New Delhi, the 16th September, 2013

Subject: Minutes of the quarterly meeting of the Coordination-cum-Empowered Committee (CEC) on Mineral Development and Regulation held under the chairmanship of Secretary (Mines) on 10th September, 2013 in 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 held under the chairmanship of Secretary (Mines) on 10th September, 2013 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 15th October, 2013.

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 MOM for (Mines)
2. PS to Secretary (Mines)
3. PPS to AS(Mines)
4. PS to JS(AK)
5. PS to JS (NK)

Sd/-
(C.K. Rawat)
Deputy Secretary to the Government of India
Telefax: 23070260
Minutes of the Quarterly Meeting of the Coordination-cum-Empowered Committee (CEC) on Mineral Development and Regulation held on 10th September, 2013 in Shastri Bhavan, New Delhi.

The quarterly meeting of the Coordination-cum-Empowered Committee (CEC) on Mineral Development and Regulation was held under the chairmanship of Secretary (Mines) on Tuesday, the 10th September, 2013 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 14.5.2013. Subjects reviewed included State Governments’ responses to the Ministry’s reference on the recommendations of the Parliamentary Standing Committee on the MMDR Bill; steps taken by the State Governments for prevention of illegal mining; status of reconstitution of State Empowered Committees by the States; need for synergy between GSI and IBM; Sustainable Development Framework (SDF), Mining Tenement System (MTS); opening of IBM’s office in Jharkhand; land for GSI’s Office Building in Ranchi; guidelines relating to minor minerals; and issue relating to dump mining. He noted that despite repeated requests, some State Governments were still not furnishing action taken reports to the Ministry in time. He asked the State representatives to ensure prompt action on the decisions of the CEC and submission of ATRs to the Ministry within the given timeline.

(All State Governments)

3. On the issue of illegal mining, Secretary (Mines) appreciated the efforts of the Government of Rajasthan, which has created a dedicated 500-strong Police Force in the State for prevention of illegal mining. He called upon other States to emulate the Rajasthan model. He informed that Supreme Court has constituted a 3-member bench, which would start day-to-day hearings on the incidence of illegal mining in Goa. He requested the officers concerned to keep track of the
proceedings of the bench to suitably respond when the issues of illegal mining and other related matters concerning the Central Government are taken up.  

(Action State Governments/Ministry of Mines)

4. The agenda items for the meeting were then taken up for consideration as under:

1. **ACTION TAKEN BY STATE GOVERNMENTS TO CURB ILLEGAL MINING**

1.1 JS (NK) undertook a detailed review of the progress on submission of quarterly reports on illegal mining. The defaulting states – Goa and Jharkhand were requested to adhere to the timeline for submission of quarterly reports on illegal mining to IBM. IBM was also asked to monitor the reports in detail. A suggestion was received for online submission of returns on illegal-mining. IBM was asked to explore the feasibility of the suggestion.

   (Action: Governments of Goa and Jharkhand IBM)

1.2 Secretary (Mines) requested the State representatives to share with the Ministry the steps being taken by them to curb illegal mining. The Committee noted with appreciation the steps taken by the Government of Rajasthan in setting-up of a Special Operations Group and sanction of about 1000 posts to deal with the problem of illegal mining; the measures undertaken by the Government of Maharashtra in making use of satellite imagery to check illegal mining; the measure undertaken by the Government of Odisha in setting up a special cell to monitor and regulate mining activities; the steps taken by the Government of Gujarat in tracking the vehicles used for transporting ore/minerals through the use of GPS; and the initiative taken by the Government of Chhattisgarh by giving powers to panchayats to check and curb illegal mining as also by delegating the powers of granting mining leases of sand to the panchayats. Secretary (Mines) requested that a database giving details of the steps/measures undertaken by the States be maintained so that the Ministry could effectively respond to Parliament during its interactions with the Standing Committees.

