CEC as “Coordination-cum-Empowered Committee on Mineral Development and Regulation”. Its Terms of Reference (TOR) have also been broadened so as to bring within its ambit other important matters viz. Sustainable Development Framework, coordination/review of steps for prevention of illegal mining, issues arising out of the National Mineral Policy and legislation governing mineral development etc. A copy of the Ministry’s Order of even number dated 20.10.11 in this regard is at Annexure-I.

12.2 The Ministry has been requesting all State Governments to constitute their State level Empowered Committee (SEC) under the chairmanship of Chief Secretary or Additional Chief Secretary/Principal Secretary of the Mining/Industries Department with representation from all Departments/Institutions concerned. As per the information received by the Ministry, all mineral-rich States viz. Andhra Pradesh, Chhattisgarh, Goa, Gujarat, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Rajasthan and Tamil Nadu have constituted their SECs, and in many States, SECs are meeting regularly.

12.3 Keeping in view the various critical issues and challenges presently facing the mineral sector, which have necessitated reconstitution of the CEC and revision of its TOR, all State Government also need to review the composition and TOR of their SEC, and effect suitable changes therein. As mentioned in the previous meetings of the CEC, the SEC should include the Ministries/Departments of Steel, Environment & Forests, Shipping, Railways, Revenue (Customs) and Fertilizers, besides GSI and
IBM, so that the whole gamut of issues facing the mineral sector could be considered by the Committee. Secretary (Mines) has written to all Chief Secretaries in this regard vide letter dated 17.11.2011 (Annexure-II).

12.4 As requested in Secretary (Mines)’s aforesaid letter, and reiterated in the CEC meetings since then, all State Governments may also ensure action on the following aspects:

(a) The order constituting/reconstituting the SEC should be put on the website of the State Government;

(b) A State Government officer of sufficiently senior level should be nominated to function as the Nodal Officer for dealing with the matters concerning the Ministry of Railways, Ministry of Shipping and Department of Revenue;

(c) The SEC should meet once in three months;

(d) All mineral concession cases pending with the State Governments and other important issues should be put up before the SEC to facilitate their review and expeditious disposal; and

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

All State Governments to accord due priority to the matter, and intimate the action taken by them on the above aspects.

13. STEPS TAKEN BY THE MINISTRY OF ENVIRONMENT AND FORESTS 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. 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 may also send their respective lists to the MoEF directly, under intimation to the Ministry of Mines, without any further delay.

13.2 The need to have an efficient and transparent system for processing environment and forest clearances in respect of the mineral concession cases approved by the Ministry of Mines, has been one of the main agenda items for all the previous meetings of the CEC. The CEC has been unanimous in deciding that for this purpose, the MOEF should have a database that has connectivity with the State Forest Departments.

13.3 The Ministry of Environment & Forests 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. MoEF was to issue guidelines on the subject; organise training programmes for the MoEF personne; and circulate list of Nodal Officers.

13.4 The MoEF may please intimate further progress on the above aspects.

14. TIMELY DECISIONS IN ACCORDANCE WITH THE MMDR ACT AND THE MCR, AND SUBMISSION OF QUARTERLY REPORTS.

14.1 Rule 63A and 24A of the Mineral Concession Rules lay down time schedules for (a) disposal of concession applications: and (b) grant of renewals respectively. For various reasons, applications remain pending and in case of renewals, operate under deemed extensions. These circumstances at times lead to incidence of illegal mining.

14.2 In view of this, the Ministry has, vide letter dated 15.12.2009, prescribed quarterly reports to be submitted by the State Governments on (i) disposal of applications for mineral concessions (ii) lease/licence execution status and (iii) status
of renewal of concessions. This letter along with the said proformae is also available on the website of the Ministry (www.mines.nic.in).

14.3 This has been one of the agenda points for all the previous meetings of the CEC. The Ministry has issued a series on reminders to the State Governments stressing the need for timely submission of the quarterly reports and also disposal of concession and renewal applications as per the provisions of the MCR. However, it is seen that most of the States have still been unable to send quarterly reports to the Ministry. The status of receipt of quarterly reports as on 27.8.2012 and State-wise pendency of mineral concession applications, licence/lease execution cases and renewal applications, as per the State Governments’ quarterly reports, is at Annexure-III.

14.4 It is seen from the reports received from the State Governments that there is huge pendency of mineral concession and renewal applications. As per these reports, a total of 48591 applications (515 RP applications, 16,829 PL applications and 31,247 ML applications) were pending with the State Governments. Besides, a total of 518 lease/licence execution cases and 2088 renewal applications were pending with the State Governments. It is also noticed that the pace of disposal of cases has been extremely slow. The pendency is particularly high in the States of Andhra Pradesh, Chhattisgarh, Goa, Gujarat, Jharkhand, Karnataka, Madhya Pradesh, Orissa and Tamil Nadu. A State-wise review of the position regarding pendency would be undertaken in the meeting.

14.5 The State Governments must accord due importance to the matter, and address the matter as brought out below:

i) The pending applications should be disposed of in a manner that is in conformity with the extant Rules and guidelines.

ii) 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).
iii) Ensure renewal of mining leases in time as prescribed under Rule 24A of the MCR.

iv) Ensure that all their records regarding mineral concession and renewal applications are maintained properly and updated regularly.

v) Put up the status of concession cases before the SEC on a quarterly basis for review and expeditious disposal.

(vi) Adhere to the timelines prescribed by the Ministry for submission of reports i.e. within one month of the close of the quarter.

(vii) Undertake special drives for minimizing the pendency of applications and renewal cases.

14.6 A State-wise review of the position regarding pendency would be undertaken in the meeting.

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 Para 8.14 of the guidelines dated 24.6.2009 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 on 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 policy on ‘special reasons’ dated 9.2.2010, and since then has been uniformly applying in all such cases.
15.2 The Government of Madhya Pradesh has since come up with their Mineral Policy, 2010 which includes the ‘special reasons’ framed by them for recommending a later applicant in a non-notified area 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 has advised them to ensure uniform compliance of the same in a consistent and transparent manner in all such cases. The other State Governments vide letter dated 20.10.2011 were also requested 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. However, there has been no response from the State Governments so far.

15.3 The Government of Rajasthan has sent us extracts of their State Mineral Policy which contains ‘Special Reasons’ to be invoked by them under Section 11 (5) of the MMDR Act. The Government of Rajasthan may send us a copy of their Mineral Policy to the Ministry.

15.4 All other State Governments may please take up the matter on priority, and finalise their policy on ‘Special Reasons’ for invoking Section 11(5).

16. RETURN OF CASES PENDING WITH STATE GOVERNMENTS FOR OVER SIX MONTHS

16.1 As laid down in the Ministry’s guidelines dated 29th July, 2010, the mineral concession proposals which have been referred to the State Governments seeking information/clarification, and where there has been no response from the State Governments within a period of six months, will be returned to the State Governments. 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. Another letter along with list of cases pending for over 6 months has been issued on 17th Sept., 2012.

16.2 The State Governments are requested to give replies to the Ministry’s queries in each of the cases before the CEC meeting on 21st September, 2012, failing which the Ministry will be constrained to return such proposals.
Annexure-III

Statement showing pendency of mineral concession applications, lease/ licence execution cases, and renewal applications with the State Governments as per quarterly reports received from them.

(Position as on 14.9.2012)

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of the State</th>
<th>Quarterly Report received up to</th>
<th>No. of pending Applications</th>
<th>No. of pending lease/ licence execution cases</th>
<th>No. of pending renewal applications</th>
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