

No. 15/1/2018-M.V-Part(2)  
Government of India  
Ministry of Mines  
\*\*\*\*\*

Shastri Bhawan, New Delhi  
Dated the 17<sup>th</sup> July, 2018

## OFFICE MEMORANDUM

Subject: Draft Cabinet Note on National Mineral Policy 2018

The undersigned is directed to circulate herewith, as part of the inter-ministerial consultations, a copy of the draft Cabinet Note containing proposal for a new National Mineral Policy 2018 ("NMP 2018"). This NMP 2018 will replace the extant National Mineral Policy 2008.

2. Approval of the Hon'ble Minister for Mines has been obtained for circulating the draft Cabinet Note for inter-ministerial consultation. All concerned Ministry/Department/Organisations are requested to send their comments/ views on the enclosed draft Cabinet Note within the stipulated timeline/at the latest by 3<sup>rd</sup> August, 2018 positively.

3. This may be considered as TOP priority.

*[Signature]*  
(Bipul Pathak)

Joint Secretary to the Government of India  
Tel. No. 011-23384741  
E-mail: [jsm-mines@nic.in](mailto:jsm-mines@nic.in)

- [Signature]* 19/7
- Encl: 1. Draft Cabinet Note  
2. Copy of Report of Committee constituted for revising NMP 2008

To,

- [Signature]* 20/7
1. Shri Amitabh Kant, CEO, NITI Aayog
  2. Shri C. K. Mishra, Secretary, MoEF&CC
  3. Dr. Inderjit Singh, Secretary, Ministry of Coal
  4. Dr. Aruna Sharma, Secretary, Ministry of Steel
  5. Dr. Hasmukh Adhia, Secretary, Ministry of Finance
  6. Shri Subhash Chandra Garg, Secretary, Department of Economic Affairs
  7. Shri Yudhvir Singh Malik, Secretary, Ministry of Road Transport and Highways
  8. Shri Gopal Krishna, Secretary, Ministry of Shipping
  9. Shri Deepak Khandekar, Secretary, Ministry of Tribal Affairs
  10. Shri Ashwani Lohani, Chairman, Railway Board
  11. Shri Amarjeet Sinha, Secretary, Ministry of Panchayati Raj
  12. Dr. Ajay Kumar, Secretary, Department of Defence Production
  13. Shri Ramesh Abhishek, Secretary, Department of Industrial Policy & Promotion
  14. Ms. Rita Teotia, Secretary, Department of Commerce
  15. Ms. Bharathi S. Sihag, Secretary, Department of Fertilizers
  16. Dr. Sekhar Basu, Chairman, Department of Atomic Energy
  17. Prof. Ashutosh Sharma, Secretary, Department of Science and Technology
  18. Dr. M. Rajeevan, Secretary, Ministry of Earth Sciences
  19. Shri Hecralal Samariya, Secretary, Ministry of Labour and Employment;

Copy for information to:

1. Prime Minister's Office ( Shri Ajit Kumar, DS), South Block, New Delhi.
2. Cabinet Secretariat, ( Shri S.G.P. Verghese, Director), Rastrapati Bhavan, New Delhi.

FTS - 82824 / 2018 / Secy (IA)  
19/7/18

*[Signature]*  
EA (JSK)

Government of India  
Ministry of Mines

New Delhi, Dated the.....

### **NOTE FOR THE CABINET**

**Subject: National Mineral Policy, 2018**

#### **1. Introduction:**

The proposal seeks the approval of the Cabinet for the National Mineral Policy 2018 which will replace National Mineral Policy 2008 that has been in operation since March, 2008 ("Annexure-I"). The aim of National Mineral Policy 2018 is to have a more effective, meaningful and implementable policy that brings in further transparency, better regulation and enforcement, balanced social and economic growth as well as sustainable mining practices.

#### **2. Background:**

2.1 A comprehensive National Mineral Policy was first announced in March 1993 ("National Mineral Policy 1993"). It aimed at increasing mineral production in the country by attracting large investment through private sector participation, including foreign direct investment (FDI). In March, 2008, National Mineral Policy 1993 was replaced by National Mineral Policy 2008. During the last decade, National Mineral Policy 2008 has provided a comprehensive framework and direction to the Government to guide the development of mining in the country, including through legislative and regulatory changes.

2.2 Since March 2008 when National Mineral Policy 2008 was announced, seminal changes have been brought about in the framework of mining laws, rules

and regulations, most notably by virtue of Mines and Minerals (Development and Regulation) Amendment Act, 2015 and amendment of rules made under Mines and Minerals (Development and Regulation) Act, 1957. After introduction of amended act and rules, the new auction regime in Mining Industry started. During the course of first stage of auction 114 Blocks were put to auction but 81 got annulled also and only 33 were successfully allotted. The Mineral Auction Rules turned out to be a challenge in achieving speedy process of allotment of mines in auctions. Thus, the Mineral (Auction) Rules, 2015 were amended in year 2017. The Minerals (other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016 and the Mineral Conservation and Development Rules, 2017 were amended in year 2016 and 2017 respectively. There are many minor challenges also which emerged in various rules and Act also which require a long term guidance through improved National Mineral Policy.

2.3 Further, the impetus to review National Mineral Policy 2008 came about by way of a direction from the judiciary. The Hon'ble Supreme Court vide its judgment dated 02.08.2017 in Writ Petition (Civil) No. 114/2014 entitled **Common Cause v/s Union of India & Others** Inter alia directed the Union of India to revisit National Mineral Policy 2008 and to announce a fresh and more effective, meaningful and implementable policy. Relevant portion of the said judgement is reproduced in **Annexure-II**:

2.4 The Government of India, Ministry of Mines, constituted a committee on 14.08.2017 ("**Committee**") under the chairmanship of Dr. K Rajeswara Rao, Additional Secretary, Ministry of Mines to review National Mineral Policy 2008 with the following terms of reference (**Annexure-III**):

- a) *to review National Mineral Policy 2008 and suggest a new policy, taking into account the measures already taken and may need to be taken for bringing in further transparency, balanced social and economic growth, including sustainability of mining industry;*
- b) *to suggest recommendations for conservation and mineral development, and protection of environment and measures to assess the carrying capacity of mining in states/regions;*
- c) *to suggest measures for improvement of survey and exploration of minerals; database of mineral resources and tenements; scientific methods of mining; manpower development; infrastructure development; financial support for mining; and research in mining;*
- d) *to examine and make recommendations for development of strategic minerals;*
- e) *to examine and review fiscal aspects conducive to the promotion of mineral exploration and development, including beneficiation and other forms of product refinement; and*
- f) *any other matter which the Committee feels relevant.*

2.5 The Committee had representatives from the union ministries of Steel; Environment Forest & Climate Change; Coal; Finance; Shipping; Road Transport

& Highways and Railways. In addition, the Committee had members representing the twelve mineral rich states of Andhra Pradesh, Chhattisgarh, Goa, Gujarat, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Tamil Nadu, and Telangana. Additionally, the Committee had representation from the NITI Aayog, Geological Survey of India, Indian Bureau of Mines; Confederation of Indian Industry, Federation of Indian Mineral Industries, Federation of Indian Chambers of Commerce and Industry and The Associated Chambers of Commerce & Industry of India.

2.6 The Committee invited 'Samaj Parivartana Samudaya' and 'Goa Foundation'— two well-known voluntary organisations and environmental action groups associated with mining related issues. Similarly, Anthropological Survey of India, Indian Council of Forestry Research and Education Dehradun, and National Environmental Engineering Research Institute were also invited to take part in the deliberations of the Committee. Further, National Mineral Development Corporation Limited was also invited to give their viewpoints. Assistant Secretaries of related ministries, who had just completed district training, were invited for a brainstorming session to understand their perspective. Comments were also obtained from organisations like the Centre for Science and Environment.

2.7 The Committee invited stakeholders to submit representations and/or make presentations detailing their perceptions in respect of the various terms of reference of the Committee. The Committee held four meetings on 28.8.2017, 11.09.2017, 26.09.2017 and 13.10.2017, wherein the Committee viewed the presentations and held exhaustive discussions on the issues raised by the stakeholders.

2.8 A total of 46 sets of comments/suggestions were received from union ministries/departments, state governments, industry associations, professional bodies, mining companies, NGOs and voluntary organisations. Based on the comments received and the deliberations held in the first three meetings of the Committee, a preliminary draft National Mineral Policy document was prepared, which was shared and discussed in the fourth meeting of the Committee held on 13.10.2017 and a revised draft of National Mineral Policy 2018 as a part of the report of Committee was submitted to the Government on 31.12.2017.

2.9 The report of the Committee was accepted by the Ministry on 08.01.2018. Thereafter, the draft National Mineral Policy 2018 was put on the website of Ministry of Mines to invite comments and suggestions from the general public, governments of states and union territories, mining industry, stake holders, industry associations, and other persons and entities as a part of PLCP process. The last date for submission of comments and suggestions was 09.02.2018. In response, a total of 62 sets of suggestions and comments were received by the Ministry. These were further deliberated upon and the draft National Mineral Policy 2018 was further modified.

### 3. Proposal:

3.1 It is proposed to approve a new National Mineral Policy i.e. National Mineral Policy 2018 which will replace the existing policy i.e. National Mineral Policy 2008. The draft National Mineral Policy 2018 is placed as Annexure-IV to this Note. The existing policy i.e. National Mineral Policy 2008 is placed as Annexure-I to this Note.

**4. Justification:**

4.1 Introduction of National Mineral Policy 2018 is justified on account of the following reasons:

- a) To deal with the menace of indiscriminate and illegal mining in parts of the country, it is necessary to make the policy more effective and implementable so that it paves the way for dynamic regulation of mining operations in the country;
- b) Genuine concerns raised from time to time by the stakeholders engaged in mineral exploration and mining such as lack of incentives to take-up greenfield exploration, delays in obtaining statutory approvals and rationalisation of royalty and taxation that need to be addressed at the policy level;
- c) The inherent conflict between mining and environment needs to be resolved harmoniously so that the ever-growing industrial demand for minerals is fulfilled with lesser damage to flora and fauna while improving trust among major stakeholders;
- d) Greater importance needs to be given to the welfare of all project affected persons, especially those from the tribal communities, in line with the policy and legislative trends on subjects like land acquisition, forest rights and tribal welfare;

- e) **Vide judgement dated 02.08.2017 in Writ Petition (Civil) No. 114/2014, Hon'ble Supreme Court had issued a direction to the Union of India to revisit National Mineral Policy 2008 and to announce a fresh and more effective, meaningful and implementable policy.**
- f) **New concepts like inter generational equity as enumerated in the Hon'ble Supreme Court's judgment need to be incorporated appropriately in the policy paradigm for long term guidance.**

#### **5. Inter-Ministerial Consultations**

The draft of this cabinet note was circulated among the following ministries, departments, bodies and offices:

- a) .....
- b) .....
- c) .....
- d) .....
- e) .....

Their comments and the responses of the Ministry of Mines thereto are tabulated and are placed as Annexure-V to this Note. *(to be added later)*

#### **6. Financial Implications**

No direct financial implications to the Government of India are involved in the proposal.



**7. Approval Sought**

This note is submitted to the Cabinet:

- a) for approving the draft National Mineral Policy, 2018 placed as Annexure-IV;
- b) for notifying the National Mineral Policy, 2018 as approved by the Cabinet.

**8. Statement of Implementation Schedule**

The Statement of Implementation Schedule is attached with this Note as Appendix-I.

**9. Statement of Equity, Innovation and Public Accountability**

The Statement of Equity, Innovation and Public Accountability is attached with this Note as Appendix-II.

**10. Statement of Major Milestones and Corresponding Target Dates**

Rollout of the National Mineral Policy, 2018 is aimed at giving a general direction and framework to the mineral administration in the country. The National Mineral Policy 2018 will require implementation through amendments in Acts and Rules governing Mining Industry such as the Mines and Mineral (Development and Regulation) Act, 1957; the Mineral Conservation and Development Rules, 2017; the Minerals Concession Rules, 1960; the National Mineral Exploration Trust Rules, 2015; the Mineral (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016; the Mineral (Auction) Rules, 2015; the Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015; the Mineral

(Non-exclusive Reconnaissance Permits) Rules, 2015; the Minerals (Evidence of Mineral Contents) Rules, 2015 and also including the Offshore Areas Mineral (Development and Regulation) Act, 2002; the Atomic Energy Act, 1962; and Atomic Energy (Working of Mines, Minerals and Handling of Prescribed Substances) Rules, 1984; the Forest (Conservation) Act and Rules, 1980; and the Environment (Protection) Act, 1986 etc.

#### **11. Approval of the Minister-In-Charge**

The Minister-in-Charge of the Ministry of Mining has approved the submission of this Note to the Cabinet.

.....  
Joint Secretary  
Ministry of Mines  
Tel. No.

**Appendix-I  
(Para 8 of the Note)**

**STATEMENT OF IMPLEMENTATION SCHEDULE**

**Subject: National Mineral Policy, 2018**

<b>Gist of Decision Required</b>	<b>Projected Benefits</b>	<b>Time Frame and Manner of Implementation/ Reporting to Cabinet Secretariat</b>
Approval of the Cabinet is sought to the draft National Mineral Policy, 2018 for announcement by the Ministry of Mines.	Announcement of the new National Mineral Policy will ensure more effective regulation, quicker and transparent regulatory approvals, better management information system for industry, greater incentives for exploration and mining companies, better financial terms from banks for mining industry, greater welfare of project affected persons especially those residing in tribal areas and sustainable development in the mining sector for the benefit of present as well as future generations.	After obtaining the approval of the Cabinet, the new National Mineral Policy will be notified in the Official Gazette and which will be known as the National Mineral Policy, 2018. Based on approved Policy appropriate amendments in the relevant laws and rules will be carried out within a period of 24 months.

