

**Minutes of the 3<sup>rd</sup> Meeting of Central Coordination-cum-Empowered Committee(CEC) to monitor and minimize delays in grant of approvals for mineral concessions, held on 18<sup>th</sup> June, 2010 in Shastri Bhavan, New Delhi**

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The 3<sup>rd</sup> Meeting of the Central Coordination-cum-Empowered Committee to monitor and minimize delays in grant of approvals for mineral concessions was held under chairpersonship of Secretary (Mines) on 18<sup>th</sup> June, 2010 at Shastri Bhavan, New Delhi. The list of participants is at Annexure-I.

Secretary (Mines) welcomed the participants and observed that it would be useful for the concerned State Secretary to attend the meetings in future since these are important meetings which deliberates upon critical issues in the sector, exchange of information and best practices.

**1. Review of the Position regarding constitution of State Level Empowered Committee**

1.1 The last two meetings of the CEC had impressed on the necessity of State Level Coordination Committee (SLCC) to be constituted in each State under the chairmanship of Chief Secretary or Additional Chief Secretary/ Principal Secretary of the Mining/ Industries Department with representative from all concerned Departments/institutions for coordinating with their concerned Revenue Department for managing the land for purpose of concessions, ensuring forest and environment clearances, monitor the process of approval of concessions etc. Review of the position regarding constitution of State Level Empowered Committee showed that ten State Governments have constituted such Committees in their States, namely, **Andhra Pradesh, Chhattisgarh, Gujarat, Goa, Haryana, Karnataka, Maharashtra, Orissa, Rajasthan and West Bengal.**

1.2 Joint Secretary (Steel) stated that their Ministry was not part of the State Level Coordination Committee constituted by some of the States namely, Maharashtra, Chhattisgarh and West Bengal. Secretary (Mines) advised all the State Governments to include Ministry of Steel, Ministry of Shipping, Ministry of Railways, Ministry of Environment and Forests and Department of Revenue (Customs) in the State Level Coordination Committee along with

Geological Survey of India (GSI) and Indian Bureau of Mines (IBM), to have comprehensive discussion on issues facing the mineral sector.

(Action: SLCC constituted State Governments/ Ministry of Mines)

1.3 The State Governments where the SLCC have not been constituted were advised to constitute the Committees at the earliest with inclusion of Ministries/ Departments as in para 1.2.

(Action: Non-SLCC constituted State Governments/ Ministry of Mines)

## **2. Steps taken by the Ministries of Environment and Forests for expediting FCA clearances**

2.1 Additional DG of Forests, MOEF observed that through their 6 regional offices they have their database on FCA clearances. He urged the participants especially the State Governments to access the website of the MOEF ([www.moef.nic.in](http://www.moef.nic.in)), where there is a link to 'Clearances' and further links to 'Environment Clearance' and 'Forest Clearance'. This site would facilitate the State Governments as well as the applicants to check the status of their cases online. He also requested the State Governments to prepare a list of cases in chronological order and send it to the MOEF by email either in [cdsingh1987@rediffmail.com](mailto:cdsingh1987@rediffmail.com) or [cbgifs@rediffmail.com](mailto:cbgifs@rediffmail.com), if there are any specific issues, so that they can be looked into.

(Action: State Governments/ Ministry of Environment & Forests)

2.2 Regarding connectivity of database with the State Forest Departments, Addl. DG of Forests observed that they would have a separate meeting on the subject within 2 months where apart from MOEF and Ministry of Mines, NIC of the two Ministeries would participate.

(Action: Ministry of Environment & Forests/ Ministry of Mines)

## **3. Measures to tackle illegal Mining**

3.1 Reviewing the action taken on decisions of the last meeting dated 22.12.2009, Secretary (Mines) observed that measures initiated by the Central Government and State Governments to deal with the problem of illegal mining need to be fully operationalised and taken to their

logical conclusion. She specifically emphasized upon the need for greater inter-departmental coordination and synergy to track down the instances of illegal mining.

