

No.7/54/2012-M.IV  
Government of India  
Ministry of Mines

...

New Delhi, the 05<sup>th</sup> Feb, 2013

**Subject: Minutes of the quarterly meeting of the Coordination-cum-Empowered Committee (CEC) on Mineral Development and Regulation held on 15<sup>th</sup> January, 2013 in New Delhi.**

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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 15th January, 2013 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 1<sup>st</sup> March, 2013.

Sd/  
(A.K. Mallik)

Under Secretary to the Government of India  
Tel No. 23070260

To

1. Secretary, Ministry of Environment and Forests, Paryavaran Bhavan, New Delhi.
2. Director General, Department of Forests, Paryavaran Bhavan, New Delhi.
3. Secretary, Ministry of Home Affairs, North Block, New Delhi.
4. Secretary, Ministry of Steel, Udyog Bhavan, New Delhi.
5. Director General, Civil Aviation, Aurobindo Marg, Opposite Safdarjung Airport, New Delhi.
6. Chairman, Railway Board, New Delhi.
7. Secretary, Ministry of Shipping, New Delhi.
8. Secretary, Department of Revenue, New Delhi.
9. Secretary, Department of Fertilizers, New Delhi.
10. Secretary, Department of Atomic Energy, Mumbai.
11. Controller General, Indian Bureau of Mines, Civil Lines, Nagpur.
12. Director General, Geological Survey of India, Kolkata.

1. Secretary, In charge of Mining and Geology in the State of:

- i) Andhra Pradesh
- ii) Chhatisgarh
- iii) Goa
- iv) Gujarat
- v) Jharkhand
- vi) Karnataka
- vii) Madhya Pradesh
- viii) Maharashtra
- ix) Orissa
- x) Rajasthan
- xi) Tamil Nadu

2. Separate copies for participants of the Central Ministries:

Copy for information to:

- 1. PS to Hon'ble MOS (I/C) (Mines)
- 2. Senior PPS to Secretary (Mines)
- 3. Senior PPS to SS(Mines)
- 4. PS to JS(AK)

Sd/

(A.K. Mallik)

Under Secretary to the Government of India

**Government of India  
Ministry of Mines**

**Minutes of the Quarterly Meeting of the Coordination-cum-Empowered Committee (CEC) on Mineral Development and Regulation, held on 15<sup>th</sup> January, 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 15<sup>th</sup> January, 2013 in Shastri Bhavan, New Delhi. List of participants is given at **Annexure**.

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:

**1. Review of ATR on the minutes of the last CEC meeting.**

1.1 At the outset, Chairman expressed his concern regarding the lack of tangible follow up action by both the Central and the State Governments on the decisions taken in the earlier CEC meetings. In this connection, he recalled that the purpose of setting up of this Committee was to co-ordinate with all concerned in proper management of natural resources. In view of lack of systematic approach from both sides, the agenda of the meetings were being more or less repeated without compliance of the decisions. He stressed that it was essential that both the Central and State Governments should actively work harmoniously with the objective of management of natural resources of the country in a scientific and sustainable manner. He observed that CEC is not being taken with the seriousness it deserves as the State Governments are not participating in the meeting at appropriately senior levels which is resulting in the decisions taken in the meeting not being implemented. Thereafter, the Secretary (Mines) reviewed the progress of action taken on the minutes of the last meeting of the CEC and asked SS (Mines) to take up the agenda items for discussion.

1.2 SS (Mines) drew attention of the participants to the two Annexures that were circulated with the agenda of the meeting viz. Annexure-I- QPR format for review of steps taken by the State Governments for preventing illegal mining and Annexure-II - details regarding implementation of amended Rule 45 of Mineral Conservation and Development Rules, 1988; and requested them to fill up the requisite details in these annexure at the earliest. It was pointed out that although these issues had been discussed in the previous meeting, the ATR remained outstanding in view of the lack of adequate response from the participants.