.....  
...  
**Joint Secretary**  
**Ministry of Mines**  
Tel. No

**Appendix-4I**  
**(Para 9 of the Note)**

**STATEMENT OF EQUITY, INNOVATION AND PUBLIC ACCOUNTABILITY**

**Subject: National Mineral Policy, 2018**

Sl. No.	The Required Goal	How does the Proposal Advance the Goal?
1	Equity and Inclusiveness	<p>The proposal seeks to create an environment which will incentivise and encourage private sector participation in exploring the country's geological potential expeditiously.</p> <p>It lays emphasis on strengthening the regulatory mechanism not only by envisioning a greater role for automation and technology in the regulation process but also by building greater public awareness and involving the local populations. It also focuses on the legislations for tribal areas to be guiding principles in mineral development to ensure equity and exclusiveness.</p> <p>It seeks to set a benchmark against which all mining operations may be evaluated in terms of their comparative performance on sustainable development framework and enforce commitment on part of the mining companies to adopt sustainable development practices for achieving environmental and social goals.</p>
2.	Innovation	Advocates transparency and non-discrimination in the process of grant of

		<p>mineral concessions and seeks to obtain for the mineral bearing states a fair share of the value of the minerals extracted. Also seeks to promote the use state-of-the-art technology in exploration, mining and regulation.</p> <p>As part of initiatives for ease of doing business, the concept of Exclusive Mining Zone with pre-embedded statutory clearances has been introduced.</p> <p>The concept of collaborative mining amongst mining concessionaires over large mining belt has been introduced for scientific and optimum extraction of mineral deposits.</p> <p>It seeks establishment of common smelting and refining facilities for small deposits of base metals. It proposes to give RP to exploration cum mining in virgin areas to give a big boost to exploration activity.</p>
3.	Public Accountability	<p>Seeks to ensure greater accountability of public officials by reducing discretionary powers, ensuring transparent decision making and time bound approvals.</p> <p>Seeks to replace gradually manual/physical inspections with e-governance systems.</p> <p>Seeks to resolve the problems being faced by the mineral sector especially with regard to lack of interest in exploration of the vast geological potential of the country.</p>

	<p>It encourages participation of the private sector in exploration with an emphasis on infusing 'state-of-the-art' technology.</p> <p>It seeks to benchmark royalty and other taxes with important overseas mining jurisdictions to make India an attractive destination for exploration and mining.</p> <p>It provides for bringing out annual business plan/ road map for development of mineral sector by the state-governments and reduces discretion by state officials.</p> <p>In order to curtail delay in commencement of mining operations, it envisages auction of mineral blocks with pre-embedded statutory clearances.</p> <p>It proposes setting up inter ministerial institution to address the various concerns of mining sector for its sustainable growth.</p>
--	---

.....  
Joint Secretary  
Ministry of Mines  
Tel. No

**Government of India**  
**Ministry of Mines**

**NATIONAL MINERAL POLICY, 2008**  
**(For non - fuel and non - coal minerals)**

**1. PREAMBLE**

Minerals are a valuable natural resource being the vital raw material for infrastructure, capital goods and basic industries. As a major resource for development the extraction and management of minerals has to be integrated into the overall strategy of the country's economic development. The exploitation of minerals has to be guided by long-term national goals and perspectives. Just as these goals and perspectives are dynamic and responsive to the changing global economic scenario so also the national mineral policy has to be dynamic taking into consideration the changing needs of industry in the context of the domestic and global economic environment. It is, therefore, necessary to revisit the National Mineral Policy, 1993, as provided in para 4 of the same, and to spell out in a revised statement the different elements of policy, including elements newly evolved, for the development of the mineral resources of the country.

**2. BASIC FEATURES**

2.1 The country is blessed with ample resources of a number of minerals and has the geological environment for many others. To exploit the country's geological potential it is important that scientific and detailed prospecting is carried out in search of its mineral resources. It will be ensured that regional and detailed exploration is carried out systematically in the entire geologically conducive mineral bearing area of the country using state-of-the-art techniques in a time bound manner. Minerals being a valuable resource the extraction of mineral resources located through exploration and prospecting has to be maximised through scientific methods of mining, beneficiation and economic utilisation. Zero waste mining will be the national goal and mining technology will be upgraded to ensure extraction and utilisation of the entire run-of-mines.

2.2 To achieve both these goals of large scale prospecting and optimal mining large investments will be required together with the latest technologies in prospecting and mining. The regulatory environment will be improved to make it more conducive to investment and technology flows. Capital market structures will be developed to attract risk investment into survey and prospecting. Transparency in allocation of concessions will be assured. Preference may be given to a value addition industry in grant of mineral concession. However, this will



not in any way undermining the security of tenure to a holder of a concessionaire. The development of a proper inventory of resources and reserves, a mining tenement registry and a mineral atlas will be given priority. Enforcement of mining plans for adoption of proper mining methods and optimum utilisation of minerals will be ensured. For these purposes the Geological Survey of India (GSI), the Indian Bureau of Mines (IBM) and the State Directorates of Mining & Geology will be strengthened with man power, equipment and skill sets upgraded to the level of state of the art.

2.3. Mining is closely linked with forestry and environment issues. A significant part of the nation's known reserves of some important minerals are in areas which are under forest cover. Further, mining activity is an intervention in the environment and has the potential to disturb the ecological balance of an area. However, the needs of economic development make the extraction of the nation's mineral resources an important priority. A framework of sustainable development will be designed which takes care of bio diversity issues and to ensure that mining activity takes place along with suitable measures for restoration of the ecological balance. Special care will be taken to protect the interest of host and indigenous (tribal) populations through developing models of stakeholder interest based on international best practice. Project affected persons will be protected through comprehensive relief and rehabilitation packages in line with the National Rehabilitation and Resettlement Policy.

2.4 As the country develops and industry grows assured availability and proximity of mineral resources will play an important role in giving a competitive edge to Indian industry. The multiplier effect of minerals processed into metals on downstream industrialisation cannot be over emphasised. Value addition will, therefore, be actively encouraged. However, such value addition will go hand in hand with the growth of the mineral sector as a stand alone industrial activity. While, appropriate linkages between exploitation of minerals and their end use including the development of industry based on the minerals will be established wherever feasible, a downward curve in an industrial sector using a particular mineral within the country need not be allowed to effect the growth of mining activity for that mineral. Hence employment and tertiary sector spin offs from both value addition as well as from mining will be encouraged so as to maximise the contribution of the mineral sector to the country's gross domestic product.

2.5 Mining infrastructure requires a special thrust as the economic efficiency of evacuation of minerals from pit mouth to user point or port or rail head is closely linked to the end use value of the mineral and of the viability of the industry using the mineral. Innovative structures will be devised for developing and financing the infrastructure needs of the mining sector. While assistance through viability gap funding will be extended where required the principle of user charges and Private Public Participation will be the basis on which mining infrastructure will be built.

2.6 India is a federal structure with a single economic space. Nevertheless, the legitimate fiscal interests of States which are mineral rich need to be protected. The revenues from minerals will be rationalised to ensure that the mineral bearing States get a fair share of the value of the minerals extracted from their grounds. New sources of revenue will be developed for the States and State agencies involved in mineral sector development and regulation will be encouraged to modernise in the areas of prospecting as well as regulation. The States will be assisted to overcome the problem of illegal mining through operational and financial linkages with the Indian Bureau of Mines.

2.7 To enable the use of state of the art exploration techniques, scientific mining and optimal use of minerals through ore dressing and beneficiation technologies it is necessary not only to promote research and development in minerals but to simultaneously establish appropriate educational and training facilities for human resources development to meet the manpower requirements of the mineral industry. These matters will receive prime importance and a comprehensive institutional framework for Research & Development, and Training will be developed.

2.8 These aspects constitute the essentials of the new National Mineral Policy, 2008. A more detailed approach towards putting these essentials into practice and details of other associated features of the Policy are spelt out in the following paragraphs.

### 3. REGULATION OF MINERALS

3.1. Management of mineral resources is the responsibility of both the Central Government and the State Governments in terms of Entry 54 of the Union List (List I) and Entry 23 of the State List (List II) of the Seventh Schedule of the Constitution of India. The Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act), lays down the legal frame-work for the regulation of mines and development of all minerals other than petroleum and natural gas. The Central Government has framed the Mineral Concession Rules, 1960 (MCR) for regulating grant of reconnaissance permits (RP), prospecting licences (PL) and mining leases (ML) in respect of all minerals other than atomic minerals and minor minerals. The State Governments have framed the rules in regard to minor minerals. The Central Government have also framed the Mineral Conservation and Development Rules, 1988 (MCDR), for conservation and systematic development of minerals. These are applicable to all minerals except coal, atomic minerals and minor minerals.

3.2. The Central Government in consultation with State Governments shall formulate the legal measures necessary for giving effect to the new National Mineral Policy, 2008, to ensure basic uniformity in mineral administration across the country and to ensure that the development of mineral resources keeps pace, and is in consonance with the

national policy goals. The MMDR Act, the MCR and the MCDR will be amended in line with the policy. The regulation of mines and development of mineral resources in accordance with the national goals and priorities as spelled out in the policy and the legal framework shall be the responsibility of both the Central and the State Governments.

3.3 In order to make the regulatory environment conducive to private investment the procedures for grant of mineral concessions of all types, such as Reconnaissance Permits, Prospecting Licenses and Mining Leases, shall be transparent and seamless and security of tenure shall be guaranteed to the concessionaries. The first-in-time principle in the case of sole applicants and the selection criteria in the case of multiple applicants will be appropriately elaborated. Prospecting and mining shall be recognized as independent activities with transferability of concessions playing a key role in mineral sector development.

#### **4. ROLE OF THE STATE IN MINERAL DEVELOPMENT**

The role to be played by the Central and State Governments in regard to mineral development has been extensively dealt in the Mines and Minerals (Development and Regulation) Act, 1957 and Rules made under the Act by the Central Government and the State Governments in their respective domains. The provisions of the Act and the Rules will be reviewed and harmonised with the basic features of the new National Mineral Policy. In future the core functions of the State in mining will be facilitation and regulation of exploration and mining activities of investors and entrepreneurs, provision of infrastructure and tax collection. In mining activities, there shall be arms length distance between State agencies (Public Sector Undertakings) that mine and those that regulate. There shall be transparency and fair play in the reservation of ore bodies to State agencies on such areas where private players are not holding or have not applied for exploration or mining, unless security considerations or specific public interests are involved.

#### **5. SURVEY AND EXPLORATION**

5.1. The Geological Survey of India is the principal agency for geological mapping and regional mineral resources assessment of the country. It shall be responsible for drawing up action oriented plans towards these ends in close cooperation with all other agencies engaged in this task. Detailed exploration on land is done by the Mineral Exploration Corporation, Directorates of Mining and Geology of the State Governments and various Central and State Public Sector Organisations. In conducting exploration for minerals special attention will be given by these government agencies to the development of strategic minerals through systematic investigation of potential sources which are difficult to otherwise access.

5.2 While these Government agencies will continue to perform the tasks assigned to them for exploration and survey, the private sector would in future be the main source of investment in reconnaissance and exploration and government agencies will expend public funds primarily in areas where private sector investments are not forthcoming despite the desirability of programmes due to reasons such as high uncertainties. To expedite completion of reconnaissance work for the entire country as early as possible an open sky policy of non-exclusivity for reconnaissance work will be adopted. At the same time to attract large investments and high technology a new instrument to be known as Large Area Prospecting License will be introduced. However such bulk minerals which do not need risk investment and high technology will not be eligible for Large Area Prospecting License. The durations of all concessions will be rationalised and areas of operations enlarged suitably within each state.

5.3 It is necessary to ensure that India's exclusive economic zone is explored and exploited to the maximum possible extent. The Ministry of Earth Sciences (MoES) and its agencies are entrusted with the task of sea-bed exploration and mining. Cooperation between MoES and GSI will be institutionalised so as to achieve this objective within a time bound framework. The task of mapping out the extended economic zone will be expedited and completed within the time prescribed by the International Sea Convention so that no area of sea bed mining is lost to the country.

5.4 Particular attention will be given to the survey and exploration of minerals in which the country has a poor resource-cum-reserve base despite having the geological potential for large resources. Minerals for which there is demand within the country either for use or for export after processing will be prioritised. Exploration for lower grade hematite, magnetite, base metals, noble metals, diamonds and high grade Ilmenite will be put on the fast track.

5.5 Coordination of the regional exploration work by government agencies is at present being done by the Central Programming Board of the Geological Survey of India. The disaggregated projects are generally discussed in the State Level Committees and other technical forums before being incorporated into the annual programme. The existing arrangement shall be revamped to ensure that projects and programmes are prioritised in line with the national policy goals and are chalked out after taking into account the exploration work undertaken by the private sector.

## **6. DATA BASE OF MINERAL RESOURCES AND TENEMENTS**

6.1 The national inventory of mineral resources will be based on a comprehensive and up to date review of exploration data. In coordination with Geological Survey of India, the Indian Bureau of Mines will maintain a database in digitised form comprising both a Resource Inventory and a Tenement Registry. The resource inventory will be in accordance with the latest

version of the UNFC system showing reserves and remaining resources as well in the traditional IBM form of resources and probable and proven reserves. The Tenement Registry will give information of both Leasehold Areas as well as Freehold Areas in terms of green field, brown field and relinquished areas including areas given up by the GSI and other RP/PL holders as not pursued. The data would be maintained online giving instant information to prospective investors on what is available for reconnaissance, prospecting and mining. Summaries of work done by public agencies will be kept in the form of meta-data in the public domain and detailed reports will be made available to interested investors on cost recovery basis.

6.2 Data filing requirements will be rigorously applied and all concession holders will be subjected to detailed monitoring in this regard. The lock-in arrangements will be assured and released data will be integrated with the data generated by the state agencies and made available to other prospectors.

## **7. STRATEGY OF MINERAL DEVELOPMENT**

### **7.1 General Strategy**

The Strategy for development of any mineral should naturally keep in view its ultimate end uses in terms of demand and supply in the short, medium and long terms. The guiding principle in the strategy of development of any mineral or mineral deposit at any location shall ordinarily be the economic cost of recovery i.e extraction cost relative to market price and will hence be determined by the market. However, a disaggregated approach in respect of each mineral will be adopted and a mineral specific strategy will be developed. To maximise gains from the comparative advantage which the country enjoys intra se mineral development will be prioritised in terms of import substitution, value addition and export, in that order.

### **7.2 Conservation and Mineral Development**

Conservation of minerals shall be construed not in the restrictive sense of abstinence from consumption or preservation for use in the distant future but as a positive concept leading to augmentation of reserve base through improvement in mining methods, beneficiation and utilisation of low grade ore and rejects and recovery of associated minerals. There shall be an adequate and effective legal and institutional framework mandating zero-waste mining as the ultimate goal and a commitment to prevent sub-optimal and unscientific mining. Non-adherence to the Mining Plan based on these parameters will carry repercussions. Mineral sectoral value addition through latest techniques of beneficiation, calibration, blending, sizing, concentration, pelletisation, purification and general customisation of product will be encouraged. This is particularly important in iron ore mining as about 80% of the iron ore produced in the country is in the form of Fines and to promote such value addition fiscal and non fiscal incentives will be considered. A thrust will be given to exploitation of

mineral resources in which the country is well endowed so that the needs of domestic industry are fully met keeping in mind both present and future needs, while at the same time exploiting the external markets for such minerals.

### *7.3 Scientific Methods of Mining*

Mine development and mineral conservation as governed by the rules and regulations will be on sound scientific basis, with the regulatory agencies, viz. IBM and the State Directorates, closely interacting with R&D organisation, and scientific and professional bodies to ensure optimal Mining Plans. Conditions of mining leases regarding size, shape, disposition with reference to geological boundaries and other mining conditions shall be such as to favourably predispose the leased areas to systematic and complete extraction of minerals. The regulatory agencies, namely the Indian Bureau of Mines and the State Directorates will be suitably strengthened through capacity building measures.

### *7.4 Mining as an Industry with Linkages*

Mining contributes to the generation of wealth and creation of employment independently and should therefore be treated as an economic activity in its own right and not merely as an ancillary activity of manufacturing industry. Domestic processing industry receives supplies of mineral resources produced by the mining industry at market prices prevailing from time to time. In order to be assured of uninterrupted supply of the mineral raw material from domestic sources the user industry will be encouraged to develop long-term linkages with the mineral producing units including equity participation in such mining companies. The mineral processing unit should not only get an assured supply of the mineral raw material but should also have close links with the production and marketing agencies of the mineral based end products. Mining as a backward linkage and Value addition within the same state as a forward linkage will, therefore, be encouraged.