3.2 Secretary (Mines) emphasized the need for setting up of SLCC and the problem of tackling illegal mining could be taken up at the State Level Coordination Committee where concerned authorities from Ministry of Shipping, Ministry of Railways, Ministry of Environment & Forests and Department of Revenue (Customs) and Ministry of Steel would be there. The Central Ministries may be invited to the State Level Coordination Committee when there is an issue relating to them. States were requested to identify action points for the State Government Action Plan for curbing illegal mining and Action Plans.

3.3 Adviser (Infrastructure), Railway Board, Ministry of Railways informed that following the COS meeting on mineral developments in Orissa held on 20<sup>th</sup> May 2010, the Ministry was taking further action as follows in respect of Orissa:-

- (i) Indents placed by consigners for loading of minerals are to be accepted only if its forwarding notes have been duly validated by the Department of Mines of the State Government.
- (ii) The State Government of Orissa was to put in place a system under which only one Transit Permit/Pass would be issued per rake instead of the existing system of issuing one Transit Pass per truck so as to simplify the procedure. Two copies of Transit Pass will be handed over to the railways out of which the Railways will retain one copy and return the other copy to the mining authorities for cross verification.
- (iii) M/o Railways will put in place an entry-exit system at the yards within two months to enable systematic loading of rakes at the railway sidings.
- (iv) Railway authorities will submit monthly returns containing the details of the minerals transported from the railway sidings to the local mining officer of the

State Government so as to facilitate detection of transportation of any illegally mined minerals.

- (v) The system to be introduced by M/o Railways as indicated above will be equally applicable for public sidings as well as the private sidings. Once the system is stabilized and made permanent for the railway sidings, M/o Railways will replicate the system all over the country.

(Action: Ministry of Railways/ Ministry of Mines)

3.4 Joint Secretary (Ports), Ministry of Shipping stated that they have a checking system of transportation of material at their Ports. He mentioned that they have advised all the Ports in the country to adopt measures similar to those introduced by Paradip Port Trust authorities to streamline the movements of consignment by road and rail upto the Port for export purposes vide letter dated 24.5.2010. The measures include providing list of mineral exporters to the State Government and M/o Railways, verifying receipt of minerals against valid permit/challan, unauthorized movement of minerals within the Port not allowed, etc. Joint Secretary (Ports) also mentioned that the Traffic Manager of Ports would be part of the SLCC, wherever applicable. Secretary (Mines) desired that Ministry of Shipping should provide a copy of the letter dated 24.5.2010, so that if need be Ministry of Mines would follow it up.

(Action: All State Governments/ Ministry of Shipping/ Ministry of Mines)

3.5 Joint Secretary (Customs), Department of Revenue informed the Committee that they have issued instructions to Customs offices for sharing the details of minerals exported through the Ports with the concerned State Governments on a regular basis as agreed for Goa. Identification of 'nodal officer' of the State with whom exact modalities of information/ data exchange would need to be worked out by Customs authorities in consultation with the concerned State Governments was the key issue from the point of view of Customs. Secretary (Mines) directed all State Governments present to nominate their 'nodal officer' for Customs (Department of Revenue), Ministry of Railways and Ministry of Shipping for handling outstanding issues related to them. Out of eleven States present in the meeting seven of them

nominated their 'nodal officer' for handling outstanding issues with Customs, Railways and Shipping appended at Annexure-II. Others were requested to convey the same to the Ministry of Mines, Government of India by 15<sup>th</sup> July 2010. The details of the 'nodal officer' would be furnished to Customs (Department of Revenue), Ministry of Railways and Ministry of Shipping on receipt.

{(Action: Concerned State Governments/ Ministry of Mines/ Ministry of Railways/ Ministry of Shipping/Department of Revenue (Customs))}