With regard to point No 2.3 of ATR regarding paperless check mechanism on the ore transported through the Railways, Joint Secretary (NK) informed that the matter has been taken up with the Railways and further action can be taken in accordance with the advice rendered by them. On the issue of reservation of large mineral bearing areas for State PSUs by a few States, which consequently has led to denial of mineral blocks to M/s FAGMIL, a Central PSU, in the State of Rajasthan, it was informed by the representative of the Rajasthan Government that the views of the State Government were being firmed up on the same. Chairman was of the view that in such matters, the State Governments should consider such matters in a broad perspective.

1.3 On the issue of the reconstitution of State Empowered Committees (SEC), it was noted with concern that apart from Andhra Pradesh and Karnataka, the other mineral rich States were yet to take cogent action. All the defaulting States were advised to take action in this regard on top priority. Regarding declassification of earth as a minor mineral, it was informed that the views of DLA have been sought in the matter.

(Action: All concerned)

## **2. Steps taken by State Governments to curb illegal mining**

2.1 Action taken by the State Governments for curbing illegal mining was reviewed. It was observed with concern that only Gujarat and Rajasthan has sent their latest Quarterly report on illegal mining. SS(M) reiterated her request to the remaining State Governments to fill up the requisite details in the quarterly review format at the earliest so as to enable the Ministry to get a realistic picture of the issue that has been plaguing the country. After seeking the inputs of each representative on this issue including that from the IBM, Chairman observed that stringent action should be taken against each and every case of illegal mining in order to ensure that the exploitation of natural resources subserves public interest. Secretary (Mines) desired to know from the State representatives the steps taken by them during the last one year to curb illegal mining and impact of the steps so taken. He was informed that the increased pressure on checking and preventing illegal mining has resulted in increase in number of cases of illegal mines detected by the State machinery deployed for the purpose and the amount collected as fine in cases of illegal mining. The increased pressure in checking/stopping illegal mining has also resulted in mining operations being suspended in a number of cases.

2.2 In the context of illegal mining the following issues were also discussed:

(i) The representative of Department of Atomic Energy stated that the State Governments, the Ministry of Mines, D/o Atomic Energy, M/o Environment and Forests, Coal, Steel etc which deal with mining in general should have a common platform to share their laws, rules and other provisions regulating the activities of mining with the objective of having a common pool of information and accessibility to domain knowledge of each other. The representative stressed upon the need to understand the problem of enforcement and the lack of cooperation of State Police in curbing illegal mining;

(ii) a complaint on illegal mining in mining beach sand minerals in coastal Tamil Nadu was shared with the members, and the State Governments were requested to work towards curbing illegal mining seriously and conscientiously; and to send a status note in this regard.

(iii) the representatives of States were asked to take stringent measures against those indulging in illegal mining so that a clear message goes out and respect for law is established.

(Action: All State Governments and IBM)

2.3 During the course of discussions, it was pointed out by the representative from Railways that the State Government of Odisha was yet to review its restrictive practices which have affected utilization of rakes. In the eastern sector utilization has fallen considerably resulting in substantial losses to Railways. The representative from the State Government of Odisha informed that recently they have issued an order allowing part movement of ore outside the State and this should help Railways in getting sufficient rake load. Chairman desired that the issue be resolved by 31<sup>st</sup> January,2013.

(Action: Government of Odisha)

### **3. Implementation of Rule 45 of Mineral Conservation and Development Rules, 1988**

3.1 The representative from IBM informed that out of a total of 9530 mining leases in the country, 8192 have registered with the IBM so far in compliance with the amended Rule 45 of MCDR, 1988,. Special Secretary (Mines) asked IBM to share the data with the State Governments which will enable them to reconcile it with the information held by them. The Chairman requested the State Governments to ensure that all the lease holders furnish their returns online without fail, and also restrict any transaction of minerals between persons who are not registered with IBM. IBM was also requested to speed up the process of online commencement of all the 'F' Series forms,

development of 'H' series forms, Form 'N' and Form 'M'. IBM was also requested to give a status report on the implementation of the Rule 45 reporting along with the likely dates of completion of pending tasks.

