New Delhi, the 30th May, 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 14th May, 2013 in Shastri Bhawan, New Delhi.

The undersigned is directed to send herewith a copy of the minutes of the quarterly meeting of the Coordination-cum-Empowered Committee (CEC) on Mineral Development and Regulation held under the chairmanship of Secretary (Mines) on 14th May, 2013 in Shastri Bhawan, 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 15th June, 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 for information to:

1. PS to Hon’ble Minister of Mines
2. PS to Secretary (Mines)
3. PPS to SS(Mines)
4. PS to JS(AK)
5. PS to JS (DS)
6. PS to JS(NK)

Sd/-
(C.K. Rawat)
Deputy Secretary to the Government of India
Minutes of the Quarterly Meeting of the Coordination-cum-Empowered Committee (CEC) on Mineral Development and Regulation, held on 14th May, 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 14th May, 2013 in Shastri Bhavan, New Delhi. List of participants is given at Annexure.

2. Welcoming the participants, Secretary (Mines) noted with approval that the State Governments’ representation in the meeting was of senior level, which would enable the CEC to have more meaningful deliberations and take considered decisions on various important issues concerning the mineral sector. He emphasized the need for holding the CEC meetings on a regular basis, as it provides a much-needed interface between the Central and the State Governments. He called upon the participants to be clear about the constitutional and statutory provisions governing the mineral sector. He also referred to the various judgments passed by Hon’ble Supreme Court recently in Sandur, Niyamgiri, Karnataka, and POSCO cases that had a direct bearing on the current mineral scenario in the country. He asked the participants to ensure that their actions were in strict compliance with the Supreme Court’s orders.

   (Action: All State Governments/GSI/IBM/All Central Ministries/Deptts.)

3. Secretary (Mines) informed the participants that the Parliamentary Standing Committee on Coal and Mines, which was examining the MMDR Bill, had given its recommendations on 7th May, 2013. The observations and recommendations of the Standing Committee would be studied by the Ministry. The Bill would have to be examined in the light of the Standing Committee’s recommendations. After obtaining Cabinet’s approval, it would again go to Parliament. He informed that a core group of 5 members had been constituted under the chairpersonship of Special Secretary (Mines) to look into the provisions of the Bill and related aspects. He said
that the Bill was in public domain, and if the State Governments had any inputs or comments on any aspect, they must send them to the Ministry within two weeks.

(Action: All State Governments)

4. Secretary (Mines) stressed the need for GSI and IBM to have synergy between them, which would go a long way in bringing about overall improvement in their functioning. Secretary (Mines) also said that GSI needed to be restructured as per the recommendations of the High Powered Committee (HPC). The HPC report on IBM also needed to be implemented. He said that it was in this context that meetings have been convened at Hyderabad on 16th and 17th May, 2013.

(Action: GSI/IBM)

5. Dwelling on the incidence of illegal mining in some parts of the country, Secretary (Mines) suggested to the State representatives to improve the functioning of their respective State Departments and Directorates in order to ensure tangible results. He asked the State representatives to review the progress of the measures undertaken by them on a quarterly basis. In this regard, Secretary (Mines) appreciated the efforts made by Rajasthan, where a police force of 450 staff headed by an Additional D.G. exclusively for preventing illegal mining was in position. He said that the various initiatives taken by the Ministry viz. implementation of Rule 45, the proposed Mining Tenement System, amendment in Rule 37 and Rule 15 would greatly help in curbing incidence of illegal mining.

(Action: All State Governments)

6. Special Secretary (Mines) then reviewed the action taken on each of the points discussed in the last meeting of the CEC held on 15.1.2013, and the agenda for the current meeting, as follows:

7. **Review of the action taken on the minutes of the last meeting of the CEC.**

It was noted that action taken report (ATR) on the points discussed in the last meeting of the CEC had been furnished by IBM, GSI and all the mineral-rich States, except Tamil Nadu. The representative of Tamil Nadu promised to send the ATR at the earliest. SS (Mines) requested all the members of the CEC and the
State Governments to send ATRs to the Ministry within 2 to 3 weeks of issuance of the minutes, so that it could be consolidated in time for review in the next CEC meeting.