3.6 Joint Secretary (Steel) stated that more than illegal mining, their ministry is greatly concerned about mineral concessions and renewal of application where environment and forest clearance by the M/o Environment & Forests was a major hurdle. Secretary (Mines) stated that Forest Act came into being in 1980. Renewals of applications thus were subject to provision of the Act mandatory for FCA clearances. Secretary (Mines) advised Joint Secretary (Steel) to bring the issue on a case by case and state by state basis. Joint Secretary (Steel) also raised the issue of security in Jharkhand and Chhattisgarh, especially deployment of inadequate forces for safeguarding pipelines in Jharkhand. He also raised the issue of a number of existing iron ore mines getting closed on account of violations. In such cases he requested that technical violations by miners be differentiated from substantive violations. In cases, where there are only minor violations of technical nature, quick remedial action be taken and it be ensured that these mines are reopened after getting the needful done. Only in cases, where there are violations of substantive nature, stiff action like closure of mines and penal and/or criminal action be taken against the mining companies. In the context it was explained that reopening of mines after violation depended entirely upon the miner and the promptness with which he approached IBM after correcting violation pointed out.

3.7 Stock taking of preparation of Action Plan identifying the Action Points as furnished to the State Chief Secretaries from Secretary (Mines) vide D.O. No. 16/12/2009-MVI dated 8.12.2009, showed that some States have prepared the Action Plan and have sent to Ministry of Mines. Few had brought it along with them and handed over to the Ministry of Mines in the meeting. Some still remained in the process of preparation. Status of action taken by the States to adopt measures to curb/ prevent illegal mining is summarized as under;

**3.7.1 Submission of Action Plan:** State Governments of Maharashtra, Gujarat and Jharkhand have submitted Action Plan. State Governments of Tamil Nadu, Karnataka, Andhra Pradesh, Madhya Pradesh, Chhattisgarh, Orissa, Rajasthan, Goa, which have not submitted the Action Plan, assured to submit the same at the earliest.

**3.7.2 Constitution of Task Force:** State Governments of Andhra Pradesh, Karnataka, Madhya Pradesh, Chhattisgarh, Orissa, Gujarat, Rajasthan, Jharkhand and Goa have constituted the Task Force. State Government of Maharashtra and Tamil Nadu have not so far constituted the Task Force, were advised to constitute at the earliest.

**3.7.3 Framing of Rules under Section 23C of MMDR Act:** Rules have been framed by the State Governments of Andhra Pradesh, Karnataka, Madhya Pradesh, Chhattisgarh, Maharashtra, Orissa, Gujarat, Rajasthan, Jharkhand and Goa. State Government of Tamil Nadu has not framed the rules as yet and was advised to do it at the earliest.

**3.7.4 Registration of End-users:** The mechanism has been put in place by the State Government of Andhra Pradesh, Gujarat, Goa and Orissa. Other State Governments present were advised to start the process immediately.

**3.7.5 Constitution of Special Cell in State Police:** None of the State Governments whose representatives were present during the meeting had constituted the Special Cell in their State Police to deal with illegal mining. However, they assured to do so at the earliest.

**3.7.6. Use of Satellite Imagery:** State Governments of Orissa and Rajasthan reported use of Satellite imagery. It was stated by the Secretary, Goa that they will be using the Satellite imagery with the help of IBM. Principal Secretary, Government of Maharashtra also stated that they have initiated dialogue with ISRO to take up the use of satellite imagery. Other State Governments were advised to start using the facility of Satellite imagery to track down illegal mining.

**3.7.7 Hologram-marking/ bar coding of transport:** State Governments of Gujarat, Jharkhand, Karnataka, Orissa reported to have started hologram-making/ bar-coding of transport permit or

some sort of securitization of transport permit. Other State Governments present were advised to start the process immediately.

**3.7.8 Special Measures Undertaken:** It was reported by the Government of Orissa that they are planning to set up a special camp at sites for disposal of pending renewal cases. Government of Rajasthan reported that Border Home Guards are being deployed in areas where there have been complaints about illegal mining. Government of Jharkhand stated that they plan to have a joint meeting with Government of Orissa to tackle inter-state problems relating to illegal mining. Government of Goa reported to have devised a system of transferring information about trucks carrying iron ore in real time from weigh bridge to the State Directorate of Mines and Geology so that any illegal transportation could be tracked down.