(Action: IBM, All State Governments)

#### **4. Mining Tenement System(MTS)**

The Committee was informed that the Detailed Project Report (DPR) of MTS had been approved by the Core Committee in its meeting held on 31.10.2012. M/s Ernst & Young Pvt. Ltd. had been requested to prepare Expression of Interest (EOI) and Request for Proposal (RFP) as per approved DPR. The MoU to be signed between the State Governments and IBM has been finalized. State Governments were requested to sign the MoU with IBM by the end of January, 2013 so as to enable further appropriate action in the matter.

(Action: IBM, All State Governments)

#### **5. Model State Mineral Policy**

The representatives of the State Governments gave status of the formulation of their Mineral policy in line with the National Mineral Policy, 2008. The representative from the Government of Rajasthan intimated that they have already framed their State Mineral Policy while the Jharkhand Government's representative informed that the policy has been forwarded to their Law Department for vetting. The representative of the State Government of Andhra Pradesh assured that their mineral policy would be ready by February, 2013. The representative of the State Government of Chhattisgarh gave a copy of the State Mineral Policy, 2002 and informed that they propose to review it after the MMDR bill introduced in the Parliament is passed. It was suggested that the State Government may review its mining policy in the light of NMP 2008. It was desired that all the States, which are yet to frame their model State Mineral Policy should do so on top priority.

(Action: State Governments concerned)

#### **6. Status of setting-up of 'special anti-extortion and anti-money laundering Cell' to prevent the nexus between illegal mining / forest contractors and extremists**

State Governments' representatives were reminded that the information on setting up of a Special Anti-Extortion and Anti-Money Laundering Cell to prevent the nexus between illegal mining / forest contractors and extremists, as per the recommendations of the Second Administrative Reforms Commission in its Seventh Report, be furnished immediately. It was observed that except Rajasthan and Gujarat other states have not sent information in this regard. The representative of the State Government of Chhattisgarh mentioned that such issues were being handled either by their Economic Offences Wing or by the State Home Departments which are reluctant to share this sensitive and secret information with others. The States were asked to intimate the mechanism set up by them for implementing action on this item.

(Action: State Governments)

## **7. Royalty issues**

Special Secretary (Mines) said that the issues will be taken up by the Study Group set up for revision of royalty and dead rent. It was observed that cooperation of the member States is necessary to ensure that the final Report of the Study Group is ready by 31.3.2013.

(Action: IBM)

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

It was stated that the IBM has proposed introduction of a system of examination for grant of RQP Certification to evaluate the knowledge, expertise and capability of the persons to prepare Mining Plans and Scheme of Mining of desired quality by amending Rule 22B and C of MCR, 1960. The Committee was informed that a workshop will be conducted by the IBM wherein the representatives of the State Government would be invited for adequately sensitizing them of the requisite provisions. It was suggested that the recess period during the Budget session could be considered for organizing this workshop. Chairman was of the view that the workshop should be organized by IBM at Nagpur, as they have the necessary facilities there for holding a conference of this size and a formal proposal for organizing such a workshop is to be submitted by IBM immediately. The proposed two days workshop may also include mining plan and UNFC guidelines, which may be organized jointly by IBM and GSI.

(Action: IBM & GSI)

## **9. Amendment in Rule 37 of Mineral Concession Rules, 1960.**

It was stated that the Ministry is considering amendments in Rule 37 of the MCR, 1960 to bring in clarity on the interpretation of the terms "directly or indirectly financed to a substantial extent" and the terms "undertakings will or may be substantially controlled" so as to bring in greater compliance. It was observed that since none of the State Governments have sent their comments, the Ministry assumes that the State Governments have no objection to the proposed amendment and go ahead with moving a proposal for amending Rule 37 of MCR, 1960. State Governments were in agreement to the view. The matter is to be taken up with the DLA.