   (Action: All State Governments/Ministry of Mines/IBM)
1.3 Referring to the current mining scenario in Goa where the ban on mining has led to an adverse impact on the economy, Secretary (Mines) emphasized the need for the State Governments to overhaul and tighten their systems. He said that all efforts in this direction should be made concurrently by all concerned i.e. the State Governments, the Ministry of Mines and the Central Departments/Ministries concerned, so that regular mining picks up in the interest of overall growth of the national economy.

(Action: All State Governments/All Ministries/IIBM)

2. FRAMING OF RULES UNDER SECTION 23C OF MMDR ACT, 1957

2.1 It was noted that all States had framed their respective Rules under Section 23C of MMDR Act, 1957. The States of Karnataka and Odisha were requested to send a copy of their Rules framed in this regard to the Ministry.

(Action: Government of Karnataka and Odisha)

2.2 With a view to bringing about improvement in the mining activities in terms of transportation, storage and curbing of illegal mining as provided for under Section 23C of the MMDR Act, 1957, IBM was asked to collect the Rules framed by the State Governments, and disseminate the best practices for use by all the States.

(Action: IBM)

3. IMPLEMENTATION OF RULE 45 OF THE MCDR, 1988

3.1 It was noted that on-line monthly / annual reporting of F series and H series forms had commenced. IBM was asked to assess the robustness of the system so that it is ready for the mandatory on-line submission of reports proposed to be implemented w.e.f. 1st April, 2014.

(Action: IBM)

3.2 The representative of Gujarat raised the issue of under-reporting of sale prices of ores resulting in loss of royalty to the extent of price reported being below the actual price. Controller General, IBM suggested that the State Governments
should carefully cross-check the invoices submitted by the lessees in order to ensure that prices reported were not undervalued. JS (AK) informed that the State of Jharkhand had taken some innovative steps to detect and prevent under-reporting of prices. The Government of Jharkhand was asked to share its experiences with the Ministry, the other States and IBM.

(Action: Government of Jharkhand/All other State Govts./Ministry of Mines/IBM)

3.3 Additional Secretary (Mines) spoke on the issue of under-reporting and cited the instance of e-auction ordered by the Supreme Court in Karnataka. He felt that a system of transparent auction, though not in the provisions of the MMDR Act 1957, could be effective in curbing this mal-practice. The representative of Odisha suggested that IBM should not factor in the reported prices which are lower than 20% of the average price. IBM was asked to examine this suggestion.

(Action: IBM)

4. MINING TENEMENT SYSTEM

The progress in this regard was reviewed. It was informed that the SFC note on the subject has been approved; RFP document is being finalized; and IBM will float tenders by the end of the month for selecting system integrator. Secretary (Mines) stressed that it is an important endeavour, and therefore timelines for implementation of the project need to be adhered strictly to. The States of Goa and Tamil Nadu were requested to expedite signing of the MOUs with IBM.

(Action: Government of Goa/Tamil Nadu)

5. STATUS OF SETTING-UP OF ‘SPECIAL ANTI-EXTORTION AND MONEY Laundering Cell’ TO PREVENT THE NEXUS BETWEEN ILLEGAL MINING/FOREST CONTRACTORS AND EXTREMISTS

Progress in this regard was reviewed and the States were requested to expedite setting-up of ‘Special Anti-extortion and Money Laundering Cells’ in their respective States.

(Action: All State Governments)
6. **SUSTAINABLE DEVELOPMENT FRAMEWORK (SDF)**

The Committee reviewed the progress in this regard. It was informed that after the workshops held in Nagpur and Bhubaneswar for the roll-out of the SDF, IBM had to prepare standard templates based on the deliberations and inputs received during the workshops. The SDF would be tested in pilot projects to be undertaken by the States of Madhya Pradesh and Jharkhand. Secretary (Mines) mentioned that the problems in the mining sector mainly centred around environmental issues. He stressed the importance of sustainable development in mining sector and hoped that the SDF would help in mining which is environment friendly and scientifically and technologically viable. He said that it is essential that an in-built system is developed for continued economic and social development without any detriment to the environment and natural resources.