### *7.5 Mining Equipment and Machinery*

Indigenous industry for manufacture of mining equipment and machinery shall be strengthened. Induction of foreign technology and participation for this purpose will be encouraged. Use of equipment and machinery which improve the efficiency, productivity and economics of mining operations and safety and health of persons working in the mines and surrounding areas shall be encouraged. Import of such equipment and machinery shall be freely allowed.

### ***7.6. Manpower Development***

Existing facilities for basic and specialised training shall be constantly reviewed and upgraded from time to time to ensure that adequately trained manpower at all levels is available for the development of mines and minerals.

In order to improve the competitive edge of the national mining industry, emphasis shall be laid on mechanisation, computerisation and automation of the existing and new mining units. The man power development programme shall be suitably reoriented for the purpose.

As the mining sector takes off, the country will need more and more mining engineers, geologists, geo-physicists, geo-chemists and geo-instrumentation specialists. A comprehensive review of the sector's man power needs will be undertaken and educational institutions will be geared to meeting these needs in the medium and long term.

### ***7.7. Infrastructure Development***

Mineral deposits generally occur in remote and backward areas with poor infrastructural facilities which often inhibit their optimum development. A major thrust needs to be given to development of infrastructural facilities in mineral bearing areas with special emphasis on Linking Infrastructure. Financial resources available with government will be leveraged to the maximum extent possible through recourse to user charge based public-private-partnership arrangements wherever possible by providing an institutional framework. An enabling environment will be created to motivate large capacity mining companies to undertake construction of transportation net works (road and rail) on their own.

The contribution of mineral development to regional and more specifically peripheral development, commensurate with the huge investment in large mining projects, is substantial. In so far as public funding of infrastructure is concerned a much greater thrust will be given to development of health, education, drinking water, road and other related facilities and infrastructure in mineral bearing areas so that an integrated approach emerges, encompassing mineral development, regional development and the social and economic well being of the local, and particularly, tribal population.

### ***7.8. Financial Support for Mining***

Mining is an eligible activity for obtaining financial support from financial institutions. However, at present only those mining projects which have a substantial component of mining machinery, equipment and buildings are being financed. Steps shall be taken to facilitate financing of mine development and also of exploration integral to the mining project.

Prospecting being a high risk venture, access to "risk funds" from capital markets and venture funds will be facilitated. Early stage Exploration and Mining companies will be encouraged and differential listing requirements through segmented exchanges will be explored. Induction of foreign technology and foreign participation in exploration and mining for high value and scarce minerals shall be pursued. Foreign equity Investment in joint ventures for exploration and mining promoted by Indian Companies will be encouraged.

#### **7.9 Small Deposits**

Small and isolated deposits of minerals are scattered all over the country. These often lend themselves to economic exploitation through small scale mining. With modest demand on capital expenditure and short lead-time, they provide employment opportunities for the local population. However, due to diseconomies of scale they can also lead to sub-optimal mining and ecological disturbance. Efforts will be made to promote small scale mining of small deposits in a scientific and efficient manner while safeguarding vital environmental and ecological imperatives. Regulation of these conditionalities will be tightened so as to control and prevent the growth of illegal mining.

Where small deposits are not susceptible to viable mining a cluster approach will be adopted by granting the deposits together as a single lease within a geographically defined boundary. Efforts would be made to grant such mineral concessions to consortia of small scale miners so that such clusters of small deposits will enable them to reap the benefits of economies of scale.

In grant of mineral concessions for small deposits in Scheduled Areas, preference shall be given to Scheduled Tribes singly or as cooperatives.

#### **7.18. Mineral Development & Protection of Environment**

Extraction of minerals closely impacts other natural resources like land, water, air and forest. The areas in which minerals occur often have other resources presenting a choice of utilisation of the resources. Some such areas are ecologically fragile and some are biologically rich. It is necessary to take a comprehensive view to facilitate the choice or order of land use keeping in view the needs of development as well as needs of protecting the forests, environment and ecology. Both aspects have to be properly coordinated to facilitate and ensure a sustainable development of mineral resources in harmony with environment.



Mining activity often leads to environmental problems like land degradation in opencast mining and land subsidence in underground mining, deforestation, atmospheric pollution, pollution of rivers and streams, soil erosion due disposal of solid wastes like overburden and so on, all affecting the ecological balance of the area. Open-cast mining in areas with actual forest cover leads to deforestation. Prevention and mitigation of adverse environmental effects due to mining of minerals and repairing and re-vegetation of the affected forest area and land covered by trees in accordance with the latest internationally acceptable norms and modern afforestation practices shall form integral part of mine development strategy in every instance. All mining shall be undertaken within the parameters of a comprehensive Sustainable Development Framework which will be so devised as to take all these aspects into consideration. The guiding principle shall be that a miner shall leave the mining area in better ecological shape than he found it.

Mining operations shall not ordinarily be taken up in identified ecologically fragile and biologically rich areas. Strip mining in forest areas should be avoided and it should be permitted only when accompanied with comprehensive time-bound reclamation programme.

No mining lease would be granted to any party, private or public, without a proper mining plan including the environmental management plan approved and enforced by statutory authorities. The environmental management plan should adequately provide for controlling the environmental damage, restoration of mined areas and for planting of trees according to the prescribed norms. As far as possible, reclamation and afforestation will proceed concurrently with mineral extraction.

Efforts would be made to convert old disused mining sites into forests and other appropriate forms of land use.

#### ***7.11 Relief & Rehabilitation of Displaced and Affected Persons***

Mining operations often involve acquisition of land held by individuals including those belonging to the weaker sections. In all such cases a social impact assessment will be undertaken to ensure that suitable Relief and Rehabilitation packages are evolved. While compensation is generally paid to the owner for his acquired land, rehabilitation of affected persons in the form of substitute land, land for housing and jobs is not always adequate. Appropriate compensation will form an important aspect of the Sustainable Development Framework mentioned in para 2.3 and 7.10 above. In so far as indigenous (tribal) populations are concerned the Framework shall incorporate models of stakeholder interest for them in the mining operation, especially in situations where the weaker sections like the local tribal populations are likely to be deprived of their means of livelihood as a result of the mining intervention.

In areas in which minerals occur and which are inhabited by tribal communities and weaker sections it is imperative to recognize resettlement and rehabilitation issues as intrinsic to the development process of the affected zone. Thus all measures proposed to be taken will be formulated with the active participation of the affected persons, rather than externally imposed. A careful assessment of the economic, environmental and social impact on the affected persons will be made. A mechanism will be evolved which would actually improve the living standards of the affected population and ensure for them a sustainable income above the poverty line. For this purpose, all the provisions of the National Rehabilitation and Resettlement Policy or any revised Policy or Statute that may come into operation, will be followed.

### *7.12 Mine Closures*

Once the process of economical extraction of a mine is complete there is need for scientific mine closure which will not only restore ecology and regenerate bio mass but also take into account the socio-economic aspects of such closure. Where mining activities have been spread over a few decades, mining communities get established and closure of the mine means not only loss of jobs but also disruption of community life. Whenever mine closure becomes necessary, it should be orderly and systematic and so planned as to help the workers and the dependent community rehabilitate themselves without undue hardship.

### *7.13. Mine Safety*

Mining operations are hazardous in nature. Accidents happen and often result in the loss of life or limb of persons engaged in it. Efforts must be directed towards the development and adoption of mining methods which would increase the safety of workers and reduce the accidents. Towards this end, participation and cooperation of mine workers shall be secured. Steps will also be taken to minimise the adverse impact of mining on the health of workers and the surrounding population.

## **8. FOREIGN TRADE**

Minerals continue to be an important source of foreign exchange earnings. The policy of export shall keep in view the dynamics of mineral inventories as well as the short, medium and long term needs of the country. Efforts shall be made to export minerals in value added form as far as possible. The indigenous mineral industry shall be attuned to the international economic situation in order to derive maximum advantage from foreign trade by carefully anticipating technology and demand changes in the international market for minerals.

The import of mineral based material shall be coordinated as far as possible with the indigenous development of mineral based industries. Areas of cooperation with countries with complementary resource base shall be developed for mutual advantage. The approach shall be to make available mineral based materials to domestic users at reasonable prices as determined by market forces.

A long term export policy would provide stability and prove to be an incentive for investing in large scale commercial mining activity. To develop mining as a modern stand alone industry substantial investment is required. Assurances on export of minerals will be a key factor for investment decisions particularly on FDI in the sector. The Export Policy should be based on a clear long term strategy for export of minerals taking these aspects into consideration.

## **9. FISCAL ASPECTS**

It will be the endeavour of government, within the context of the budget, to design fiscal measures conducive to the promotion of mineral exploration and development including beneficiation and other forms of product refinement. In the context of the changing mineral scenario and the economics of mineral development and products, both at the national and international level fiscal changes will be examined from time to time consistent with the general tax structure and through the normal budgetary process. Mineral prices should reflect their value and the royalty structures will be designed to ensure that the producer earns and the consumer pays the true value of the minerals produced and consumed. The fiscal dispensation will generally aim to ensure that adequate compensation is forthcoming to the state in return for the concessions it grants.

## **10. RESEARCH AND DEVELOPMENT**

### ***10.1. General Approach***

Research and development in the mineral sector has to cover the entire gamut of activities from geological survey, exploration, mining, beneficiation, concentration of minerals to development of materials. Efforts will be directed towards the development of new technologies for conversion of existing mineral resources into viable economic resources. Appropriate technologies shall be developed to enable indigenous industries to utilise the mineral resources with which the country is abundantly endowed and as substitutes for minerals whose reserves are poor. R&D efforts shall be directed to find new and alternative uses for minerals whose traditional demand is on the wane. Indigenous technology has to be upgraded through research and appropriate absorption and adoption of technological innovations abroad. Research and development efforts shall be made to improve efficiency in process, operations and also the recovery of by-products and

reduction in specification and consumption norms. Efforts will also be directed to evolve low capital and energy saving processing systems.

#### ***10.2. Research in Mining Methods***

Mining methods determine the safety, economy, speed and the percentage of extraction of the ore reserves from a mine. Research and development thrust shall be directed specially in the areas of rock mechanics, ground control, mine design engineering, equipment deployment and maintenance, energy conservation, environmental protection, safety of operations and human engineering.

#### ***10.3 Mineral Processing and Beneficiation***

Attention will be given to beneficiation and agglomeration techniques to bring lower grades and finer size material into use. Research organisations, including the National Mineral Processing Laboratories of the Indian Bureau of Mines will be strengthened for development of processes for beneficiation and mineral and elemental analysis of ores and ore dressing products. There shall be cooperation between and coordination among all organisations in public and private sector engaged in this task. Research and development shall be oriented to ensure maximum economic recovery of the associated minerals and valuable metals.

#### ***10.4 Development Of Automated Equipment***

To meet the objective of safety and economic production attention will be given to the development of robotics, automated equipment and system for mining, especially for deep mining and transportation to surface.

#### ***10.5. Deep Sea Mining***

India is a pioneer investor and has been allocated a mine site of 150,000 square kilometres in Indian Ocean for exclusive survey and exploration. Deep ocean resources represent an exceptionally large and potentially important mineral resource. Integrated systems for exploration, exploitation, mining and processing of these resources shall be expedited with the development/acquisition of necessary technologies. Appropriate mechanism for coordinating the survey and exploration of Deep Sea Bed Area will be established by the Ministry of Earth Sciences.

### *10.6 Production Of Materials Of High Purity*

Research will be directed towards raw materials required for production of materials of high purity for use in advanced technology applications such as semi-conductors, photo-voltaic, lasers, special sensors, high temperature new ceramics, hard and high temperature materials, superconductors, insulators, very thin films, glasses and liquid crystals and metal and mineral fibres.

### *10.7. Coordination Of Research Organisations*

Research and development activities in the mineral sector are carried out in the national laboratories, educational institutions and R&D units of public and private sector enterprises. Pooling of resources and expertise available in the various R&D Organisations is imperative to meet the challenges and to fulfil the tasks ahead in the mineral sector. Linkages and interaction between the various institutions engaged in R&D in the mineral sector shall be strengthened to derive the maximum benefit. Interchange of scientists between institutions shall be encouraged to accelerate the pace of interaction. It shall also be ensured that the research findings are made available to users expeditiously. There shall be cooperation between and coordination among all organisations in the public and private sectors engaged in this task.

Mining methods determine the safety, economy, speed and the percentage of extraction of the ore reserves from a mine. Research and development thrust needs to be directed in areas of such as rock mechanics, ground control, mine design engineering, equipment deployment and maintenance, energy conservation, environmental protection, safety of operations and human engineering. This has to be done in a holistic way so that inter-linkages are established to the advantage of each segment. To this end the diverse research, development and training initiatives within the public domain shall be reorganised into a single and cohesive R & D and Training institution of excellence to be known as the National Institute of Mineral Development. Organizations such as the National Mineral Processing Laboratories of the Indian Bureau of Mines, the National Institute of Rock mechanics, the Jawaharlal National Institute of Aluminium Research and Development, the R & D initiatives of the Geological Survey of India will be joined to provide a collective thrust.

## **11. CONCLUSIONS**

Mineral wealth, though finite and non-renewable in the long term, is a major resource for development. The need for a well planned programme of survey and exploration, management of resources which have already been discovered and those which are in the process of discovery and their optimal, economical and timely use are matters of national importance.

The success of the second national mineral policy will depend largely on a national consensus to fulfil its underlying principles and objectives.

.....

"209. There is no doubt considerable substance in the submission particularly if this is considered in the light of intergenerational rights and obligations which have been dealt with in the said article. However, it is really not for this Court to lay down limits on the extent of mining activities that should be permitted by the State of Odisha or by the Union of India. Nevertheless, this is an aspect that needs serious consideration by the policy and decision makers in our country in the governance structure. At present, keeping in mind the indiscriminate mining operations in Odisha, it does appear that there is no effective check on mining operations nor is there any effective mining policy. The National Mineral Policy, 2008 (effective from March 2008) seems to be only on paper and is not being enforced perhaps due to the involvement of very powerful vested interests or a failure of nerve. We are of opinion that the National Mineral Policy, 2008 is almost a decade old and a variety of changes have taken place since then, including (unfortunately) the advent of rapacious mining in several parts of the country. Therefore, it is high time that the Union of India revisits the National Mineral Policy, 2008 and announces a fresh and more effective, meaningful and implementable policy within the next few months and in any event before 31st December, 2017. We are constrained to pass this direction in view of the facts disclosed in these petitions and in judgments delivered by this Court with regard to mining in Goa and Kamalake."

[emphasis supplied]





No. 15/1/2017-M.V  
Government of India  
Ministry of Mines

New Delhi, Shastri Bhawan  
Dated, the 14<sup>th</sup> August, 2017

**ORDER**


Whereas, there have been seminal changes in the framework of Mining Laws, Rules and Regulations subsequent to the Mines and Minerals (Development and Regulation) Amendment Act, 2015 bringing in transparency to the mineral sector; and

2 Whereas, the Hon'ble Supreme Court in its judgment dated 02.8.2017 in the Writ Petition (Civil) No.114 of 2014, *inter-alia*, directed the Union of India to revisit the National Mineral Policy 2008 and announce a fresh and more effective, meaningful and implementable policy before 31.12.2017.

