New Delhi, the 21st August, 2012

Subject: Minutes of the quarterly meeting of the Central Coordination-cum-Empowered Committee (CEC) on Mineral Development and Regulation held on 28th June, 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 28th June, 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 1st September, 2012.

(C.K. Rawat)
Deputy 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) Chhattisgarh
   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. Senior PPS to Secretary (Mines)
3. Senior PPS to SS(Mines)
4. PS to JS(MR)

(C.K. Rawat)
Deputy 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 Thursday, the 28th June, 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 Thursday, the 28th June, 2012 in Shastri Bhavan, New Delhi. List of participants is given at Annexure.

2. 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:

3. Mining Tenement System

M/s Ernst and Young, consultants for development of Mining Tenements System (MTS), informed that the Detailed Project Report and draft MoU had been given to the IBM. It was clarified that the MoU had been structured to allow the State Governments engagement in data sharing and Systems operationalisation, keeping in view the existing capabilities of the State Governments. It was pointed out that while the process of developing MTS was being undertaken, parallely there was a need to initiate action on geo-referencing of the mineralized areas. It was decided that:

(a) The draft MoU would be circulated to all the important mineral producing States.
(b) The Steering Committee would be empowered to finalize the financial arrangement for funding the cost of development of MTS.
(c) The likely margin of error in the GIS component would be defined and standardized.
(d) All existing holders of Mining leases would be directed to complete the geo-referencing of their lease area, while areas held under mining lease and
relinquished by the lease holders in the past would be identified for geo-referencing by the State Governments.

(e) All the areas held under Reconnaissance Permits and Prospecting Licence would be geo-referenced on GIS maps at a scale of 1:25000.

(Action: IBM and all State Governments)

4. Implementation of UNFC

The Chairman pointed out that the Ministry of Mines had requested the State Governments to ensure that a special condition is imposed in all the existing mining leases under Rule 27(3) of the Mineral Concession Rules, 1960, so that data on all the mineral bearing areas is properly recorded as per the UNFC. It was further pointed out that such an exercise would assist the State Government in efficient allocation of mineral concessions, especially through competitive bidding, as and when the draft MMDR Bill, 2011 comes into force. In this context, the State representative from Odisha informed that their Law Department had advised that such condition has to be imposed lease wise and not through a general notification. Representative from Karnataka stated that they had already initiated exercise to impose this condition through a general condition. It was decided that:

(a) State Government of Karnataka would obtain a legal opinion on imposition of a special condition in all the existing mining leases under Rule 27(3) of the Mineral Concession Rules, 1960 through a general notification.

(b) IBM would devise mechanism for checking the veracity of prospecting data, especially bore-hole data, submitted by an applicant while approving the Mining Plan / Scheme of Mining.

(Action: IBM and all State Governments)

5. Increasing efficiency of regulation of mining leases through Mining Plan

The action taken by the various State Governments on the Supreme Court order dated 27th February 2012, in the SLP(C) No 19628-19629 of 2009 and in SLP(C) Nos. 729-731/2011, 21833/2009, 12498-499/2010, SLP(C)CC..16157 &CC18235/2011, in the matter of mining of minor minerals, was reviewed. It was pointed out by the State Governments that while the time-limits for environmental clearance in the EIA notification was 105 days, environmental clearance
normally took 2-3 years, and this delay might lead to increase in instances of illegal mining. It was stated by the representative from Andhra Pradesh that mineral rights for minor minerals were being auctioned by their State Government only after obtaining environmental clearance for the entire cluster. The Chairman suggested that similar model could be tried by other State Governments also, while the matter is taken up with the Ministry of Environment and Forests. After discussions, it was decided that:

(a) State Government of Odisha would send a comprehensive proposal for streamlining the system of obtaining Environmental Clearances to the Ministry of Mines, which would be then taken up with the Ministry of Environment and Forests.

(Action: Government of Odisha)

(b) In the meantime, all the State Governments should immediately amend their Minor Mineral Rules to incorporate the model guidelines prepared by the IBM.

(Action: All State Governments)

6. Review of steps taken by State Governments to curb illegal mining and implementation of Rule 45 of MCDR

The Committee then took up state-wise review of Action taken to curb illegal mining. It was pointed out by the representative of the Ministry of Steel that the State Government of Odisha was imposing restrictions on movement of iron ore to domestic steel plants situated out of Odisha, especially in Karnataka. Representative from the Railways pointed out that there was an under-utilization of the rake capacity due to delays in issue of transit passes, limited operational timings of weight bridges, etc. Representative from the State Government of Odisha informed that while the ore movement to the ports had been streamlined, the State Government was working closely with the Railways to streamline the Transit pass issue system in the State with the Railway systems. The Committee held that:

a. All the State Governments should regulate mineral movement through ensuring that transit passes are issued only for mineral transactions between registered persons under Rule 45 of the MCDR, 1988.

b. All State Governments to create a mechanism for ensuring that the monthly returns on mineral transactions are scrutinized and data analyzed.

(Action: All State Governments)
c. The Government of India would issue clarification on the dumps removal in Goa.
   