(Action: Ministry of Mines)

## **10. Preparation and Notification of Rules under Section 15 of the MMDR Act, 1957 in respect of minor minerals.**

While appreciating that some State Governments have framed Rules under Section 15 of the MMDR Act, 1957, they were also impressed upon the need to report compliance to directions issued by the Apex Court on 27.2.2012 in the Deepak Kumar case. Continuing deliberations on this matter it was appreciated that the Government of Rajasthan has reported compliance by amending their Minor Mineral Concession Rules. Other States were also requested to take similar action urgently. Representative of MoEF stated that the opinion of the Department of Legal Affairs, M/o Law and Justice was being sought on whether the reporting compliance by the State of Rajasthan was sufficient for the State to obviate the need for obtaining Environment Clearance for mining projects in areas less than 5 hectares in the case of Deepak Kumar. It was agreed that action by the State Governments and MoEF may be taken in parallel.

(Action: State Governments other than Rajasthan, MoEF)

## **11. Other items**

11.1 The status of pending mineral concession applications was reviewed on the basis of the quarterly reports received from the State Governments. It was observed with concern that the mineral concession proposals have continued to pile up and not much headway has been made at the level of State Governments in disposing them. It was decided that concerted efforts would be made by the State Governments for disposing the pending mineral concession applications.



(Action: All State Governments)

11.2 The representative of the Department of Atomic Energy(DAE) invited the attention of the Chair to the issues in the grant of licence with regard to beach sand minerals. It was stated that while the mining plans in respect of metallic minerals are approved by the IBM, the same in the case of atomic minerals are done by DAE. It was informed that although ilmenite, rutile, zircon, etc., which form part of the suite 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; they continue to be classified as atomic minerals under Part 'B" of Schedule I of the MMDR Act,1957. He suggested that a co-ordinating Committee consisting of officers of the DAE and the IBM should be constituted for sorting out the issue. JS(NK) opined that the complications had arisen due to the notification issued by DAE de-listing ilmenite, rutile, etc. and hence, DAE should explore the possibility of bringing back these minerals in the list of prescribed substances. A separate meeting may be taken by Special Secretary (Mines) within February, 2013 to arrive at a future course of action.

(Action: DAE)

11.3 The representative of the Govt. of Chhattisgarh raised the following issues:-

- i) IBM should open its office at Raipur as Chhattisgarh is a major mineral producing State. Presently Chhattisgarh State is under the purview of RCoM, Nagpur. It was further pointed out that IBM be strengthened by increasing its staff strength.
- ii) Rule 47 of MCDR 1988 mandates the holder of a prospecting licence to send intimation in Form J to the authorized officer of the IBM within 15 days of activity relating to sinking of shaft or borehole exceeding ten metres. It was pointed out that need for this intimation becomes redundant if the holder of PL has submitted scheme of mining and report of prospecting under Rule 4 and Rule 8 respectively of MCDR 1988. However, as per the present rule position non-submission of Form J is taken as breach of the terms and conditions of the prospecting licence thus depriving the holder of PL preferential right for obtaining mining lease under Section 11(1) of MMDR Act 1957. It was pointed that IBM should have powers to ignore such type of minor breaches. Chairman directed review of the rule position and necessary modification, if required.

- iii) The penal provision in MCDR 1988 are more stringent than the penal provisions in MMDR Act 1957. Section 21(1) of MMDR Act 1957 provides for imprisonment up to two years and fine up to Rs.25,000/- in cases of violations and whereas Rule 58 of MCDR 1988 provides for imprisonment up to two years and fine up to Rs.50,000/- in cases of violations. Chairman directed immediate review and reconciliation of the conflict, if any, in the Act and Rules.