(Action: State Governments/ Ministry of Mines)

3.8 The issue of sand came up while discussing illegal mining. Secretary (Mines) observed that the case of iron ore today would be the case of sand in future. Sand she stated is going to be a scarce commodity in days to come. Along with this, quality of sand is coming down which would result in reduction in the life of construction/building, say from an average of 60 years to 30 years, which is alarming. Secretary (Mines) asked the State Governments to initiate efforts to develop alternative of sand for construction. The effort was important since unmindful extraction of sand can adversely impact carrying capacity of water. It was also necessary to develop alternative to sand, including industrial wastes.

Secretary (Mines) desired that Geological Survey of India (GSI) may inform availability of sand in the country so that the whole issue could be discussed in the next meeting.

(Action: GSI/ Ministry of Mines)

#### **4. Adoption of Model State Mineral Policy**

4.1 All the State Governments were requested to consider revising/ formulating their respective Mineral Policies keeping in view the National Mineral Policy, 2008. Draft Model State Mineral Policy was also circulated to facilitate the process. Some States like Maharashtra,

Gujarat and Chhattisgarh stated that they have a State Mineral Policy in place. However, some other States like Jharkhand, Karnataka, Orissa stated that the formulation of State Mineral Policy is under progress and at different stages of approval. Madhya Pradesh and Rajasthan stated that the State Mineral Policy has been prepared and has been submitted to Cabinet for approval. Special Secretary (Mines) advised the State Governments that the process to put the Mineral Policy in place be expedited, wherever it has not been done. A copy of the Policy as and when formulated may be sent to Ministry of Mines, Government of India.

(Action: All State Governments)

## **5. Issues relating to Royalty**

5.1 The Ministry notified new rates of royalty and dead rent with effect from 13.8.2009 by amending Rule 64D of the Mineral Concession Rules, 1960 for calculating average sale price of minerals by the IBM for such minerals for which royalty is computed on ad valorem basis. All the States agreed that royalty collection in their respective States has increased in 2009-10 over 2008-09. It was advised that the information on the increase in the royalty collections of State Governments may be given.

(Action: All State Governments/ Ministry of Mines)

5.2 Secretary, Jharkhand raised the issue of low average prices of iron ore produced in Jharkhand as compared to other iron ore producing States like Chhattisgarh and Orissa as published by IBM referring to the letter written by Hon'ble Chief Minister of Jharkhand to Hon'ble Minister of Mines. Joint Secretary (MR) stated that the issue has been clarified to the Hon'ble Chief Minister. A Monitoring Committee has been constituted in IBM for checking pit mouth prices reported by the miners with actual invoices/bills on random basis. The Monitoring Committee has had 2 meetings where it took up specific issues and initiated actions. IBM has requested all State Governments including Jharkhand to furnish information on the actual invoice prices of the minerals to cross-check the data furnished by them.

(Action: Government of Jharkhand/ Ministry of Mines/ IBM)

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

6.1 The MCR lays down time schedule for (a) disposal of concession applications; and (b) grant of renewals. It was highlighted in the meeting that for various reasons including slow processing of forest clearances, applications remain pending and in case of renewals, operates under deemed extensions. These circumstances provide perverse incentives for illegal mining of various kinds. It was, therefore, decided to provide for quarterly reports on status of mineral concession cases for which three proformae was circulated to State Governments on (i) pending mineral concession applications (ii) lease execution and (iii) renewal applications. Barring State of Karnataka, Haryana and Himachal Pradesh who have furnished quarterly report for the quarter ending December 2009 (due by 15<sup>th</sup> January 2010), no reports from any other State Government for the quarters ending December, 2009 and March, 2010 (due by 15<sup>th</sup> April, 2010) have been received. Special Secretary(Mines) reiterated that these three proformae are important proformae and once it is compiled on its receipt, it will be a management tool for all the States. He further expressed that State may update the register available with the district and sent **latest by 31<sup>st</sup> August, 2010.**

(Action: All State Government/ Ministry of Mines)

## **7. Disposal of Reconnaissance Permit (RP) cases pending with the State Governments**

7.1 Addl. DG (Military Services), Ministry of Defence explained the system of processing applications for Reconnaissance Permit. Before the Ministry of Defence grant permission, they go through certain essential stages, viz. verification of the antecedents of the applicant; checking the intelligence aspect; and carrying out a survey. Normally this process takes about one to two months.