3 Now therefore, it has been decided to set-up a Committee to review the National Mineral Policy 2008 and for submission of a report for a new National Mineral Policy with the following composition:

1.	Dr K Rajeswara Rao, Additional Secretary, Ministry of Mines	Chairman
2.	Joint Secretary, Ministry of Steel	Member
3.	Joint Secretary (Forest Wing) Ministry of Environment, Forests & Climate Change	Member
4.	Joint Secretary (Environment Wing) Ministry of Environment, Forests & Climate Change	Member
5.	Joint Secretary, Ministry of Coal	Member
6.	Joint Secretary, Department of Revenue, M/o Finance	Member
7.	Joint Secretary, Ministry of Shipping	Member
8.	Joint Secretary, Ministry of Road, Transport and Highways	Member
9.	Representative from Railway Board	Member
10.	Representative of NITI Aayog	Member
11.	Director General, OSI	Member
12.	Controller General, IBM	Member
13.	Secretary (Mines), Government of Andhra Pradesh	Member
14.	Secretary (Mines), Government of Chhattisgarh	Member
15.	Secretary (Mines), Government of Goa	Member
16.	Secretary (Mines), Government of Gujarat	Member
17.	Secretary (Mines), Government of Jharkhand	Member
18.	Secretary (Mines), Government of Karnataka	Member
19.	Secretary (Mines), Government of Madhya Pradesh	Member
20.	Secretary (Mines), Government of Maharashtra	Member
21.	Secretary (Mines), Government of Odisha	Member
22.	Secretary (Mines), Government of Rajasthan	Member
23.	Secretary (Mines), Government of Tamil Nadu	Member
24.	Secretary (Mines), Government of Telangana	Member
25.	Representative of CII	Member
26.	Representative of FIMI	Member
27.	Representative of FICCI	Member
28.	Representative of ASSOCHAM	Member
29.	Shri Bipul Pathak, Joint Secretary, Ministry of Mines	Member Secretary

- 3 The Terms of Reference of the Committee will be as follows:
- i) to review the National Mineral Policy 2008 and suggest a new policy taking into account the measures already taken and may need to be taken for bringing in further transparency, balanced social and economic growth, including sustainability of mining industry;
  - ii) to suggest recommendations for conservation and mineral development, and protection of environment and measures to assess the carrying capacity of mining in states/regions;
  - iii) to suggest measures for improvement of survey and exploration of minerals; database of mineral resources and tenements; scientific methods of mining; manpower development; infrastructure development; financial support for mining; and research in mining;
  - iv) to examine and make recommendations for development of strategic minerals;
  - v) to examine and review fiscal aspects conducive to the promotion of mineral exploration and development, including beneficiation and other forms of product refinement; and
  - vi) any other matter which the Committee feels relevant.
- 4 The Committee may co-opt any other Member, if may so desire.
- 5 The Committee will submit its report by 31<sup>st</sup> October, 2017.
- 6 The Committee will be serviced by the Mines-V section of the Ministry of Mines.

  
 (Subhash Chandra)  
 Joint Secretary to the Govt. of India  
 Tel: 011-23384334  
 subhash.chandra65@gov.in


To:  
The Chairman and Members of the Committee

Copy to:

- (i) Additional Secretary, Prime Minister's Office
- (ii) Finance Secretary, Ministry of Finance
- (iii) Member Secretary, NITI Aayog
- (iv) Secretary, MOEFCC
- (v) Secretary, Ministry of Steel
- (vi) Secretary, Ministry of Coal
- (vii) Secretary, Ministry of Shipping
- (viii) Secretary, Ministry of Road, Transport and Highways
- (ix) Chairman, Railway Board
- (x) Chief Secretaries of Andhra Pradesh, Chhattisgarh, Goa, Gujarat, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Tamil Nadu, and Telangana

Copy for information to:

- (i) OSD to Hon'ble Minister of State (I/C) for Power, Coal, New and Renewable Energy & Mines
- (ii) Sr. PPS to Secretary, Ministry of Mines
- (iii) PS to JS(NKS)/ PS to JS(BP) / PS to EA / PS to JS & FA

  
 (Subhash Chandra)  
 Joint Secretary to the Govt. of India

**Government of India**  
**Ministry of Mines**  
**DRAFT NATIONAL MINERAL POLICY, 2018**  
**(For non-fuel and non-coal minerals)**

**1. VISION**

Minerals are a valuable natural resource being the vital raw material for the core sectors of the economy. Exploration, extraction and management of minerals have to be guided by national goals and perspectives to be integrated into the overall strategy of the country's economic development and the Make in India initiative. Natural resources, including minerals, are a shared inheritance where the State is a trustee on behalf of the people and therefore it is imperative that allocation of mineral resources is done in a fair and transparent manner to ensure equitable distribution of mineral wealth to sub-serve the common good. Mining needs to be carried out in an environmentally sustainable manner keeping stakeholders' participation, and devolution of benefits to the mining affected persons with the overall objective of maintaining high level of trust between all stakeholders. It shall also be ensured that the regulatory environment is conducive to ease of doing business with simpler, transparent and time-bound procedures for obtaining clearances. Since mining contributes significantly to state revenues, there is a need for an efficient regulatory mechanism with high penetration of e-governance systems to prevent illegal mining and value leakages. Mining contributes significantly to employment generation, thus, there shall be a keen focus on gender sensitivity in the mining sector at all levels.

**2. REGULATION OF MINERALS**

**2.1** Management of mineral resources is the responsibility of both the central and state governments in terms of entry 54 of the Union List (List I) and entry 23 of the State List (List III) of the Seventh Schedule of the Constitution of India.

**2.2** In order to make the regulatory environment conducive to ease of doing business, the procedures for grant of mineral concessions shall be transparent and seamless with an assured security of tenure alongwith transferability of concessions playing a key role in mineral sector development.

**2.3** To ensure enforcement of mining plans, the Indian Bureau of Mines (IBM) and the State Directorates of Mining & Geology will be strengthened with adequate man power, equipment and skill sets upgraded to state-of-the-art levels.

**2.4** There will be an emphasis on strengthening the regulatory mechanism by incorporating E-Governance, including satellite and remote sensing applications. Provisions shall be made for end-to-end accounting of mineral/ore in the supply chain with use of IT enabled systems. Efforts shall also be made to devise appropriate mechanism(s) for awareness and information campaigns and also for involvement of local populations to supplement the law enforcement capabilities in preventing illegal mining.

### **3. ROLE OF STATE IN MINERAL DEVELOPMENT**

3.1 The core functions of state in mining will be facilitation and regulation of exploration and mining activities, making provision for development of infrastructure and tax collection. An Annual Business Plan/Road map for the development of mineral sector shall be brought out by the respective states. There shall be transparency and fair play while reserving areas for State agencies unless security considerations or specific public interests are involved. Grant of clearances for commencement of mining operations shall be streamlined with simpler and time bound procedures facilitated through an on-line public portal with provision for generating triggers at higher level in the event of delay. As part of Initiative for ease of doing business the states shall make an endeavour to auction mineral blocks with pre-embedded statutory clearances. Mineral bearing area/zone shall be earmarked as Mining Land in the land record by the states.

3.2 Trust is vital to the ability of our country to achieve sustained growth in mining sector. State will endeavor continuously to increase trust level between government, miners, local communities and other stakeholders through openness, fairness, better regulation, responsiveness, inclusive policy making

### **4. PROSPECTING AND EXPLORATION**

4.1 The country is blessed with ample resources of a number of minerals and has the geological environment for occurrence of many others. To explore the country's entire geological potential, it shall be ensured that regional and detailed exploration is carried out systematically, scientifically and intensively over the entire geologically conducive mineral bearing area of the country, using state-of-the-art technologies, including seismic 2D/3D interpretative systems, in a time bound manner.

4.2 While the Government agencies will continue to perform the tasks assigned to them for survey and exploration, the private sector would be encouraged to take up exploration activities. Government agencies will expend public funds particularly in areas where private sector investments are not forthcoming due to reasons such as high uncertainties. States may be mandated to create dedicated funding for boosting exploration activities without additional burden on miners.

4.3 Particular attention will be given to the prospecting and exploration of minerals in which the country has a poor resource-cum-reserve base despite having the geological potential for large resources. Special attention will be given towards exploration of energy critical minerals, fertilizer minerals, precious metals and stones, strategic minerals and other deep seated minerals which are otherwise difficult to access and for which the country is mainly dependent on imports.

4.4 Exploration shall be incentivised to attract private investments as well as state-of-the-art technology, within the ambit of auction regime, through Right of First Refusal at the time of auction; seamless transition from Reconnaissance permit to Prospecting Licence to Mining Leases; auctioning of composite Reconnaissance permit cum Prospecting License cum Mining Lease in virgin areas on revenue sharing basis, fostering and handholding junior exploring companies in private sector ; or any other appropriate incentive as per international practice.

4.5 Clearances shall be streamlined with simpler, transparent, accountable and time bound procedures to facilitate exploration in order to conform to the statutory requirements especially for geologically complex deposits.

4.6 In the offshore areas, it is necessary to ensure that India's Exclusive Economic Zone is explored and extracted to the maximum possible extent. Cooperation between Ministry of Earth Sciences (MoES) and Geological Survey of India (GSI) needs to be further institutionalised so as to achieve this objective within a time bound framework. Efforts shall be made to align the legislation governing development and regulation of minerals in offshore areas to provide an enabling environment that encourages private sector participation in exploration and mining of minerals while also ensuring transparency.

## **5. DATA BASE OF MINERAL RESOURCES AND TENEMENTS**

5.1 National inventory of mineral resources will be based on comprehensive and up to date review of exploration data which will be maintained in digitised form comprising both a resource inventory and a tenement registry. The resource inventory will be maintained in accordance with a globally accepted public reporting standard for ensuring reliability of reporting and acceptability to financial institutions and stock exchanges showing reserves and remaining resources as well in the traditional methodology in vogue. The registry shall be a web-based system for public viewing integrated with GIS, such that information could be shown spatially in the form of map based service.

5.2 Efforts shall be made by the Government to establish a Mining Tenement System (MTS) which would primarily involve automating the entire concession life-cycle using state-of-the-art IT systems.

5.3 Baseline and mineral exploration data generated by various central & state government agencies as well as mineral concession holders will be collated and maintained for open dissemination as a public good. Collaboration between national and international scientific and research bodies, universities, professional bodies and industry will be encouraged for scientific and technological research to address the mineral exploration challenges in the country.

## **6. MINING AND MINERAL DEVELOPMENT**

### **6.1 General Strategy**

Minerals are a major resource for the core sectors of the economy. There is a huge demand for minerals in view of the rapid urbanization and the projected growth in the manufacturing sector. With the thrust on Make in India initiative the demand for minerals is likely to grow at a rapid pace. Extraction and management of minerals has to be guided by long-term national goals and perspectives and integrated into the overall strategy of the country's economic development. Mining technology will be upgraded to ensure extraction and utilisation of the entire Run-of-Mines (RoM).

A thrust will be given to extraction of mineral resources in which the country is well endowed so that the needs of domestic industry are fully met keeping in mind both present and future needs, while at the same time fulfilling the demand of external markets for such minerals, so as to enhance domestic economic and social well-being

Though primary minerals will remain the principal source for fulfilling demand, efforts shall be made to augment supply by developing processes for recovery of metal through recycling. The reusable nature of metals contributes to conservation of natural resources and includes other benefits in terms of energy conservation, environmental and economic benefits.

Considering that a large number of merchant mining leases are going to expire in the year 2020, and for captive mines in 2030, efforts shall be made to ensure uninterrupted supply of minerals/ore to the downstream industry through appropriate endeavours for seamlessness of statutory clearances.

Merger and acquisitions of mining entities and transfer of mining leases granted transparently will be encouraged by introducing appropriate provisions in existing laws without any additional charges or levies.

### **6.2 Conservation and Mineral Development**

Conservation of minerals shall be construed not in the restrictive sense of abstinence from consumption or preservation for use in the distant future but as a positive concept leading to augmentation of reserve/resource base. There shall be an adequate and effective legal and institutional framework promoting zero-waste mining as the ultimate goal and a commitment to prevent sub-optimal and unscientific mining. The concept of collaborative mining amongst mining concessionaires located in large mining belt shall be encouraged to ensure optimum extraction of mineral. Value addition and general customisation of product will be encouraged by providing fiscal and/ or non-fiscal incentives.

### **6.3 Scientific Methods of Mining**

Mine development and mineral conservation as governed by the rules and regulations will be on sound scientific basis, with the regulatory agencies, viz. IBM and the State Directorates, closely interacting with R&D organisations and scientific and professional bodies, to ensure preparation of optimal Mining plan. Conditions of mining leases regarding extent of area/size, shape, disposition with reference to geological boundaries and other mining conditions shall be such as to favourably predispose the leased areas to systematic, scientific, optimum, and complete extraction of minerals. The regulatory agencies will be suitably strengthened through capacity building measures in terms of adequate manpower, technology, equipment and skill-set.

### **6.4 Mining Machinery and Mineral Beneficiation Equipment**

Use of equipment and machinery which will improve the efficiency, productivity and economics of mining operations as well as mineral beneficiation process, safety and health of persons working in the mines/beneficiation plant and surrounding areas shall be encouraged. Availability of such equipment and machinery shall be incentivized and freely allowed. At the same time capacities shall be developed for indigenous industry for manufacture of mining machinery and mineral beneficiation equipment and machinery for which induction of modern technology and participation shall be encouraged.

### **6.5 Human Resource Development**

Development of human resources shall be the mainstay to improve the competitive edge of the national mining industry with a focus on improving gender balance in mining industry. Emphasis shall be laid on mechanisation, computerisation, automation and adoption of state of the art technology of the existing and new mining units. The human resource development strategy shall be suitably reoriented for the purpose. Facilities for basic and specialised training shall be constantly reviewed and upgraded from time to time, to ensure that adequately trained manpower at all levels is available for the development of mines and minerals. As the mining sector takes off, the country will need more and more mining engineers, Environment engineers, geo-scientists and IT professionals. The functionaries of central and state governments shall be trained in international practices to strengthen the mining sector regulation as per international standards.

### **6.6 Infrastructure Development**

Mining infrastructure requires a special thrust as the economic efficiency of evacuation of minerals from pit mouth to user point or port or rail head is closely linked to the end use value of the mineral and of the viability of the industry producing and using the mineral.

While local evacuation networks will be encouraged to be built in an integrated manner along with developing the mineral blocks, dedicated mineral corridors shall be planned to facilitate transport of minerals from mining areas in hinterland. Development and installation of innovative, eco-friendly and efficient modes of evacuation like slurry pipelines and close loop conveyors shall be promoted and encouraged. An enabling environment will be created to allow mining companies to undertake construction of such infrastructure including construction of conventional transportation networks like rail and road for their own usage in coordination of State/Central agencies. Use of coastal water ways and Inland shipping shall also be promoted. To promote investment in the mining sector special incentives or priority movement by railways/port/coastal shipping must be encouraged.