(Action: All State Governments/GSI/IBM/All Central Ministries/Departments)

8. **Action taken by State Governments to curb illegal mining**

8.1 The CEC noted that the quarterly report on illegal mining detected and action taken by the State Governments had been given to IBM by Andhra Pradesh, Bihar, Chhattisgarh, Goa, Jharkhand, Maharashtra, Gujarat, Odisha, Rajasthan, Madhya Pradesh, Karnataka, Kerala and Tamil Nadu. All State Governments were requested to ensure that the returns were sent to IBM regularly and in time.

(Action: All State Governments)

8.2 The representative from the Government of Tamil Nadu informed that a status note on the complaint regarding illegal mining of beach-sand minerals in coastal Tamil Nadu had been sent to the Ministry recently. He informed that a Task Force had been constituted for further inspections. SS (Mines) asked him to ensure that effective steps were taken by the State Government as per the relevant Rules. It was noted that IBM was also to furnish a report in this regard, which should be expedited.

(Action: Government of Tamil Nadu/ IBM)

8.3 SS (Mines) noted that IBM has pointed out discrepancies in the data submitted by the Government of Odisha on illegal mining in that different units of quantity had been used while giving the data. She asked IBM to meet the officers of the State Government to resolve the issue. On the issue relating to utilization of railway rakes in Odisha, the representative from Odisha informed that the problem of railways not getting sufficient indent for mineral transportation had been sorted out. He also informed that the integration of lease management system of the State Department with the Railways’ system had been successfully tested and would be rolled out on receipt of confirmation from the Railway Board. Secretary (Mines) asked the State Government to get it expedited.

(Action: Government of Odisha)
8.4 The representative of Gujarat mentioned that they had an electronic pass system for transportation of minerals. SS (Mines) noted that most of the States had not yet gone online in this respect. She desired that the matter should be accorded due priority by the State Governments for introducing an online mechanism.

(Action: All State Governments)

9. Framing Rules under Section 23C of the MMDR Act, 1957

All State Governments were again requested to frame Rules under Section 23C of the MMDR Act, 1957 on illegal mining, storage and transportation, and to inform the status along with a copy of the Rules framed. SS (Mines) observed that Rajasthan has taken lead in framing Rules in this regard, and Madhya Pradesh and Goa had Rules in place with provisions for registration of lease-holders. She said that the States which do not have such Rules should frame their Rules immediately, and inform the Ministry. It was noted that the States that have framed Rules under 23C have received increased revenues in terms of Royalty, tax collections. SS (Mines) also stressed the need for these Rules to inter-alia cover issues pertaining to Railways, Ports, Customs, Excise etc.

(Action: All State Governments)

10. Implementation of Rule 45 of MCDR, 1988

10.1 SS (Mines) mentioned that the amended Rule 45 of MCDR, 1988 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 a monthly and annual basis. The representative of IBM informed that the process of online submission of monthly returns in F series of forms had already been started w.e.f. 29th March 2012, and that the software for development for submission of annual returns (H series) had been made available online w.e.f. 1st March 2013. The testing of the software for form N and O was in progress.

10.2 All State Governments were requested to ensure compliance on reporting. The representative of the Department of Atomic Energy mentioned that there was no reporting in case of beach-sand minerals. IBM was directed to take action in all
cases where the leaseholders were not registered or were non-functional, as provided in Rules. 

(Action: All State Governments/IBM)

11. Mining Tenement System (MTS)

IBM informed that seven States had signed the MoU on MTS with IBM viz., Andhra Pradesh, Gujarat, Karnataka, Kerala, Madhya Pradesh, Maharashtra and Rajasthan. The other States viz., Chhattisgarh, Goa, Jharkhand, Odisha and Tamil Nadu had not yet signed the MoU. The representative of Chhattisgarh mentioned that they had reservation about generation and geo-referencing of legacy data under the MTS, and written to IBM on 10.4.2013 regarding this. The representative of IBM informed that the position had been clarified to the State Govt. 