( Action: Ministry of Mines & IBM)

11.4 The representative of the IBM pointed out that as per Rule 22(4A) of MCR 1960, State Governments have been empowered to approve mining plans of 29 minerals listed therein. It was stated that despite such a provision the mining plans of all major minerals from State of Chhattisgarh were being submitted to IBM for approval resulting in extra burden for their officers. The representative of the State Government attributed this to the shortage of trained officers in the State Government. Chairman observed that the State Government should take immediate steps for performing the - activity assigned to it. Chairman desired that the State Government train its officers for performance of the job assigned to them as per provision of MCR 1960, within six to eight months. IBM may not be in a position to continue to perform the work beyond 30<sup>th</sup> September, 2013.

12. In his concluding remarks, Chairman stated that the meeting would serve its purpose only if the stakeholders engage themselves in a vision mission matrix. He stated that the Chief Secretaries of all mineral rich States should be requested to depute officers at least of the level of Super Time Scale or above for this meeting in order to make the discussions more meaningful. He urged all State Governments to improve their human resources and particularly train and strengthen their mines and geology departments for proper discharge of their regulatory functions. He also stated that the Central Government would also initiate necessary steps for overhauling the functioning of IBM.

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

**List of participants in the meeting of the Coordination-cum-Empowered Committee on Mineral Development and Regulation held in Shastri Bhawan, New Delhi on 15<sup>th</sup> January, 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.
4. Shri Naresh Kumar, Joint Secretary, Ministry of Mines.
5. Dr. C.B.S. Venkataramana, AS, Department of Atomic Energy.
6. Shri A.K.Behera, EDTT/S, Ministry of Railways.
7. Shri S.K.Sinha, Director, Ministry of Fertilizers
8. Shri D.B. Singh, Director, Ministry of Steel.
9. Shri Sunil Kumar, Dy. Director(R&I), DGCA.
10. Shri H.C.Chaudhary, AIGF, MoEF.
11. Dr. Saroj, Director, MoEF.
12. Dr. R.P.Acharya, Dy. Secretary, Department of Atomic Energy.
13. Shri K.B.Naik, Under Secretary, Ministry of Steel.
14. Shri D.Srinivasulu, Principal Secretary, Inds. & Comm, Govt. of AP.
15. Shri M.K.Tyagi, Secretary, MRD, Govt. of Chattisgarh.
16. Shri Rajendra Sharma, Addl. Secretary, MRD, Government of Madhya Pradesh.
17. Shri Shailendra Bhushan, Jt. Secretary, Mines & Geology Deptt., Govt. of Jharkhand.
18. Shri R.K. Hirat, Addl. Director, Mines and Geology Deptt, Govt. of Rajasthan.
19. Shri D.R.Veerana, Addl. Director, Mines and Geology Deptt, Govt. of Karnataka.
20. Shri R.S.Kalamkar, Joint Director, DGM, Government of Maharashtra.
21. Shri Deepak Mohanty, Director, Deptt. of Steel & Mines, Govt. of Orissa
22. Shri S.Perumal, Deputy Director(Mines), DGM., Govt. of Tamil Nadu
23. Shri N.K.Hans, Supdtt. Geologist, Govt. of Chattisgarh.
24. Shri S.D.Kapse, Geologist, CGM, Govt. of Gujarat.
25. Shri Ranjan Sahai, COM, Indian Bureau of Mines (IBM).
26. Shri R.N.Meshram, CME, IBM
27. Shri U.K.Behera, Dy. Director General,, GSI.
28. Shri Pankaj Kulshrestha, RCOM (CZ), IBM
29. Shri M.S.Jairam, Director, GSI.
30. Shri D.D Bhardwaj, ACOM, IBM
31. Shri R.K. Malhotra, Consultant, Ministry of Mines
32. Shri A.K.Kadian, Under Secretary, Ministry of Mines
33. Shri A.K.Mallik, Under Secretary, Ministry of Mines.
34. Shri Amit Choubey, Section Officer, Ministry of Mines
35. Shri P. Vinay Kumar, Section Officer, Ministry of Mines