The contribution of mineral development to regional and more specifically peripheral development, commensurate with the huge investment in large mining projects is substantial. An integrated approach shall be encouraged encompassing mineral development, regional development and the social and economic well-being of the local, and particularly, tribal population.

### **6.7 Financial Support for Mining**

Mining is an eligible activity for obtaining financial support from financial institutions. However, at present only those mining projects which have a substantial component of mining machinery, equipment and buildings are being financed. Steps shall be taken to facilitate financing of prospecting, exploration and mine development. Efforts shall be made to grant mining the status of industry.

### **6.8 Small Deposits**

Small and isolated deposits of minerals are scattered all over the country. These often lend themselves to economic extraction through small scale mining. With modest demand on

capital expenditure and short lead-time, they provide employment opportunities for the local population. However, due to lack of economies of scale they can also lead to sub-optimal mining and ecological disturbance. Efforts will be made for promotion of small mineral deposits in a scientific and efficient manner while safeguarding vital environmental and ecological imperatives.

Where small deposits are not susceptible to viable mining, a cluster approach will be adopted by granting the deposits together as a single lease within a geographically defined boundary. Similarly in case of small deposits of precious metals and base metals the establishment of common smelting and refining facilities shall be encouraged.

In grant of mineral concessions for small deposits in Scheduled Areas, endeavour will be made to accommodate Scheduled Tribes while extending enabling environment to carry-out mining operations in a systematic and efficient manner.

#### **6.9 Beach Sand Minerals**

Efforts will be made to encourage extraction of the replenishable deposits of beach sand minerals for improved economic growth by ensuring coordination between the different agencies viz., State Governments, Ministry of Environment, Forests & Climate Change, Indian Bureau of Mines, Department of Atomic Energy, Atomic Minerals Directorate for Exploration and Research, and Department of Customs and Excise etc. so that regulation of mining of beach sand minerals is in conformity with the mining and other related laws, while also conforming to national security requirements/international practices.

#### **6.10 Protection of Environment**

Extraction of minerals impacts other natural resources like land, water, air and forest. It is necessary to take a comprehensive view to facilitate the choice or order of land use keeping in view the needs of development as well as needs of protecting the forests, environment and ecology and to conserve biodiversity of areas to be mined.

Prevention and mitigation of adverse environmental effects due to mining in accordance with the latest scientific norms and modern afforestation practices shall form integral part of mine development strategy in every instance. All mining shall be undertaken within the parameters of a comprehensive Sustainable Development Framework which will ensure that environmental, economic and social considerations are integrated effectively in all decisions on mines and minerals issues. The guiding principle shall be that a miner shall leave the mining area in an ecological shape which is as good as it was before the commencement of mining or better with least impact on flora and fauna of the area.

Mining operations shall not ordinarily be taken up in identified ecologically fragile and biologically rich areas. The Government shall identify such areas that are critically fragile in terms of ecology and declare as 'in-violate areas' or 'no-go areas' out of bounds for mining. In order to achieve a better semblance between mineral based development and environment, there shall be an endeavour to create Exclusive Mining Zone (EMZ) with prior in-principle statutory clearances demarcated for the mineralized belt/zone to avoid conflict of interest and to curtail delay in commencement of mining operation.



With a view to reduce pollution, carbon footprint and operational costs, use of renewable sources of energy at mining sites will be encouraged through appropriate incentives. Appropriate sensitization training about environmental issues will be provided to all workers involved in mining operations.

#### **6.11 Sustainable Development in Mining Sector**

Environmental, economic and social considerations must be taken into account as early as possible in the decision-making process, to ensure sustainable development in the mining sector which envisions mining as financially viable; socially responsible, environmentally, technically and scientifically sound; with a long term view of development; uses mineral resources optimally; and, ensures sustainable post-closure land uses.

The Government shall set a benchmark against which all mining operations may be evaluated in terms of their comparative performance on sustainable development framework and enforce commitment on part of the mining companies to adopt sustainable development practices for achieving environmental and social goals.

#### **6.12 Welfare of Project Affected Persons**

##### **6.12 (a) Relief & Rehabilitation of Displaced and Affected Persons**

Mining operations can involve acquisition of land held by individuals including those belonging to the tribals and weaker sections. In all such cases a careful assessment of the economic, cultural, environmental, and social impact on the affected persons need to be undertaken to ensure that suitable, appropriate, relief and rehabilitation packages are evolved.

In areas in which minerals occur and which are inhabited by tribal communities and weaker sections, it is imperative to recognize resettlement and rehabilitation issues as intrinsic to the development process of the affected zone. A mechanism will be evolved which would actually improve the living standards of the affected population and ensure them a sustainable income. For this purpose, all the provisions of the National Rehabilitation and Resettlement Policy or any revised Policy or Statute that may come into operation, will be followed.

##### **6.12 (b) Devolution of Mining Benefits to Project Affected Persons**

The mining legislation has been amended to provide for the establishment of District Mineral Foundation ("DMF") with the objective of working for the interest and benefit of persons, and areas, affected by mining related operations. The objectives for devolution of mining benefits under DMF for inclusive and equitable development of project affected persons and areas are to be guided by the provisions of the Pradhan Mantri Khanij Kshetra Kalyan Yojana ("PMKKKY").

It shall be the endeavour of the Government to monitor and review the implementation of schemes under DMF for giving effect to PMKKKY for a national web portal shall be developed with free access to the public.

### **6.12 (c) Welfare of Tribal Communities**

Existence of minerals in tribal areas with rich biodiversity requires a comprehensive assessment. Land acquisition and displacement of tribal communities due to mining projects may lead to distress in tribal communities living in Scheduled Areas.

Grant of mineral concessions in Scheduled Areas shall be guided by the provisions contained in article 244 read with Fifth and Sixth Schedules to the Constitution relating to administration of the Scheduled Areas and Tribal Areas and the provisions of the Panchayats (Extension to the Scheduled Areas) Act, 1996 and the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 or any other relevant statutory acts protecting the interests of tribals. All Relevant Acts/Rules related to rehabilitation and resettlement like The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, subsequent amendments or any other relevant acts/rules shall be strictly implemented.

### **6.13 Mine Closures**

Once the reserves in mine are completely exhausted there is need for scientific mine closure which will not only restore ecology and regenerate bio diversity but also take into account the socio-economic aspects of such closure. Where mining activities have been spread over a few decades, mining communities get established and closure of the mine means not only loss of jobs for them but also disruption of community life. Mine closure should be done in an orderly and systematic manner.

Government has a role in ensuring that post-production mine decommissioning and land reclamation are an integral part of the mine development process; that financial provisions for the costs incurred in mine closure are accorded a high level of priority by the industry; and that consistent approaches are adopted for efficient and effective mine reclamation and rehabilitation.

### **6.14 Safety of mines and mine-workers**

Mining operations at times are hazardous in nature. Accidents happen and often result in occupational health problems, serious bodily injury or even loss of life. Efforts must be directed towards the development and adoption of mining methods which would increase the safety of workers and reduce accidents. Towards this end, participation and cooperation of mine workers shall be secured. Steps will also be taken to minimise the adverse impact of mining on the health and safety of workers and the surrounding population. DGMS should be further strengthened through adequate manpower, equipments, and skill sets in order to carry out the regulatory role for ensuring miners' health and mine safety effectively.

### **6.15 Mineral Security**

Mineral resources security is an important issue with strategic as well as economic significance. Securing access to sufficient, reliable, affordable, and sustainable supplies of minerals is increasingly becoming an important factor for functioning of downstream industries and the overall economy. Hence, ensuring long-term mineral security for nation shall be taken up with utmost priority. To ensure adequate supply of minerals which are not

available locally, downstream regulations shall be aligned for their exploration and development and for facilitating acquisition of mineral assets in other countries by public as well private Indian business entities.

## **7. FOREIGN TRADE AND FOREIGN INVESTMENT**

Minerals continue to be an important source of foreign exchange earnings. The policy of export shall keep in view the dynamics of mineral inventories as well as the short, medium and long term needs of the country. Efforts shall be made to export minerals in value added form as far as possible. The Indigenous mineral industry shall be attuned to the international economic situation in order to derive maximum advantage from foreign trade by carefully anticipating technology and demand changes in the international market for minerals.

The import of mineral based material shall be coordinated as far as possible with the indigenous development of mineral based industries. Areas of cooperation with other countries having complementary resource base shall be developed for mutual advantage. The approach shall be to make mineral based materials available to domestic users at reasonable prices as determined by market forces.

A long term export-import policy for the mineral sector would provide stability and prove to be an incentive for investing in large scale commercial mining activity. To develop mining as a modern stand-alone industry substantial investment is required. Assurances on export of minerals will be a key factor for investment decisions particularly on Foreign Direct Investment (FDI) in the sector. The Export Policy should be based on a clear long term strategy for export of mineral taking these aspects into consideration.

Attracting foreign investment in the mining sector will be encouraged by appropriate mechanism and by potentially allowing foreign entities / individuals to invest in Indian mining industry.

## **B. FISCAL ASPECTS**

It will be the endeavour of government to design fiscal measures within the context of the budget and for rationalisation of taxation and royalty, conducive to the promotion of mineral exploration and development including beneficiation and other forms of product refinement. In the context of the changing mineral scenario and the economies of mineral development and products, both at the national and international level, fiscal changes will be examined from time to time consistent with the general tax structure and through the normal budgetary process. Efforts shall be made to benchmark and harmonize royalty and all other levies and taxes with mining jurisdictions across the world to make India an attractive destination for exploration and mining.

## **9. RESEARCH AND DEVELOPMENT**

### **9.1 General Approach**

Research and development in the mineral sector has to cover the entire gamut of activities from geological survey, exploration, mining, beneficiation, concentration of minerals to development of materials. Efforts will be directed towards the development of new

technologies for conversion of existing mineral resources into viable economic resources. Appropriate technologies shall be developed to enable indigenous industries to utilise the mineral resources with which the country is abundantly endowed. R&D efforts shall be directed to find new and alternative uses for minerals whose traditional demand is on the wane. Indigenous technology has to be upgraded through research and appropriate absorption and adoption of technological innovations. Research and development efforts shall be made to improve efficiency in process, operations and also the recovery of by-products and reduction in specification and consumption norms. Efforts will also be directed to evolve low capital and energy saving processing systems.

### **9.2 Research in Mining Methods**

Mining methods determine the safety, economy, speed and the percentage of extraction of the ore reserves from a mine. Research and development thrust shall be directed specially in the areas of rock mechanics, ground control, mine design engineering, equipment deployment and maintenance, energy conservation, environmental protection, safety of operations and human engineering.

### **9.3 Mineral Processing and Beneficiation**

Attention will be given to beneficiation and agglomeration techniques to bring lower grades and finer size material into use. Research organisations, including the National Mineral Processing Laboratories of the Indian Bureau of Mines will be strengthened for development of processes for beneficiation and mineral and elemental analysis of ores and ore dressing products. There shall be cooperation between and coordination among all organisations in public and private sector engaged in this task. Research and development shall be oriented to ensure maximum economic recovery of the associated minerals and valuable metals including incentivization and promotion of state-of-the-art technology.

### **9.4 Development of Automated Equipment**

To meet the objective of safety and economic production, attention will be given to the development of robotics, automated equipment for mining, especially for deep mining and transportation to surface. While efforts shall be made for indigenous development, Government shall also consider an appropriate fiscal measure to facilitate import of automated equipments, machinery and mining robots etc. which are not available in the country, which can be used for exploration, mineral development and value addition in the downstream industry.

### **9.5 Deep Sea Mining**

Deep ocean resources represent an exceptionally large and potentially important mineral resource. Integrated systems for prospecting, exploration, extraction, mining and processing of these resources shall be expedited with the development/acquisition of necessary technologies. Appropriate mechanism for coordinating as well as funding of the survey and exploration of Deep Sea Bed Area will be established with the Ministry of Earth Sciences.

### **9.6 Production of Materials of High Purity**

Research will be directed towards raw materials required for production of materials of high purity for use in advanced technology applications such as semi-conductors, photo-voltaic, lasers, special sensors, high temperature new ceramics, hard and high temperature materials, superconductors, insulators, very thin films, glasses and liquid crystals and metal and mineral fibres.

### **9.7 Coordination of Research Organisations**

Research and development activities in the mineral sector are carried out in the national laboratories, educational institutions and R&D units of public and private sector enterprises. Pooling of resources, efforts and expertise available in various R&D Organisations is imperative to meet the challenges and to fulfil the tasks ahead in the mineral sector. Coordination, synergy and convergence among the various institutions engaged in R&D in the mineral sector shall be strengthened to derive the maximum benefit. Interchange of scientists between institutions shall be encouraged to accelerate the pace of interaction. It shall also be ensured that the research findings are made available to users expeditiously. There shall be cooperation between and coordination among all organisations in the public and private sectors engaged in this task.

## **10. INTER GENERATIONAL EQUITY**

There is a need to understand that natural resources, including minerals, are a shared inheritance where the state is the trustee on behalf of the people to ensure that future generations receive the benefit of inheritance. State Governments will endeavour to ensure that the full value of the extracted minerals is received by the State. However, for assessment of inter generational equity in respect of each mineral, a disaggregated approach shall be adopted considering aspects like reserves/ resources and potential for reuse through recycling, which are relevant and suitable in the Indian context.

## **11. INTER MINISTERIAL MECHANISM FOR SUSTAINABLE DEVELOPMENT**

An inter-ministerial body with members like MoM, MoES, MoEFCC, Ministry of Tribal Affairs, Ministry of Rural Development, Ministry of Panchayat Raj, including state governments shall be constituted to institutionalise a mechanism to carry out research to ensure sustainable mining with due regard to carrying capacity in mining regions; its macro-economic and social impact; while also keeping in mind the principles of sustainable development and intergenerational equity and all other relevant factors.

**12. CONCLUSION**

Under the 'Make in India' initiative, the Government of India aims to increase the share of the manufacturing sector in the economy. This national initiative requires a holistic development of the mineral sector on a sustainable basis in order to fulfil the demand of downstream industries dependent on mineral/ore supply. The success of this national mineral policy will be critical in propelling India on to a loftier development trajectory. Successful implementation of this policy shall be ensured by achieving a national consensus among various key stakeholders and their commitments to fulfil its underlying principles and objectives.

Report of  
Dr. K Rajeswara Rao Committee  
On  
National Mineral Policy



सत्यमेव जयते

Government of India  
Ministry of Mines  
New Delhi

December 2017



Chairman of the Committee  
Additional Secretary to Govt. of India  
Ministry of Mines

## PREFACE

The National Mineral Policy which was announced in 2008 (NMP 2008) was well received and served its purpose in providing the vision for mineral development and a basis for uniformity in mineral administration across the country in the years from 2008 till 2017.

The impetus to review the NMP 2008 has come about by way of a direction from the judiciary. The Hon'ble Supreme Court vide its Judgment dated 02.08.2017, in Writ Petition (Civil) No.114/2014 in the matter of Common Cause Vs. Union of India & Ors., has inter alia directed the Union of India to revisit the National Mineral Policy, 2008 and to announce a fresh and more effective, meaningful and implementable policy.