(Action: IBM/ All State Governments)

7. **PROPOSAL FOR CONDUCTING EXAMINATION FOR RECOGNIZED QUALIFIED PERSONS (RQP)**

To improve the quality of Mining Plan / Scheme of Mining, it was decided to review the process of grant of RQP certification proposing a system of examination for grant of RQP certification. IBM was asked to send a detailed proposal in this regard for amending Rules 22B and 22C of Mineral Concession Rules, 1960.

(Action: IBM)

8. **APPROPRIATE AMENDMENT IN RULES UNDER SECTION 15 OF MMDR ACT, 1957 IN RESPECT OF MINOR MINERALS IN VIEW OF DIRECTIONS OF HON’BLE SUPREME COURT DATED 27.2.2012 IN DEEPAK KUMAR CASE**

JS (NK) mentioned that the State Governments were required to either frame their respective Minor Mineral Rules or amend their Minor Mineral Rules in keeping with the import of the judgment dated 27.2.2012 of Hon’ble Supreme Court. Progress in this regard was reviewed. While the States of Rajasthan, Madhya Pradesh, Gujarat, Goa had reported compliance, the States of Andhra Pradesh, Chhattisgarh, Jharkhand, Karnataka, Maharashtra, Odisha and Tamil Nadu were yet
to report compliance. The States that have not yet complied were requested by Secretary (Mines) to expedite action in this regard. The representative of Chhattisgarh informed that the State has filed an appeal in Hon’ble Supreme Court seeking certain relaxations in the directions given by the Hon’ble Apex Court.

(Action: Governments of Andhra Pradesh, Chhattisgarh, Jharkhand, Karnataka, Maharashtra, Odisha and Tamil Nadu)

9. MINOR MINERAL GUIDELINES

JS (NK) informed that in keeping with the import of the judgment dated 27.2.2012 of the Hon’ble Supreme Court, the Ministry of Mines had prepared draft ‘Model Guidelines on Mining of Minor Minerals’ with an emphasis on environmental concerns especially EMP and the concept of cluster mining. These guidelines have been circulated to all States for their suggestions/comments. Secretary (Mines) requested the States to examine the draft Guidelines carefully, critically and constructively and send their suggestions/comments within a period of one month.

(Action: All State Governments)

10. UNFC GUIDELINES ON EXPLORATION

JS (NK) mentioned that India is currently following the 1997 guidelines of UNFC to improve the quality of exploration. He said that it has been decided to change the standard of exploration in India to make it compliant with the latest UNFC standards. With this in view, the Ministry is organizing a national level workshop on the UNFC system on 29th and 30th October, 2013. All State Governments were requested to identify and nominate at least 2-3 technical officers as master trainers so that they could understand the nuances of the new mode of UNFC classification and acquire proficiency. JS (NK) felt that the DAE could also use this opportunity for applying the latest UNFC standards in case of atomic minerals.

(Action: All State Governments)
11. **DUMP MINING**

11.1 Secretary (Mines) said that the issue of dump mining is very important and critical given the current scenario in the States of Goa and Maharashtra, which are having huge quantities of dumps. IBM, as an enforcer and regulator, has been found wanting in following procedures in this respect, inasmuch as the guidelines issued by it lack clarity. Observing that the matter has not been understood in depth, he said that dump mining has two issues which needed to be addressed by the Ministry - removal of ore in excess of quantities approved in the Mining Plan and effective monitoring mechanism.

11.2 AS (M) clarified that dump area is to be construed a part of mining lease and that dumping is essentially a mining activity. It was informed that the Ministry was preparing a draft Policy on Dump Mining which would be circulated to the States for their comments. The States were requested to examine the matter carefully and critically and send their suggestions/comments to the Ministry.

(Action: All State Governments)

12. **MMDR BILL, 2011**

   Secretary (Mines) expressed dismay over the lack of response from the State Governments to the Ministry’s reference dated 14th June, 2013 seeking comments/suggestions on the recommendations of the Standing Committee on Coal and Steel on the MMDR Bill, 2011. He requested the State Governments to send their comments/suggestions without any further delay.