(Action: All State Governments/ Ministry of Mines/Ministry of Defence)

7.2 Special Secretary (Mines) on disposal of Reconnaissance Permit (RP) where large number of cases is pending with the State Governments advised them to clear the cases as to

whether to 'permit' or 'not permit'. In view of the fact that new Act under consideration in which RP is proposed to be made non-exclusive; once the new Act comes into forces, the RP applicants may have to apply for LAPL afresh which will mean loss of time and infructuous effort.

(Action: Ministry of Mines/ All State Governments)

## **8. Status of Letter of Intent (LOI) for purposes of reconciliation**

8.1 Special Secretary (Mines) stated that on reviewing mineral concession proposals, it has been observed that in a large number of cases where the prior approval of the Ministry has been conveyed to the State Governments, no intimation has been received regarding issuance of LOI by the State Governments. Some of the States like Goa, Jharkhand and Karnataka handed over the status of LOI in the meeting to the Ministry. State Government of Rajasthan mentioned that they will collect this information and send to the Ministry. The Committee advised all the State Governments to send status of LOI to the Ministry of Mines as early as possible for process of reconciliation.

(Action: Ministry of Mines/ All State Governments)

## **9. Difficulties faced by Reconnaissance Permit (RP), Prospecting Licence (PL), Mining Lease (ML) holders in Bastar region of Chhattisgarh due to law and order problems.**

9.1 The law and order problem in the Bastar region of Chhattisgarh was also stressed where despite RP, Mining Lease and Prospecting Licence were granted by the Government of Chhattisgarh, have not been operationalised. This issue which was brought to the notice of the Ministry by Federation of Indian Mineral Industries (FIMI) had suggested (i) a regional mineral development authority may be set up out of the existing DGM staff in the Bastar region, which could be entrusted with some powers to facilitate mineral development activities and solve the problems by better coordination with law and order enforcing agencies; and (ii) the industries associated with mineral development in the region may be used as a catalyst for infrastructure

development by the authority. The State Government of Chhattisgarh may intimate to the Ministry of Mines on the above observations/suggestions.

(Action: Ministry of Mines/ Government of Chhattisgarh)

## **10. Return of pending cases**

10.1 Special Secretary (Mines) pointed out that the Ministry and the State Governments had been engaging in efforts to clear concession proposals pending for long time in the Ministry primarily because of certain clarifications/ comments sought from State Governments on various important aspects of the proposal. Most of the clarifications are still pending with the State Governments resulting in proposals pending. He urged the State Governments to follow the guidelines issued on 24<sup>th</sup> June 2009 and review all pending cases and furnish clarification/comments at the earliest.

(Action: Ministry of Mines/ All State Governments)

## **11. Proper utilization of Periphery Development Funds contributed by mining companies to the State Government**

11.1 Special Secretary (Mines) stressed on the need for utilization of Periphery Development Fund contributed by the mining companies to the State Government. He reiterated that all State Governments need to put in place a well defined policy on the subject which would bring a sense of 'no loss' to the local community. Government of Andhra Pradesh was advised to intimate the mechanism to utilize 20% Periphery Development Fund in tribal areas consequent to SAMATHA judgment. The State Governments were advised to intimate the status of action taken by them.

(Action: Ministry of Mines/ All the State Governments)

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

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**List of Participants in the 3<sup>rd</sup> Meeting of the Central Coordination-cum-Empowered Committee held on 18.6.2010**