Accordingly, the Government of India, Ministry of Mines, constituted a Committee on 14.08.2017 to review the NMP 2008. Many provisions of the NMP 2008 were formalized as enactments in the statute through the amendment to the Mines and Minerals (Development and Regulation) Act, 1957 carried out in 2015. Furthermore, the Government has recently formulated a comprehensive policy for exploration viz. the National Mineral Exploration Policy 2016. Nevertheless, even after these major amendments, the NMP 2008 was dynamic enough to accommodate changes to reflect ongoing developments in the mineral sector.

Having set its hand to the task, the Committee dedicated itself wholeheartedly in the planning, preparation and delivery of the challenge; and adopted a consultative process with a problem solving approach to accommodate changes in the Policy document to reflect the ongoing developments in the mineral sector while at the same time being mindful of the priorities and goals of the Government. It is our pleasure and privilege to thank all the members of the Committee and the special invitees, for their valuable suggestions and for sparing time to take part in the deliberations of the Committee.

We are also thankful to the team at WAPCOS Ltd. which has assisted us in the preparation of this Report.

*K. Rajeswara Rao*  
21/12/2017

( Dr. K. Rajeswara Rao, IAS )

31<sup>st</sup> December, 2017



## Contents

### PART - A

<b>Introduction</b>		<b>1-3</b>
<b>Chapter 1</b>	<b>Transparency, Social and Economic Growth &amp; Sustainability of Mining Industry</b>	<b>4-8</b>
<b>Chapter 2</b>	<b>Conservation and Mineral Development &amp; Protection of Environment</b>	<b>9-12</b>
<b>Chapter 3</b>	<b>Prospecting and Exploration of Minerals, Database of Mineral Resources, &amp; Infrastructure Development</b>	<b>13-16</b>
<b>Chapter 4</b>	<b>Development of Strategic Minerals</b>	<b>17</b>
<b>Chapter 5</b>	<b>Fiscal Aspects Conducive to Promotion of Mineral Exploration &amp; Development</b>	<b>18</b>
<b>Chapter 6</b>	<b>Mine Safety, Welfare of Project Affected Persons, &amp; Inter-Generational Equity</b>	<b>19-21</b>
<b>Conclusion</b>		<b>22</b>

### PART – B

<b>Draft National Mineral Policy</b>	<b>23-40</b>
--------------------------------------	--------------

### PART - C

#### APPENDICES

<b>Appendix A</b>	<b>ORDER dated 14.08.2017 - Constitution of the Committee ORDER dated 31.12.2017 - Extension order</b>	<b>41-43</b>
<b>Appendix B</b>	<b>Minutes of the First Meeting of the Committee held on 28.8.2017</b>	<b>44-61</b>
<b>Appendix C</b>	<b>Minutes of the Second Meeting of the Committee held on 11.9.2017</b>	<b>62-74</b>
<b>Appendix D</b>	<b>Minutes of the Third Meeting of the Committee held on 26.9.2017</b>	<b>75-88</b>
<b>Appendix E</b>	<b>Minutes of the Fourth Meeting of the Committee held on 13.10.2017</b>	<b>89-99</b>

•  
•

## **PART- A**

## Introduction

1. The Ministry of Mines, Government of India has constituted a Committee to review the National Mineral Policy 2008 under the Chairmanship of Dr. K Rajeswara Rao, Additional Secretary, Ministry of Mines (hereinafter referred to as the Committee) with the following terms of reference:
  - i) to review the National Mineral Policy 2008 and suggest a new policy taking into account the measures already taken and may need to be taken for bringing in further transparency, balanced social and economic growth, including sustainability of mining industry;
  - ii) to suggest recommendations for conservation and mineral development, and protection of environment and measures to assess the carrying capacity of mining in states/regions;
  - iii) to suggest measures for improvement of survey and exploration of minerals, database of mineral resources and tenements; scientific methods of mining; manpower development; infrastructure development; financial support for mining; and research in mining;
  - iv) to examine and make recommendations for development of strategic minerals;
  - v) to examine and review fiscal aspects conducive to the promotion of mineral exploration and development, including beneficiation and other forms of product refinement; and
  - vi) any other matter which the Committee feels relevant.
2. A copy of the Order No. 15/1/2017-M.V dated 14.08.2017 whereby the Committee has been set up and its extension are placed at Appendix-A.
3. The Committee adopted a consultative process with a problem-solving approach, to examine the issues from the stakeholder's perspective and viewpoint in order to address them. Accordingly, the Committee invited stakeholders to submit representations and/or make presentations detailing their perceptions in respect of the various terms of reference of the Committee.
4. The Committee held four meetings on 28.8.2017, 11.09.2017, 26.09.2017 and 13.10.2017, wherein the Committee viewed the presentations and held exhaustive discussions on the issues raised by the stakeholders. The minutes of the meetings are placed as Appendix-B, C, D & E.

5. The Committee had representatives from the Central Ministries of Steel; Environment, Forests & Climate Change; Coal, Finance; Shipping; Road Transport and Highways and Railways. In addition, the Committee had members representing the twelve mineral rich states of Andhra Pradesh, Chhattisgarh, Goa, Gujarat, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Tamil Nadu, and Telangana. Additionally, the Committee had representation from the NITI Aayog, Geological Survey of India, and Indian Bureau of Mines; and CII (Confederation of Indian Industry), FIMI (Federation of Indian Mineral Industries), FICCI (Federation of Indian Chambers of Commerce and Industry), and ASSOCHAM (The Associated Chambers of Commerce & Industry of India).
6. The Committee invited 'Samaj Parivartana Samudaya' and 'Goa Foundation' – two well-known voluntary organisations and environmental action groups associated with mining related issues. Similarly, Anthropological Survey of India, Indian Council of Forestry Research and Education (ICFRE) Dehradun, and National Environmental Engineering Research Institute (NEERI) were also invited to take part in the deliberations of the Committee. Further, National Mineral Development Corporation Limited was also invited to give their viewpoints. Assistant Secretaries of related ministries, who have just completed district training, were invited for a brainstorming session to understand their perspective. Comments were also obtained from organisations like Centre for Science and Environment (CSE).
7. A total of 46 sets of comments/suggestions were received from Central Ministries/Departments, State Governments, Industry Associations, Professional Bodies, Mining Companies, NGOs and Voluntary Organisations. Based on the comments received and the deliberations held in the first three meetings of the Committee, a preliminary draft National Mineral Policy document was prepared, which was shared and discussed in the fourth meeting of the Committee held on 13.10.2017.
8. Though the document was well taken by the members of the Committee, it was felt that there was scope for improvement. In view of the importance of the national mineral policy, as a set of principles in assisting decision making to achieve rational outcomes for the mineral sector, it was felt necessary to put in further efforts on the draft document in order to identify areas of possible improvements. Accordingly, various comments/suggestions received were further examined in detail.

9. The Committee placed particular emphasis on consideration of the inputs given by the state governments, and the insights provided by central ministries, NITI Aayog, ICFRE Dehradun, Anthropological Survey of India, Samaj Parivartana Samudaya and Goa Foundation. The Committee also examined in detail the suggestions given by FIMI and other industry associations/organisations as also the important aspects of mineral administration followed by evolved jurisdictions in the world, with a view to incorporating important learnings.
  
10. The Report is presented in three parts. Part A deals with the terms of reference of the Committee. While the Committee's report takes into account the presentations, and other documents submitted to it by the various stakeholders, the Committee's recommendations seek to resolve the conflicting views of the stakeholders, being perceptive to overall national goals and perspectives. Part B contains the draft National Mineral Policy and Part C comprises the Appendices.

## Chapter 1

### Transparency, Social and Economic Growth & Sustainability of Mining Industry

#### [Item no.1 of Terms of Reference]

*To review the National Mineral Policy 2008 and suggest a new policy taking into account the measures already taken and may need to be taken for bringing in further transparency, balanced social and economic growth, including sustainability of mining industry*

1. Management of mineral resources is the responsibility of both central and state governments in terms of entry 54 of the Union List (List I) and entry 23 of the State List (List II) of the Seventh Schedule of the Constitution of India.
2. Government has effected a paradigm shift in the alienation of natural resources from one based on a 'first-come-first-served method' to one based on auction. The Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act), which is the Central Act enacted for regulation of mines and development of minerals, was amended in the year 2015 to introduce auction as the method for grant of mineral concessions which were hitherto granted basically through the first-come-first-served method.
3. Auctions for grant of mineral concessions have already commenced, and as per information available in the Ministry of Mines, so far, 33 mineral blocks have been auctioned by nine states through forward ascending e-auction for iron ore, limestone, manganese, diamond, gold, and bauxite with estimated value of resources worth Rs. 1,69,391 Cr. The auctions will fetch the state governments a total revenue of Rs. 1,28,388 Cr over a period of fifty years during the entire tenure of these leases.
4. There were differing views during the deliberations of the Committee on the auction process adopted for grant of mineral concessions, wherein it has been opined that auction is a race to the bottom with no economic justification for the high bids and that the process needs to be rationalized. On the other hand, auction is considered to be the most transparent and non-discriminatory method for grant of mineral

concessions. We proceed to cite a few judgments delivered by the Supreme Court relevant in the context.

5. On the issues arising out of the 2G judgment, the Apex Court in its opinion on 27.9.2012 on the Presidential Reference dated 12.4.2012 [Special Reference no.1 of 2012 - under article 143(1) of the Constitution of India], *inter alio*, observed as follows:

*"149. Regard being had to the aforesaid precepts, we have opined that auction as a mode cannot be conferred the status of a constitutional principle. Alienation of natural resources is a policy decision, and the means adopted for the same are thus, executive prerogatives. However, when such a policy decision is not backed by a social or welfare purpose, and precious and scarce natural resources are alienated for commercial pursuits of profit maximizing private entrepreneurs, adoption of means other than those that are competitive and maximize revenue may be arbitrary and face the wrath of Article 14 of the Constitution. Hence, rather than prescribing or proscribing a method, we believe, a judicial scrutiny of methods of disposal of natural resources should depend on the facts and circumstances of each case, in consonance with the principles which we have culled out above. Failing which, the Court, in exercise of power of judicial review, shall term the executive action as arbitrary, unfair, unreasonable and capricious due to its antimony with Article 14 of the Constitution."*

6. In *Manohar Lal Sharma*<sup>3</sup> a writ petition whose subject matter was the allocation of coal blocks for the period from 1993 to 2011, the Supreme Court in paragraph 71 of its judgment dated 25.08.2014, *inter alio*, observed as follows:

*"71. ...Obviously, therefore, such allocation has to meet the twin constitutional tests, one, the distribution of natural resources that vest in the State is to sub-serve the common good and, two, the allocation is not violative of Article 14."*

<sup>3</sup>Writ Petition (CRL.) No. 120/2012 [in the matter of Manohar Lal Sharma Vs. The Principal Secretary & Ors.]

7. It can thus be seen that judicial pronouncements establish that alienation of natural resources is a policy decision and the means adopted for the same are executive prerogatives. However, the method adopted should meet the twin constitutional

tests – firstly the distribution should sub-serve the common good and secondly, the allocation is not violative of Article 14. We, therefore, do not wish to prescribe or proscribe whether auction or other mode/method would be the best way for allocation of mineral concessions. We leave it to the Government to consider these larger issues and to take appropriate steps necessary to ensure transparency in allocation of mineral resources while also ensuring equitable distribution of national wealth to sub-serve the common good. At the same time, it shall also be the concern of the Government that minerals being raw materials for the industry are made available at a fair, reasonable, equitable, affordable price across the entire supply chain from source to end use in order to maintain the pace of growth of industries and to avoid adverse socio-economic consequences arising out of spiraling/cascading effect of prices.

8. Some other key points also emerge from the examination of this issue. There is a need for having an efficient regulatory mechanism in place. The present regulatory framework is predominantly based on a human interface which has the attendant problems of weak enforcement. It is common knowledge that a system based on human interface is alleged to be beset with discrimination, corruption and *malafide*. To overcome these issues, it is imperative to put in place a strong regulatory mechanism based on use of IT, ITeS, e-governance with features of bar coding, electronic weigh bridges, e-transit passes, real time monitoring of mineral movement, real time data sharing and monitoring, and use of space technology to prevent illegal mining and value leakages. It is also imperative to strengthen coordination between different regulatory agencies and strengthening of State Directorates of Mining & Geology (DMG) with more manpower and latest IT tools. To ensure enforcement of mining plans, the Indian Bureau of Mines (IBM) and the state DMGs ought to be strengthened with adequate man power, equipment and skill sets upgraded to state-of-the-art levels.
9. There will be an emphasis on strengthening the regulatory mechanism by incorporating e-Governance, including satellite and remote sensing applications. Provisions shall be made for end-to-end accounting of mineral/ore in the supply chain with use of IT enabled systems. Efforts shall also be made to devise appropriate mechanism(s) for awareness and information campaigns and also for involvement of local populations to supplement the law enforcement capabilities in preventing illegal mining.
10. India is rich in onshore and offshore mineral resources. There is a huge demand for minerals in view of the rapid urbanization and the projected growth in the



manufacturing sector. With the thrust on Make in India initiative, the demand for minerals is likely to grow at a rapid pace. Therefore, exploitation and management of minerals has to be guided by long-term national goals and perspectives and integrated into the overall strategy of the country's economic development. Mining technology should be upgraded to ensure extraction and utilisation of the entire Run-of-Mines materials.

11. A thrust will be given to exploitation of mineral resources in which the country is well endowed so that the needs of domestic industry are fully met with keeping in mind both present and future needs, while at the same time exploiting the demand of external markets for such minerals. Minerals continue to be an important source of foreign exchange earnings. The policy of export shall keep in view the dynamics of mineral inventories as well as the short, medium and long term needs of the country. Efforts shall be made to export minerals in value added form as far as possible. The indigenous mineral industry shall be attuned to the international economic situation in order to derive maximum advantage from foreign trade by carefully anticipating technology and demand changes in the international market for minerals. A long term export policy for the mineral sector would provide stability and prove to be an incentive for investing in large scale commercial mining activity. To develop mining as a modern stand alone industry, substantial investment is required. Assurances on export of minerals will be a key factor for investment decisions particularly on Foreign Direct Investment (FDI) in the sector. The Export Policy should be based on a clear long term strategy for export of mineral, taking these aspects into consideration. The import of mineral based material shall be coordinated as far as possible with the indigenous development of mineral based industries. Areas of cooperation with countries with complementary resource base shall be developed for mutual advantage. The approach shall be to make available mineral based materials to domestic users at reasonable prices as determined by market forces.
12. Though primary materials will remain the principal source for fulfilling demand, efforts shall be made to augment supply by developing processes for recovery of metal through recycling. The reusable nature of metals contributes to conservation of natural resources and includes other benefits in terms of energy conservation, environmental and economic benefits. Considering that a large number of merchant mining leases are going to expire in the year 2020, and for captive mines in 2030, efforts shall be made to ensure uninterrupted supply of mineral/ore to the downstream industry.

13. For the sustainability of the mining sector, the following shall also be ensured:
  - i) security of tenure of concessions along with transferability;
  - ii) transparency and fair play while reserving areas for State agencies unless security considerations or specific public interests are involved;
  - iii) streamlining the procedure for grant of clearances required for commencement of mining operations in a simpler and time bound manner through an on-line public portal with provision for generating triggers at higher level in the event of delay.
  