(Action: Government of Chhattisgarh/IBM)

12. Boundary pillars

The representative of Gujarat suggested that boundary marks, pillars and GPS coordinates should be linked with mining lease, which would be helpful in curbing illegal mining to a large extent. The Karnataka representative said that the pillars should be coloured in yellow so that they were clearly visible from satellite. There was general agreement that the gap between 2 pillars, in case the boundary was in straight line, should be 50 metres. On the issue of permissible limits of error, Shri R. Sahai, Controller of Mines, IBM suggested that margin of error could be as prescribed in the Metalliferous Mines Regulations, 1961. Secretary (Mines) agreed to the suggestions and desired that there should be standardized guidelines on the subject. While issuing the guidelines, it should be ensured that there is absolute clarity in the communication, and proper referencing of the earlier guidelines has been done, in order to avoid any confusion. He also said that the legal position, wherever applicable, should be followed scrupulously by the State Governments and IBM. 

(Action: Ministry of Mines/IBM)
13. **Status of setting-up of ‘special anti-extortion and anti-money laundering Cell’ to prevent the nexus between illegal mining/forest contractors and extremists**

It was noted that most of the States had either not set up anti-extortion cells, or not informed the Ministry about the same. All the State Governments were requested to furnish information on setting-up of the Cell in State Government to the Ministry at the earliest.

(Action: All State Governments)

14. **Sustainable Development Framework (SDF)**

While discussing sustainable mining, the States of Goa, Gujarat, Karnataka, Rajasthan and Tamil Nadu offered to hold workshops in this regard. The Ministry of Mines would, to begin with, shortlist 2 or 3 States and start the process.

(Action: The State Governments concerned/Ministry of Mines)

15. **Proposal for conducting examinations for Recognized Qualified Persons (RQP)**

The representative of IBM informed that a workshop on RQP Examination and Mining Plan was organized at IBM Hqs., Nagpur on 15th and 16th April, 2013.

16. **Appropriate amendment in Rules under Section 15 of the MMDR Act, 1957 in respect of minor minerals.**

It was informed that in keeping with the direction of the Supreme Court in Deepak Kumar case issued on 27.2.2012, the States and Union Territories were required to frame/amend Minor Mineral Concession Rules in consideration with the recommendations in the MoEF’s Report of March 2010. State Governments were required to report compliance to the Apex Court directly in this matter. Rajasthan and Gujarat reported compliance. Other States were also requested to take similar action urgently and furnish a copy of the Rules framed/amended in this regard.

(Action: All State Governments except Rajasthan and Gujarat)

17. **UNFC Guidelines for exploration**

The representative of IBM informed that a workshop on UNFC was organized in collaboration with GSI at the GSI Training Centre, Hyderabad on 13th and 14th
March, 2013. Three more workshops on the subject were scheduled to be held in Udaipur, Bhubaneswar and Bengaluru. SS (Mines) requested IBM to identify two to three master trainers for this purpose from each State, who should be involved in the proposal international workshop.

(Action: IBM)

18. **Issues relating to beach-sand minerals**

The issue relating to beach sand minerals again came up for discussion. It was informed that Ilmenite, rutile, zircon etc., which form part of the group of beach sand minerals, have been de-listed from the list of prescribed substances in terms of the DAE’s notification issued in January, 2006. However, they continue to be classified as atomic minerals under Part ‘B’ of the First Schedule to the MMDR Act, 1957. Due to the notification issued by DAE de-listing ilmenite, rutile, zircon etc. from list of prescribed substances, and as per Rule 2(iii) of the MCDR, 1988, ilmenite, rutile, zircon came under the purview of MCDR, 1988. Hence, DAE should explore the possibility of bringing back these minerals in the list of prescribed substances. Meanwhile, IBM would take action as per the provisions of the MCDR, 1988.

(Action: IBM/DAE)

19. **IBM’s Regional Office to Ranchi – jurisdiction thereof.**

The representative of the Government of Jharkhand informed that the State has some districts under Kolkata region and some under Jharkhand region. He requested that all the districts be brought under Jharkhand region with headquarters at Ranchi. Secretary (Mines) agreed to the suggestion, as disposal of work shall be facilitated. He desired that orders be processed at the earliest.