   (Action: All State Governments)

13. **ISSUES RELATING TO BEACH SAND MINERALS**

13.1 The representative of the DAE informed that private miners of beach sand minerals were not submitting the statutory returns. It was informed that currently, IBM is giving approvals for mining plans in respect of Garnet and Siliminite, while for other minerals like ilmenite, rutile and zircon, AMD is approving mining plans. DAE suggested that the Ministry may consider amending MCDR to enable AMD to obtain the statutory returns in respect of mining of atomic minerals. Secretary
Mines) expressed concern over the issue of non-compliance in submitting returns and stressed the need to invoke the statutory punitive measures against the delinquents.

(Action: State Governments/IBM/AMD)

13.2 JS (NK) pointed out that the DAE had issued a notification de-listing ilmenite, rutile, zircon etc. from list of prescribed substances; consequently as per Rule 2(iii) of the MCDR, 1988, ilmenite, rutile and zircon came under the purview of MCDR, 1988. As suggested earlier, the DAE should explore the possibility of bringing back these minerals in the list of prescribed substances. It was informed that a meeting was held with DAE wherein it was decided that a proposal for making the proposed amendments would be prepared and submitted by a joint committee with representatives from IBM, MOM, DAE and AMD. JS (NK) also informed that a team had been constituted on this issue, which would give its report within 15 days.

(Action: State Governments/IBM/AMD)

13.3 The representative of Tamil Nadu gave an update on the Task Force set up in Tamil Nadu to investigate the illegalities/irregularities in beach sand mining. He informed that the Task Force had completed its inspections and was in the process of submitting its report. Secretary (Mines) asked the State Government to strongly contest the court cases relating to illegalities in beach sand mining, and to defend the interests of the State Government.

(Action: Government of Tamil Nadu/IBM/DAE)

14. RECONSTITUTION OF STATE LEVEL EMPOWERED COMMITTEE AND REVIEW OF THEIR FUNCTIONING

It was noted that Andhra Pradesh, Goa, Gujarat, Karnataka, Rajasthan and Tamil Nadu had reconstituted their State-level Coordination-cum-Empowered Committees. The other mineral-rich States were yet to reconstitute their SECs. Additional Secretary (Mines) stressed the need for reconstitution of the State level Empowered Committees (SECs) by all State Governments on the same lines as the CEC to facilitate dealing with all the issues relating to mining. He called upon the State representatives to ensure that the SEC meets regularly, so that all important
State-level issues viz. prevention of illegal mining, pendency of concession cases etc. are attended to on a regular basis. He also asked the State representatives to put the SEC’s proceedings on their website in the interest of fairness and transparency.

(Action: All State Governments)

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

15.1 Referring to the quarterly reports received from the State Governments, Secretary (Mines) noted with concern that there was huge pendency of mineral concession applications. As per these reports, a total of 65,337 applications (642 RP applications, 19,661 PL applications and 45,034 ML applications) were pending with the State Governments. He also noticed that the pendency was quite high in almost all the mineral-rich States and the pace of disposal of cases was extremely slow. He called upon the State Governments to apply the provisions of the MMDR Act, the Rules and the guidelines framed thereunder carefully and correctly, and dispose of the cases strictly within the time-frame stipulated in the Mineral Concession Rules.

(Action: All State Governments)

15.2 In this context, Additional Secretary (Mines) referred to the Supreme Court order dated 13.9.2010 in what is widely known as Sandur case, which clearly explains the applicability of different provisions of the MMDR Act, 1957 in processing mineral concession proposals, viz. section 11 (2) for virgin areas, section 11 (4) for previously held areas, and section 11(5) for recommending a later applicant in a non-notified area. He observed that the States of Chhattisgarh, Rajasthan and Madhya Pradesh, which have formulated policy on ‘special reasons’ under section 11 (5) need to apply the ‘special reasons’ correctly and consistently. He pointed out that there is considerable delay on the part of the State Governments in sending proposals for prior approval of the Central Government in respect of virgin areas. He also said that notifications inviting applications for grant of concessions are kept open-ended, which does not help their timely processing and disposal. He asked the State Governments to ensure that all concession
applications are disposed of within the time-frame laid down in Rule 63A of the MCRs.