1. Ms. Santha Sheela Nair, Secretary (Mines) - In the Chair
2. Shri S. Vijay Kumar, Special Secretary (Mines)
3. Ms. A.B.Pande, Joint Secretary (M&R), Min. of Mines
4. Shri S.K. Nayak, Joint Secretary(M), Min. of Mines
5. Dr. P.B. Gangopadhyay, Addl. DG of Forests, Min. of Environment & Forests
6. Major General R.C. Padhi, DDG(Military Service), Ministry of Defence
7. Shri U.P. Singh, Joint Secretary, Ministry of Steel
8. Shri Sandeep M. Bhatnagar, Joint Secretary (Customs), Deptt. of Revenue, Min. of Finance
9. Shri Rakesh Srivastava, Joint Secretary (Ports), Min. of Shipping
10. Shri P. Bhatnagar, Adviser (Infrastructure), Railway Board, Min. of Railway
11. Shri Nitesh Kumar Dutta, Director General, Geological Survey of India, Kolkata
12. Shri Azeez M. Khan, Principal Secretary (Industries), Government of Maharashtra
13. Shri Rajeev Ranjan, Principal Secretary (Industries), Government of Tamil Nadu
14. Shri Govind Sharma, Principal Secretary (Mines), Government of Rajasthan
15. Shri N.N. Sinha, Secretary (Mines), Government of Jharkhand
16. Shri Manoj Ahuja, Secretary (Steel and Mines), Government of Orissa
17. Shri Raajiv Yaduvanshi, Secretary (Mines), Government of Goa
18. Shri B.R.V. Susheel Kumar, Director, Deptt. of Mines and Geology, Govt. of Andhra Pradesh.
19. Shri R.K. Sharma, Director, (Geology and Mining), Government of Madhya Pradesh.
20. Shri S.K. Trivedi, Director, (Geology and Mining), Government of Chhattisgarh
21. Shri D.R. Veeranna, Addl. Director, Deptt. of Mining and Geology, Govt. of Karnataka
22. Shri G.T. Pandya, I/c Additional Director(FS), Government of Gujarat
23. Shri M. Sengupta, SGMG, Indian Bureau of Mines, Nagpur, Min. of Mines
24. Shri Shri H.D. Gujrati, ED/TT(S), Min. of Railway
25. Shri Sanjiv Kumar Singh, Technical Officer, TRU, Deptt. Of Revenue, Min. of Finance
26. Shri G. Srinivas, Director, Min. of Mines
27. Shri A.K. Nayak, Director, Min. of Mines
28. Dr. Chandramani Sharma, Director, Min. of Mines
29. Shri V. Prasad, Section Officer, Min. of Mines.

**Nodal Officers nominated by State Governments for Central Ministries namely M/o Railway, M/o Shipping and Department of Revenue (Custom)**

Sl. No.	Name of the State	M/o Railway	M/o Shipping	Deptt. of Revenue (Customs)
1	Gujarat	Shri J.M. Patel Addl. Director, Commissioner of Geology and Mining, Block No. 1, 7 <sup>th</sup> Floor, Udyog Bhavan, Sector -11, Gandhinagar – 382011, Tel: 079-232 54151, Fax:079-232 56794	Same as M/o Railway	Same as M/o Railway
2	Goa	Shri Agnelo D'Souza Sr. Geologist, Directorate of Industries and Mining (Mines Wing), Govt. of Goa, Panaji – 403 001. Tel: 0832-2422765 Fax: 0832-2415291	Same as M/o Railway	Same as M/o Railway
3	Jharkhand	Shri B.B. Singh Director, Mines, Nepal House, Ranchi-834002, Tel: 0651-2490235, Mob: 09431706093		
4	Karnataka	Shri D.R. Veeranna Addl. Director Deptt. of Mines & Geology Govt. of Karnataka, Khanija Bhawan, PB No. 5166, No. 49, Race Course Road, Bangalore – 560 001. Tel: 080-22384247	Same as M/o Railway	Same as M/o Railway
5	Maharashtra	Shri R.S. Kalamkar Dy. Director, Deptt. of Geology and Mining Government of Maharashtra, Old Secretariat Building, Civil Lines, PB-111 (Opp:GPO) Nagpur – 440 001. Tel: 0712-2560554, -2565586		
6	Orissa	Director, Mines Directorate of Geology, Bhu-Bigyan Bhawan, Unit V, Bhubaneswar – 751001 Tel No. 0674-2392374, 09437279417	Same as M/o Railway	Same as M/o Railway
7	Rajasthan	Shri B.R.K. Ranga Addl. Director, Mines(Hq.) Directorate of Mines and Geology Government of Rajasthan, Khanij Bhawan (near Shastri Circle), Udaipur – 313 001 Tel: 0294-2413031, 09414143111		