(Action: IBM)

20. **Reconstitution of State Empowered Committee (SEC) and review of their functioning**

It was noted that all mineral-rich States had constituted their SECs, and in many States, the SECs were meeting regularly. Further, as informed by the State
Governments, Andhra Pradesh, Goa, Gujarat, Karnataka, Rajasthan and Tamil Nadu have reconstituted their SECs. The representatives of Madhya Pradesh, Maharashtra and Odisha informed that their Task Force was in effect working as the SEC. JS (AK) requested the other States to expedite reconstitution of their respective SECs on the same lines as the Ministry’s CEC reconstituted vide order No. 7/69/2011 dated 20.11.2011. The State Governments were also called upon to ensure that the order reconstituting the SEC is put on the website of the State Government; the SEC meets once in three months; and its proceedings are put on the State’s website.

(Action: All State Governments)

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

21.1 State-wise pendency of mineral concessions applications, lease/licence execution and renewal of concessions was reviewed. Secretary (Mines) expressed concern over the fact that a huge number of mineral concession applications and renewal cases were lying pending with the State Governments, and the pace of disposal was low.

21.2 The representative of Rajasthan said that as per their policy, only PSUs would be considered for mineral concessions for rock phosphate and SMS grade limestone.

21.3 The matter regarding delays and non-issue of licences where applicants have a preferential right having first obtained RP or PLs was discussed. States were advised that in case they have put restrictions on issue of subsequent instruments they may consider doing them with prospective effect protecting the existing rights.

(Action: All State Governments)

22. **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.**

SS (Mines) noted that the Governments of Madhya Pradesh and Rajasthan had formulated their Mineral Policy, which include the ‘Special Reasons’ framed by them for recommending a later applicant in a non-notified area under Section 11(5)
of the MMDR Act. SS (Mines) requested all other State Governments to take up the matter on priority, and finalise their policy or guidelines on ‘Special Reasons’ for invoking Section 11(5). It was also suggested that the State Governments should consider issuing separate guidelines on ‘Special Reasons’, if the same did not find a mention in their State Mineral Policy or if the same was getting delayed.

<Action: All State Governments except MP and Rajasthan>

23. **Return of cases pending with the State Governments for over six months.**

JS (AK) drew the attention of the State Governments’ representatives to the Ministry’s guidelines dated 29th July, 2010, which provides that the mineral concession proposals which had been referred to the State Governments seeking information/clarification, and where there had been no response from the State Governments within a period of six months, would be returned to the State Governments. The Ministry has, on 18th April, 2013, sent lists of cases pending with State Governments with the request to send their replies by 31st May, 2013. It was noted that 94 cases are pending with the State Governments, 78 of which are more than 6-month old cases. The State Governments were requested to give replies to the Ministry’s queries in each of the cases by 31st May, 2013, failing which the Ministry would be constrained to return the proposals where there has been no response for a period of six months.

<Action: All State Governments>

24. **Relaxation in favour of a concessionaire under Section 6(1)(a), (aa) and (b) of the MM(D&R) ACT, 1957.**

It was informed that the Ministry had received an audit observation from the C&AG with a query as to whether the Ministry has considered restricting the maximum area up to which relaxation can be granted for mining lease under section 6(1)(b) of the MMDR Act, 1957. A note on the subject was circulated in the meeting, which was considered by the CEC. It was noticed that such requests have been, by and large, entertained for certain specific minerals viz. limestone and gypsum, as their occurrences are in levels of 2 to 4 metres requiring large areas, precious stones,
gold and associated minerals where the occurrence is small and needs to be located over expanse of a large area. The CEC noted that the MMDR Bill, 2011, which was introduced in Lok Sabha on 12.12.2011, had been examined by the Standing Committee of Coal & Steel, and the Committee had offered no comment on the maximum limit in a State of 500 sq.km for PL and 100 sq.km for ML, as proposed in the MMDR Bill. This could be considered as the upper ceiling for mineral concessions while considering relaxation of area under Section 6(1)(a) and 6(1)(b) of MM(D&R) Act, 1957, till the new Act comes into force.