   (Action: Ministry of Mines)

d. The State Government of Odisha would furnish to the Ministry of Mines details on the iron ore allowed to be sent out to other States, month-wise for the years 2010-11 and 2011-2012.

e. The State Government of Karnataka would furnish information to the Ministry of Mines on the iron ore coming into the State from Odisha and other States.
   
   (Action: Governments of Odisha and Karnataka)

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

All the State Governments were requested to immediately furnish information on the setting up of Cell in State Government to the Ministry.

   (Action: All State Governments)

8. Revision of rates of royalty and dead rent for major Minerals other than coal, lignite and sand for stowing

8.1 It was apprised by the Ministry that a draft Report on rates on royalty had been circulated to all the members of the Study Group. It was requested that all the State Governments, who are the members of Study Group should immediately furnish their comments to the IBM.

   (Action: All State Governments)

8.2 Taking into account the concerns of the Government of Odisha on the calculation of average sale price by the IBM for iron ore, the Committee directed that IBM should immediately start displaying the prices of top ten mineral producers for iron ore on the website, apart from sharing the data with the State Government.

   (Action: IBM)

8.3 Ministry of Mines pointed out that the Industry Associations had brought to the notice of the Government that the State Government of Odisha was 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. It was 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. Chairman requested the State Government of Odisha to immediately withdraw the said circular, since it is in violation of the Mineral Concession Rules, 1960.

(Action: Government of Odisha)

9. Status of Model State Mineral Policy

The Committee took up the concerns raised by the Department of Fertilizer on the policy decision of the State Government of Rajasthan to reserve mineral bearing areas for use by State PSUs, which was impacting the operations of PSU of the Department of Fertilizer, FAGMIL. It was pointed out by the Chairman that this issue had been considered earlier also by the Committee, and the Government of Rajasthan had been requested to revise the State policy in line with the statutory provisions of section 17A of the MMDR Act, 1957.

(Action: Government of Rajasthan)

10. Timely decisions in accordance with the MMDR Act and MCR.

The State-wise pendency of mineral concessions applications, lease/licence execution and renewal of concessions was reviewed. It was noted with concern that the pendency was particularly high in the States of Andhra Pradesh, Chhattisgarh, Gujarat, Jharkhand, Karnataka, Madhya Pradesh, Odisha and Tamil Nadu. The State Governments were requested to strictly adhere to the time-frame laid down under Rule 63A of the MCR, 1960 for disposal of mineral concession applications. All State Governments were called upon to take concrete steps and show tangible results in disposal of the applications. Representatives of all the State Governments assured that they would convey CEC’s concern to the State authorities concerned, in order to expedite disposal of the pending cases.

(Action: All State Governments)
11. **Policy on ‘Special Reasons’ for invoking Section 11(5) of the MMDR Act.**

11.1 Attention was invited 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 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.

11.2 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.

11.3 All State Governments were again requested to take up the matter on priority, and finalise their policy on ‘Special Reasons’ for invoking Section 11(5) of the MMDR Act.

(Action: All State Governments)

12. 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 on 28th June, 2012.

1) Shri Vishwapati Trivedi, Secretary (Mines)  ....  In the Chair
2) Shri G. Srinivas, Joint Secretary (M&R), Ministry of Mines
3) Shri Chandramani Sharma, Director, Ministry of Mines
4) Shri R.K. Malhotra, Director, Ministry of Mines
5) Shri S.L. Sharma, Sr. Technical Director, NIC, Ministry of Mines.
6) Shri Rinkesh Roy, Director, Ministry of Railways.
7) Shri Srinivasa Naik, Director, Ministry of Shipping
8) Shri G.S. Sinha, OSD (Customs), Department of Revenue, Ministry of Finance
9) Shri Sanjay Mangal, Director, Ministry of Steel
10) Shri Pankaj Kulshrestha, RCOM (CZ), Indian Bureau of Mines (IBM)
11) Shri M.V. Sahasrabndhe, RCOM, IBM
12) Shri K. Thomas, DDG(S), IBM
13) Shri D. Srinivasulu, Pr. Secretary (Mines & Geo), Govt of Andhra Pradesh
14) Shri H.R. Srinivasa, Director, Department of M&G, Govt. of Karnataka
15) Shri Deepak Mohanty, Director, Department of Steel & Mines, Govt. of Orissa
16) Shri S.K. Shah, Director, DGM, Government of Madhya Pradesh
17) Shri V.S. Sawakhande, Director, Directorate of Geology, Govt of Maharashtra
18) Shri Prasanna Acharya, Director, Mines & Geology, Govt of Goa
19) Shri N. Palaninehu, Joint Director, Industries Deptt. Govt. of Tamil Nadu
20) Shri R.K. Hira, Addl. Director, Mines, Government of Rajasthan
21) Shri S.I. Minz, Additional Director (Mines), Government of Jharkhand
22) Shri Subhash Joshi, Asstt. Geologist, Commissionerate of Geo & Mining, Govt of Gujarat
23) Shri S.N. Khan, PSA, NIC, Ministry of Mines
24) Shri Anil Subramaniam, Under Secretary, Ministry of Mines
25) Shri V. Prasad, Section Officer, Ministry of Mines
26) Shri P. Vinay Kumar, Section Officer, Ministry of Mines
27) Shri Abhishek Gupta, M/s Ernst & Young.