(Action: All State Governments)

15.3 JS (AK) said that concession applications pending with the State Governments largely pertain to mining lease. He suggested that the applications in respect of the areas where mineralization was not established as per the UNFC could be rejected by the State Governments straightaway rather than the same being kept pending indefinitely.

(Action: All State Governments)

16. RETURN OF CASES PENDING WITH STATE GOVTS FOR OVER 6 MONTHS

It was informed that the Ministry had, on 23rd August, 2013, sent lists of cases pending with State Governments with the request to send their replies by 20th September, 2013. Details of these cases were circulated to the State representatives in the meeting. The State Governments were requested to give replies to the Ministry’s queries in each of the cases by 20th September, 2013, failing which the Ministry would be constrained to return the proposals where there has been no response for a period of six months, in accordance with the Ministry’s guidelines dated 29th July, 2010.

(Action: All State Governments)

5. 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 States should participate in the meetings enthusiastically. He said that since the Ministry gives about a month’s notice for the CEC meetings, the State Governments have enough time to prepare themselves and come up with constructive suggestions for consideration of the CEC.

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

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Annexure

List of participants in the meeting of the Coordination-cum-Empowered Committee on Mineral Development and Regulation held in Shastri Bhawan, New Delhi on 10th September, 2013.

1. Shri R.H. Khwaja, Secretary (Mines) .... In the Chair
2. Shri R. Sridharan, Additional Secretary (Mines).
3. Shri Arun Kumar, Joint Secretary, Ministry of Mines.
4. Shri Naresh Kumar, Joint Secretary, Ministry of Mines.
5. Shri C.S. Gundewar, Controller General, IBM
6. Shri K.A.P Sinha, Joint Secretary, Department of Atomic Energy.
7. Shri R.Lalremruata, Director, Ministry of Mines.
8. Shri C.K. Rawat, Deputy Secretary, Ministry of Mines.
9. Mrs. R. Shyamala, Joint Director, Ministry of Railways.
10. Shri Pawan Gupta, DGM, Ministry of Home Affairs.
12. Shri Srinivasa Naik, Director, Ministry of Shipping.
13. Shri K.B. Nair, Under Secretary, Ministry of Steel.
14. Shri S.K. Adhikari, SUptdg. MG, IBM.
16. Shri S.K. Jena, Director, GSI.
17. Shri Pawan Kumar Sain, Secretary (Mines), Govt. of Goa.
18. Shri M.K. Tyagi, Secretary, Mineral Resources Deptt., Govt. of Chhattisgarh.
19. Shri Tushar Nirad Nath, Secretary, G&I & Mines, Govt. of Karnataka.
20. Shri Satendra Singh, Secretary, Mines and Geology Deptt, Govt. of Jharkhand.
21. Shri Rajendra Sharma, Additional Secretary, Ind. & Commerce, Govt. of M.P.
22. Shri Atul Anand, Commissioner, DGM, Govt. of Tamil Nadu.
23. Shri B.B. Singh, Director, Mines and Geology Deptt, Govt. of Jharkhand.
24. Shri B.R.V. Susheel Kumar, Director, Mines and Geology Deptt., Govt. of AP
25. Shri Vineet Austin, Director, Mines and Geology Deptt, Govt. of M.P.
26. Shri V.S. Sawakhande, Director, DGM, Government of Maharashtra.
27. Shri Deepak Mohanty, Director, Deptt. of Steel & Mines, Govt. of Odisha.
28. Shri Shankarnarayan, Director, Mines & Geology, Govt. of Karnataka
29. Shri A.K. Kadian, Under Secretary, Ministry of Mines.
30. Shri Amit Choubey, Section Officer, Ministry of Mines.
31. Shri P. Vinay Kumar, Section Officer, Ministry of Mines.