25. Land for GSI’s Office Building in Ranchi

Joint Secretary (DS) mentioned that GSI is having a State Unit office at Ranchi in a rented accommodation under the technical and administrative control of Eastern Region, Kolkata. GSI has been requesting the Government of Jharkhand since 2002 for allotment of land within Ranchi for constructing its own office building. A proposal for allotment of ten acres of land within the city limits of Ranchi for the establishment of an office and residential complex was again sent to the Department of Revenue and Land Reforms, Govt. of Jharkhand on 11.2.2013. It was informed that the proposal was under process in the State Government, which needed to be expedited. The representative of the Government of Jharkhand promised to get the matter expedited with the authorities concerned.

(Action: Government of Jharkhand/ GSI)

26. Establishment of National Geological Monument at Karai-Kulakkalnattam Section, Perambbalur District, Tamilnadu.

Joint Secretary (DS) informed that the Karai-Kulakkalnattam Section, Perambalur District, located in Survey of India Toposheet No. 58 I/16, hosts a variety of marine Cretaceous fossils. Considered as the best developed Cretaceous section in the world with extinct marine geo diversity, it is regularly examined by a number of geo-science researchers throughout the year, and has gained worldwide importance due to its geological significance. He said that the area deserves to be protected and preserved from the danger created by the growing anthropogenic activities in the vicinity. He also mentioned that further acquisition and fencing of the land by State
Government and forest & environment clearance from concerned authorities are urgently required. The representative of the Government of Tamil Nadu informed that the State Government was already working on it.

(Action: Government of Tamil Nadu/GSI)

27. Summing up, Secretary (Mines) stated that mineral sector had assumed a significant role in the context of economic growth of the country, which puts a lot of responsibility on the people engaged in this sector. He called upon the participants to undertake their official duties and responsibilities with integrity and uprightness. He also urged the representatives of the State Governments and the Central Ministries/Departments to take follow-up action on the decisions of the CEC in a time-bound manner, and come up with more constructive suggestions in order to bring about more effectiveness in the working of the CEC.

28. 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 14th May, 2013.

1. Shri R.H. Khwaja, Secretary (Mines) .... In the Chair
2. Ms. Gauri Kumar, Special Secretary (Mines).
3. Shri Arun Kumar, Joint Secretary, Ministry of Mines.
5. Shri K.A.P Sinha, Joint Secretary, Department of Atomic Energy.
6. Shri S.C. Gupta, Joint Secretary, Ministry of Fertilizers
7. Shri Anupam Prakash, Director, Ministry of Steel.
9. Shri Srinivasa Naik, Director, Ministry of Shipping.
10. Shri Arvind Sardana, DDG, DGCA.
11. Shri Sunil Kumar, Dy. Director (R&I), DGCA.
12. Shri C.S. Gundewar, Controller General, IBM.
13. Shri Ranjan Sahai, Controller of Mines, IBM.
14. Shri Rejib Chakraborty, Director, GSI.
15. Shri R.K. Verma, Principal Secretary, Mines, Govt of Goa.
16. Shri Ajatshatru Shrivastava, Secretary, Ind. & Commerce, Govt. of M.P.
17. Shri S.K. Barnwal, Secretary, Mines and Geology Deptt, Govt. of Jharkhand.
18. Shri M.K. Tyagi, Secretary, Mineral Resources Deptt., Govt. of Chhattisgarh.
19. Shri Atul Anand, Commissioner, DGM, Govt. of Tamilnadu.
21. Shri H.R. Srinivasa, Director, DMG, Govt. of Karnataka.
22. Shri Rafi Ahmed, joint Director, DGM, Mines and Geology Deptt., Govt of AP
23. Shri Vineet Austin, Director, Mines and Geology Deptt, Govt. of M.P.
24. Shri V.S. Sawakhande, Director, DGM, Government of Maharashtra.
25. Shri B.S. Detha, Director, DMG, Govt. of Rajasthan.
26. Shri C.K. Rawat, Deputy Secretary, Ministry of Mines.
27. Shri A.K. Mallik, Under Secretary, Ministry of Mines.
28. Shri Amit Choubey, Section Officer, Ministry of Mines.
29. Shri P. Vinay Kumar, Section Officer, Ministry of Mines.

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