14. On the issues related to sustainability of the mining sector, it can be seen from the preceding paragraphs 9-11 that we have retained sections of NMP 2008 that hold relevance in the present day while refining and adding appropriate sections to reflect the requirements that are currently relevant.

## Chapter 2

### Conservation and Mineral Development & Protection of Environment

#### [Item no.2 of Terms of Reference]

*To suggest recommendations for conservation and mineral development, and protection of environment and measures to assess the carrying capacity of mining in states/regions*

1. *Conservation of minerals shall be construed not in the restrictive sense of abstinence from consumption or preservation for use in the distant future but as a positive concept leading to augmentation of reserve/resource base through improvement in mining methods, beneficiation and utilisation of low grade ore and mineral rejects and recovery of associated minerals. This statement from NMP 2008 should be retained in the new policy document as it is an important guiding principle. Similarly, we feel the concern for zero-waste mining and value addition should also continue to figure in the new Policy document. Latest techniques of beneficiation, calibration, blending, sizing, concentration, pelletisation, purification and general customization of product should be encouraged and promoted through fiscal and non-fiscal incentives to ensure zero-waste mining.*
2. *Delay in obtaining clearances is an issue which has vexed the mining industry. While it is imperative that mining needs to be carried out in an environmentally sustainable manner, it shall be ensured that the regulatory environment is conducive to ease of doing business with simpler, time-bound procedures for obtaining clearances.*
3. *It is also imperative to adopt environmentally sustainable mining practices. Towards this end, a Sustainable Development Framework (SDF) document was prepared by the Government in 2011 which envisions mining as financially viable, socially responsible, environmentally, technically and scientifically sound with a long term view of development with the following key principles: (i) Incorporating Environmental and Social Sensitivities in decisions on leases: To categorise mineral bearing areas based on an environmental and social analysis to balance environmental and social interests of the nation, with mining priorities in the longer term; (ii) Strategic Assessment in Key Mining regions: To undertake a strategic assessment of regional and cumulative impacts and develop a regional mineral*

development plan based on an assessment of the regional "capacity" at periodic intervals and to create an institutional structure to own and implement such plans in key mining regions and taking critical decisions; (ii) Managing impacts at the mine level through sound management systems: Impact assessment of key environmental, social, health and safety issues, and development of management framework and systems at the mine level and continual improvement of the same on the basis of international standards on a self-driven basis; (iv) Addressing Land, Resettlement and Other Social Impacts: Comprehensive assessment of social impacts and displacement of mining projects at the household, community and mining region level, and management commitment to address those impacts through mitigation measures and management plans; (v) Community engagement, benefit sharing and contribution to socio-economic development: It dovetails the social impact management of project operations with the CSR initiatives being undertaken and looks at an integrated approach to mitigate impacts and improve local livelihoods and living conditions in the neighbourhood areas/communities; (vi) Mine Closure and Post Closure: Mining operations must prepare, manage and progressively work on a process for eventual mine closure through a fully scoped and auditable document with an accurate estimate of planned cost of closure to the company; (vii) Ethical functioning and responsible business practices: This principle underlines the need for ethical business practices and a strong sense of corporate responsibility among mining companies. It recommends companies to go beyond legal compliance; and (viii) Assurance and Reporting: Seeks mining sector stakeholders to assess their performance against this SDF and demonstrate continual improvement on this performance over the life of the project, which requires performance to be reported in a structured manner in a SDF Report to be disclosed in the public domain as well as to regulatory agencies to consider during approval processes.

4. In order to implement the practices of sustainable mining, the Government shall set a benchmark against which all mining operations may be evaluated in terms of their comparative performance based on the principles mentioned above and also enforce commitment on part of the mining companies to adopt sustainable development practices for achieving environmental and social goals.
5. We have retained the provisions from NMP 2008 relating to mining of small mineral deposits, considering the continued relevance of the importance of working such deposits in a scientific and efficient manner while safeguarding vital environmental and ecological imperatives. In grant of mineral concessions for small deposits in Scheduled Areas, preferential right shall be given to Scheduled Tribes singly or as cooperatives while extending enabling environment to carry out mining operations

In a systematic and efficient manner. Similarly, portions from NMP 2008 on mine closure have been appropriately retained.

6. We wish to draw our concern to abandoned and orphaned mines which are dotting the landscape across the mining belt. They are an environmental eye sore and at the same time pose a serious risk to health and public safety. These abandoned mines continue to remain in depredated condition mainly because the state agencies cannot find the persons who are liable to repair the damage. Quite possibly these could be sites of illegal mining done clandestinely. It is imperative to ensure that such abandoned and orphaned mines do not continue to remain in the same state forever. An appropriate strategy is required to be evolved in this regard.
  
7. The Hon'ble Supreme Court has imposed limits on mineral production in the States of Karnataka and Goa. These limits have been decided based on considerations of factors that affect the environment, such as quantity of annual excavation of minerals, the capacity of excavation, etc. The Apex Court observed that it is really not for the Supreme Court to lay down limits on the extent of mining activities that should be permitted by the State of Odisha or by the Union of India and went on to say that this is an aspect that needs serious consideration by the policy and decision makers in our country in the governance structure. Paragraph 209 of the judgment dated 2.8.2017 delivered by the Hon'ble Court in Writ Petition (Civil) No.114 of 2014 (*Common Cause Vs. Union of India and Ors.*) is reproduced below for ready reference:

*"209. There is no doubt considerable substance in the submission particularly if this is considered in the light of intergenerational rights and obligations which have been dealt with in the said article. However, it is really not for this Court to lay down limits on the extent of mining activities that should be permitted by the State of Odisha or by the Union of India. Nevertheless, this is an aspect that needs serious consideration by the policy and decision makers in our country in the governance structure. At present, keeping in mind the indiscriminate mining operations in Odisha, it does appear that there is no effective check on mining operations nor is there any effective mining policy. The National Mineral Policy, 2008 (effective from March 2008) seems to be only on paper and is not being enforced perhaps due to the involvement of very powerful vested interests or a failure of nerve. We are of opinion that the National Mineral Policy, 2008 is almost a decade old and a variety of changes have taken place since then, including (unfortunately) the advent of rapacious mining in several parts of the country. Therefore, it is high time that the Union of India revisits the National Mineral Policy, 2008 and*

*announces a fresh and more effective, meaningful and implementable policy within the next few months and in any event before 31st December, 2017. We are constrained to pass this direction in view of the facts disclosed in these petitions and in judgments delivered by this Court with regard to mining in Goa and Karnataka."*

8. Setting up of this Committee is in consequence to the directions issued by the Hon'ble Supreme Court to the Union of India to revisit the National Mineral Policy 2008 and announce a fresh and more effective, meaningful and implementable policy before 31.12.2017. More particularly, the direction to revisit the National Mineral Policy 2008 is in the context of the observation of the Court that policy framework and governance structure should decide as to what should be the extent of mining that should be permitted (we have brought out this aspect in the preceding paragraph). We therefore feel that it is appropriate for this Committee to delve on the aspect of enabling the governance structure through an institutional mechanism for deciding this aspect in a wholesome and overarching approach. Having said so, we feel it would be appropriate for the Government to set-up an inter-ministerial body with members like MoM, MoES, MoEFCC, States at Ministerial and Secretariat level, to institutionalise a mechanism for ensuring sustainable mining with adequate concerns for environment and socio-economic issues in the mining areas, and to advise the Government on rates of royalty, dead rent etc.
9. This proposed mechanism or any other institutional process can also decide the limits on the extent of mining activities that should be permitted which would, inter alia, involve undertaking a detailed study for assessing what should be the state-wise/region-wise ceiling on annual excavation of minerals, considering the availability of mineral resources, the carrying capacity of the region, and the macro environmental impact on the region, while also keeping in mind the principles of sustainable development and intergenerational equity and all other relevant factors.

## Chapter 3

### Prospecting and Exploration of Minerals, Database of Mineral Resources, & Infrastructure Development

[Item no.3 of Terms of Reference]

*To suggest measures for improvement of survey and exploration of minerals; database of mineral resources and tenements; scientific methods of mining; manpower development; infrastructure development; financial support for mining; and research in mining*

1. We turn our attention to prospecting and exploration of minerals which is a very important aspect to say the least. In our deliberations, we have received a lot of comments on this issue. The sum and substance of the comments is that there is a need for expediting the pace of exploration in the country and for adequately/appropriately incentivizing exploration in order to attract private investment and the latest technical knowhow. It is true that unless there is adequate exploration, the country cannot develop mineral resources - the level of exploration reflects the level of resource availability and consequent development in the country. While the Government agencies will continue to perform the tasks assigned to them for survey and exploration, the private sector would be encouraged to take up exploration activities. Government agencies will expend public funds particularly in areas where private sector investments are not forthcoming due to reasons such as high uncertainties.
2. Though NMP 1993 and the NMP 2008 have adequately focused on inviting foreign investment and technology into the mining sector, we realise that there are hardly any foreign companies presently undertaking exploration in the country and we also do not have the required levels of technology for undertaking exploration to respectable levels. Presently, the country has a poor resource-cum-reserve base despite having the geological potential for large resources.
3. Therefore, particular attention will be given to the prospecting and exploration of minerals in which the country has a poor resource-cum-reserve base despite having the geological potential for large resources. Special attention will be given towards exploration of energy critical minerals, fertilizer minerals, precious metals and

stones, and strategic minerals which are otherwise difficult to access and for which the country is mainly dependent on imports.

4. Developed countries like Australia, Canada, Chile, USA, Brazil, Argentina etc. invite junior companies to undertake exploration, who have expertise in exploration and are willing to take the risks associated with exploration which is an unpredictable and highly risky venture. Exploration is kept as a separate branch all together and the governments in these countries allow the junior companies to sell their data which allows them to defray the costs and losses, if any, incurred in exploration.
5. In the context of exploration, NMP 2008 had all the necessary ingredients for encouragement and development of exploration by way of envisaging seamless transition from reconnaissance to prospecting and then to mining. An important take away from this discussion is that it is the need of the hour to incentivize private sector participation in exploration, through attractive incentives.
6. The Government has framed a comprehensive policy on mineral exploration which was announced in 2016. The National Mineral Exploration Policy 2016 (NMEP) aims at accelerating the exploration activity in the country through enhanced participation of the private sector and draws up a detailed programme for comprehensive mineral exploration of the country to uncover its full mineral potential so as to put the nation's mineral resources (non-fuel and non-coal) to best use and thereby maximize sectoral contribution to the Indian economy. It was deliberated by the Committee as to whether the NMP should be drafted as an overarching framework covering and encompassing the issues concerning exploration and subsuming the NMEP into the new policy framework.
7. On this aspect, we feel that NMEP is a comprehensive document with a road map for exploration in the country; and, therefore, it ought to remain as a separate document. Our concerns with regard to exploration in the NMP would supplement the views of the Government in the NMEP. Having said this, we would touch upon general aspects relating to exploration and would make the following recommendations: (i) exploration shall be incentivised to attract private investments as well as state-of-the-art technology, through an adequate financial package or through right of first refusal at the time of auction or any other appropriate incentive as per international practice. (ii) clearances shall be streamlined with simpler, accountable and time bound procedures to facilitate exploration in order to conform to the statutory requirements especially for geologically complex deposits. (iii) in the offshore areas, it is necessary to ensure that India's Exclusive Economic Zone is explored and exploited to the maximum possible extent. Cooperation between



Ministry of Earth Sciences (MoES) and Geological Survey of India (GSI) needs to be further institutionalised, so as to achieve this objective within a time bound framework. Efforts shall be made to amend the legislation governing development and regulation of minerals in offshore areas to provide an enabling environment that encourages private participation in exploration and exploitation of minerals while also ensuring transparency in allocations as well as a fair share of revenue to the Government.

8. With regard to data base of mineral resources and tenements, we have included paragraphs from NMP 2008 with appropriate refinements. The idea is three fold viz, to establish and maintain: (i) a national inventory of mineral resources; (ii) a tenement registry for public viewing, integrated with GIS, such that information could be shown spatially in the form of map based service; and (iii) a Mining Tenement System (MTS) which would primarily involve automating the entire concession life-cycle using state of the art IT systems. The project for design and development of the MTS is presently being undertaken by Indian Bureau of Mines. Concerns in this regard have been included in the policy document as a guiding precept to supplement the efforts of Government in this regard.
9. We have also retained the relevant paragraphs from NMP 2008 and suitably refined the portions relating to data base of mineral resources for collation and maintenance of baseline and mineral exploration information generated by various central & state government agencies and also the mineral concession holders, with the purpose of open dissemination of geoscientific data as a public good. We have also recommended collaboration between national and international scientific and research bodies, universities and industry for scientific and technological research to address the mineral exploration challenges in the country.
10. We have reiterated concerns relating to the following aspects from NMP 2008:
  - i) The leased areas should be worked for systematic, scientific and optimum extraction of minerals through scientific methods of mining;
  - ii) Incentivizing import and state-of-the-art development of equipment and machinery usage will improve the efficiency, productivity and economics of mining operations as well as mineral beneficiation process, safety and health of persons working in the mines/beneficiation plant and surrounding areas;
  - iii) Review and upgradation of the facilities for basic and specialised training to ensure that adequately trained manpower at all levels is available for the development of mines and minerals.

11. While reiterating the portion on infrastructure development from NMP 2008 considering its continued relevance, we have refined the same by adding an additional paragraph on: (i) planning and development of mineral corridors to facilitate transport of minerals from mining areas in hinterland; (ii) development, promotion and installation of innovative, eco-friendly and efficient modes of evacuation like slurry pipelines and close loop conveyors; (iii) promotion of use of coastal water ways and inland shipping; and (iv) provision of special incentives or priority movement by railways/port/coastal shipping to promote investment in the mining sector. The contribution of mineral development to regional and more specifically peripheral development, commensurate with the huge investment in large mining projects is substantial. An integrated approach shall be encouraged encompassing mineral development, regional development and the social and economic well-being of the local, and particularly, tribal population.
12. We have more or less retained the portion on research and development from NMP 2008, considering its continued relevance.

## Chapter 4

### Development of Strategic Minerals

[Item no.4 of Terms of Reference]

*To examine and make recommendations for development of strategic minerals*

1. With the Make In India initiative launched by the Government and as the country shapes up to become a manufacturing hub, a greater need for mineral resources will be felt, especially for those minerals whose availability is scarce, limited or insufficient in the country. Therefore, securing access to sufficient, reliable, affordable, and sustainable supplies of minerals is increasingly becoming an important factor for functioning of downstream industries and the overall economy. Some countries like China have shown the resolve and have gone ahead to acquire mineral resources in African and Latin American countries. We feel that there should be a focus on mineral security especially with regard to strategic minerals, for aligning the downstream regulation for exploration and development of strategic minerals.
2. Similarly, efforts will be made to encourage exploitation of replenishable deposits of beach sand minerals for improved economic growth. However, there shall be coordination between the different agencies viz., State Governments, Indian Bureau of Mines, Department of Atomic Energy, Atomic Minerals Directorate for Exploration and Research, and Department of Customs and Excise etc. to ensure that mining of beach sand minerals is in conformity with the mining legislation and other related legislations like The Atomic Energy Act, 1962 and The Atomic Energy (Working of Mines, Minerals and Handling of Prescribed Substances) Rules, 1984, and also conforms to national security requirements and established international protocols.

## Chapter 5

### Fiscal Aspects Conducive to Promotion of Mineral Exploration & Development

[Item no.5 of Terms of Reference]

*To examine and review fiscal aspects conducive to the promotion of mineral exploration and development, including beneficiation and other forms of product refinement*

1. We have retained much of what has been stated in NMP 2008 with regard to the fiscal aspects. What has been stated therein viz. "It will be the endeavour of government to design fiscal measures within the context of the budget and for rationalisation of taxation and royalty, conducive to the promotion of mineral exploration and development including beneficiation and other forms of product refinement " is a generic statement with its relevance holding true even today.
2. Although mining is an activity eligible for obtaining financial support from financial institutions, at present only those mining projects which have a substantial component of mining machinery, equipment and buildings are being financed. We have therefore included a recommendation for granting industry status to mining so as to facilitate comprehensive financing of mine development and also exploration which is integral to development of the mineral sector.
3. To meet the objective of safety and economic production, attention will be given to the development of robotics, automated equipment and systems for mining, especially for deep mining and transportation to surface. While efforts shall be made for indigenous development, the Government shall also consider appropriate fiscal measures to facilitate import of automated equipments, machinery and mining robots etc. which are not available in the country, which can be used for exploration, mineral development and value addition in the downstream industry.

## Chapter 6

### Mine Safety, Welfare of Project Affected Persons & Inter-Generational Equity

#### [Item no.6 of Terms of Reference]

*Any other matter which the Committee feels relevant*

1. We have retained the section from NMP 2008 on Relief & Rehabilitation of Displaced and Affected Persons. This continues to hold its relevance. One of the amended provisions to the MMDR Act in 2015 provides for establishment of the District Mineral Foundation ("DMF") with the objective of working for the interest and benefit of persons and areas affected by mining related operations. This amendment provision is fulfilment of a long standing demand of the civil society for devolution of mining benefits to persons living in project affected areas. We have now added that the devolution of mining benefits under DMF for inclusive and equitable development of project affected persons and areas is to be guided by the provisions of the Pradhan Mantri Khanij Kshetra Kalyan Yojana ("PMKKKY"). We have recommended that the Government shall monitor and review the implementation of schemes under DMF for giving effect to PMKKKY for which a national web portal shall be developed with free access to the public.
2. Our second addition relates to welfare of tribal communities. Though NMP 2008 talks about the rehabilitation and relief measures for displaced population including tribal populations, what we have added emphasises that much needs to be done to regulate social performance and management while undertaking mining projects in tribal areas. (i) Relief & Rehabilitation of Displaced and Affected Persons: Mining operations can involve acquisition of land held by individuals including those belonging to the tribals and weaker sections. In all such cases, a careful assessment of the economic, cultural, environmental, and social impact on the affected persons needs to be undertaken to ensure that suitable, appropriate, relief and rehabilitation packages are evolved. In areas in which minerals occur and which are inhabited by tribal communities and weaker sections, it is imperative to recognize resettlement and rehabilitation issues as intrinsic to the development process of the affected zone. A mechanism will be evolved which would actually improve the living standards of the affected population and ensure them a sustainable income. For this purpose, all the provisions of the National Rehabilitation and Resettlement Policy or any revised Policy or Statute that may come into operation, will be followed.

(ii) Devolution of Mining Benefits to Project Affected Persons: The mining legislation has been amended to provide for the establishment of District Mineral Foundation ("DMF") with the objective of working for the interest and benefit of persons, and areas, affected by mining related operations. The objectives for devolution of mining benefits under DMF for inclusive and equitable development of project affected persons and areas are to be guided by the provisions of the "PMKKKY". It shall be the endeavour of the Government to monitor and review the implementation of schemes under DMF for giving effect to PMKKKY for which a national web portal shall be developed with free access to the public. (iii) Welfare of Tribal Communities: Existence of minerals in tribal areas with rich biodiversity requires a comprehensive assessment. Land acquisition and displacement of tribal communities due to mining projects may lead to distress in tribal communities living in Scheduled Areas. Grant of mineral concessions in Scheduled Areas shall be guided by the provisions contained in article 244 read with Fifth and Sixth Schedules to the Constitution relating to administration of the Scheduled Areas and Tribal Areas and the provisions of the Panchayats (Extension to the Scheduled Areas) Act, 1996 and the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 or any other relevant statutory acts protecting the interests of tribals. All Relevant Acts/Rules related to rehabilitation and resettlement like The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, subsequent amendments or any other relevant acts/rules shall be strictly implemented.

3. We have taken care to desist from using the term "Indigenous" in the context of tribal populations. In this regard we are guided by the insights provided by Director, Anthropological Survey of India ("AnSI"). In this context, Director, AnSI emphasized that one should refrain from using the term 'indigenous communities' because this is a disputed term and raises the contentious issue of determining who is indigenous and who is an outsider. He added that this has been the point of view of the Government of India, and the point of view of a large number of anthropologists who have worked on these communities who are of the considered opinion that the term 'Indigenous communities' is more applicable in the context of America or Australia where one can certainly determine the "Indigeneity" of populations. He said that here we are dealing with the communities which are known as tribal communities and added that there are about 705 scheduled tribe communities according to the recent statistics which constitute 8.6% of the total population of the country.
4. We have retained the portions from NMP 2008 on mine safety, considering that what has been stated continues to be relevant even in the present day.

5. We have added a new paragraph on the concept of intergenerational equity. In this regard we are guided by the insights provided by Goa Foundation. There is a need to understand that natural resources, including minerals, are a shared inheritance where the state is the trustee on behalf of the people to ensure that future generations receive the benefit of inheritance. State Governments will endeavour to ensure that the full value of the extracted minerals is received by the State. However, a disaggregated approach in respect of each mineral requires to be adopted, considering aspects like reserves/ resources and potential for reuse through recycling, which are relevant and suitable in the Indian context.

## Conclusion

1. A draft National Mineral Policy has been prepared which is placed in Part B of this report. We are mindful of the processes that will follow after this report is submitted to the Government of India, Ministry of Mines.
2. We are aware of the requirement of placing this document in the public domain for a period of thirty days for being proactively shared with the public, eliciting their response and the examination of the suggestions/comments received through public consultation and the changes/modifications to the draft Policy document that might be necessitated thereafter.
3. We are also mindful of the requirement of carrying out inter-ministerial consultations and further changes that might be required to be carried out. We hope and wish for the culmination of the entire process with the notification of the new and fresh National Mineral Policy at the earliest, once the approval of the Cabinet is forthcoming.
4. We have strived our best to work out a "more effective, meaningful and implementable" policy as directed by the Hon'ble Supreme Court. At the same time we acknowledge that NMP 2008 was very well drafted and have retained, gladly and without any reservations, portions that are still relevant in the present day.
5. Under the 'Make In India' initiative, the Government of India aims to increase the share of the manufacturing sector. These national initiatives/vision, may require a holistic development of the mineral sector on a sustainable basis in order to fulfil the demand of downstream industries dependent on mineral/ore supply. The success of the third national mineral policy will depend largely on a national consensus by various key stakeholders and their commitments to fulfil its underlying principles and objectives.
6. Last but not the least, we would like to place on record our sincere appreciation and gratitude to all who have participated wholeheartedly in the process and have painstakingly provided their comments/suggestions. Where it was not possible for us to accommodate certain views/suggestions, we would like to let this be known that the effort of the Committee was to harmonise the differences, having due regard to the national goals and priorities and that our endeavour is to make a policy that is implementable and workable.

\*\*\*



## **PART- B**

**Government of India  
Ministry of Mines**

**DRAFT NATIONAL MINERAL POLICY, 2017**

**(For non-fuel and non-coal minerals)**

**1. VISION**

Minerals are a valuable natural resource being the vital raw material for the core sectors of the economy. Exploration, exploitation and management of minerals have to be guided by national goals and perspectives to be integrated into the overall strategy of the country's economic development and the Make in India initiative. Minerals, are nature's endowment which we need to leverage in a fair and transparent manner to sub-serve the common good. Mining needs to be carried out in an environmentally sustainable manner keeping stakeholders' interest in mind. It shall also be ensured that the regulatory environment is conducive to ease of doing business with simpler, time-bound procedures for obtaining clearances. Since mining contributes significantly to state revenues by way of auctions, there is a need for an efficient regulatory mechanism with enabling e-governance systems to prevent illegal mining.

**2. REGULATION OF MINERALS**

- 2.1** Management of mineral resources is the responsibility of both the central and state governments in terms of entry 54 of the Union List (List I) and entry 23 of the State List (List II) of the Seventh Schedule of the Constitution of India.
- 2.2** In order to make the regulatory environment conducive to ease of doing business, the procedures for grant of mineral concessions shall be transparent with an assured security of tenure alongwith transferability of concessions playing a key role in mineral sector development.

- 2.3 To ensure enforcement of mining plans, the Indian Bureau of Mines (IBM) and the State Directorates of Mining & Geology will be strengthened with adequate man power, equipment and skill sets upgraded to state-of-the-art levels.
- 2.4 There will be an emphasis on strengthening the regulatory mechanism by incorporating e-Governance, including satellite and remote sensing applications. Provisions shall be made for end-to-end accounting of mineral/ore in the supply chain with use of IT enabled systems. Efforts shall also be made to devise appropriate mechanism(s) for awareness and information campaigns and also for Involvement of local populations to supplement the law enforcement capabilities in preventing illegal mining.

### 3. **ROLE OF STATE IN MINERAL DEVELOPMENT**

The core functions of state in mining will be facilitation and regulation of exploration and mining activities by investors and entrepreneurs, making provision for development of infrastructure and tax collection. There shall be transparency and fair play while reserving areas for State agencies unless security considerations or specific public interests are involved. Grant of clearances for commencement of mining operations shall be streamlined with simpler and time bound procedures facilitated through an on line public portal with provision for generating triggers at higher level in the event of delay.

### 4. **PROSPECTING AND EXPLORATION**

- 4.1 The country is blessed with ample resources of a number of minerals and has the geological environment for occurrence of many others. To explore the country's entire geological potential, it shall be ensured that regional and detailed exploration is carried out systematically and intensively in the entire geologically conducive mineral bearing area of the country, using state-of-the-art technology in a time bound manner.

- 4.2 While the Government agencies will continue to perform the tasks assigned to them for survey and exploration, the private sector would be encouraged to take up exploration activities. Government agencies will expend public funds particularly in areas where private sector investments are not forthcoming due to reasons such as high uncertainties.
- 4.3 Particular attention will be given to the prospecting and exploration of minerals in which the country has a poor resource-cum-reserve base despite having the geological potential for large resources. Special attention will be given towards exploration of energy critical minerals, fertilizer minerals, precious metals and stones, and strategic minerals which are otherwise difficult to access and for which the country is mainly dependent on imports.
- 4.4 Exploration shall be incentivised to attract private investments as well as the state-of-the-art technology, through an adequate financial package or through right of first refusal at the time of auction or any other appropriate incentive as per international practice.
- 4.5 Clearances shall be streamlined with simpler, accountable and time bound procedures to facilitate exploration in order to conform to the statutory requirements especially for geologically complex deposits.
- 4.6 In the offshore areas, it is necessary to ensure that India's Exclusive Economic Zone is explored and exploited to the maximum possible extent. Cooperation between Ministry of Earth Sciences (MoES) and Geological Survey of India (GSI) needs to be further institutionalised, so as to achieve this objective within a time bound framework. Efforts shall be made to amend the legislation governing development and regulation of minerals in offshore areas to provide an enabling environment that encourages private participation in exploration and exploitation of minerals while also ensuring transparency in allocations as well as a fair share of revenue to the Government.

## 5. DATA BASE OF MINERAL RESOURCES AND TENEMENTS

5.1 National inventory of mineral resources will be based on a comprehensive and up to date review of exploration data which will be maintained in digitised form comprising both a resource inventory and a tenement registry. The resource inventory will be in accordance with a globally accepted public reporting standard for ensuring reliability of reporting and acceptability to financial institutions and stock exchanges showing reserves and remaining resources as well in the traditional IBM form of resources and probable and proven reserves. The registry shall be a web-based system for public viewing integrated with GIS, such that information could be shown spatially in the form of map based service.

5.2 Efforts shall be made by the Government to establish a Mining Tenement System (MTS) which would primarily involve automating the entire concession life-cycle using state-of-the-art IT systems

5.3 Baseline and mineral exploration information generated by various central & state government agencies and also mineral concession holders will be collated and maintained for open dissemination of geoscientific data as a public good. Collaboration between national and international scientific and research bodies, universities and industry will be encouraged for scientific and technological research to address the mineral exploration challenges in the country.

## 6. MINING AND MINERAL DEVELOPMENT

### 6.1 General Strategy

Minerals as a major resource for the core sectors of the economy, there is a huge demand for minerals in view of the rapid urbanization and the projected growth in the manufacturing sector. With the thrust on Make in India initiative the demand for minerals is likely to grow at a rapid pace. Exploitation and management of minerals

has to be guided by long-term national goals and perspectives and integrated into the overall strategy of the country's economic development. Mining technology will be upgraded to ensure extraction and utilisation of the entire Run-of-Mines (RoM) materials

A thrust will be given to exploitation of mineral resources in which the country is well endowed so that the needs of domestic industry are fully met keeping in mind both present and future needs, while at the same time fulfilling the demand of external markets for such minerals, so as to enhance domestic economic and social well-being.

Though primary materials will remain the principal source for fulfilling demand, efforts shall be made to augment supply by developing processes for recovery of metal through recycling. The reusable nature of metals contributes to conserve natural resources and includes other benefits in terms of energy conservation, environmental and economic benefits.

Considering that a large number of merchant mining leases are going to expire in the year 2020, and for captive mines in 2030, efforts shall be made to ensure uninterrupted supply of minerals/ore to the downstream industry.

## 6.2 Conservation and Mineral Development

Conservation of minerals shall be construed not in the restrictive sense of abstinence from consumption or preservation for use in the distant future but as a positive concept leading to augmentation of reserve/resource base. There shall be an adequate and effective legal and institutional framework mandating zero-waste mining as the ultimate goal and a commitment to prevent sub-optimal and unscientific mining. Value addition and general customisation of product will be encouraged by providing fiscal and/ or non-fiscal incentives.

### 6.3 Scientific Methods of Mining

Mine development and mineral conservation as governed by the rules and regulations will be on sound scientific basis, with the regulatory agencies, viz. IBM and the State Directorates, closely interacting with R&D organisations and scientific and professional bodies, to ensure preparation of optimal Mining plan. Conditions of mining leases regarding extent of area/size, shape, disposition with reference to geological boundaries and other mining conditions shall be such as to favourably predispose the leased areas to systematic, scientific, optimum, and complete extraction of minerals. The regulatory agencies will be suitably strengthened through capacity building measures in terms of adequate manpower, technology, equipment and skill-set.

### 6.4 Mining Machinery and Mineral Beneficiation Equipment

Use of equipment and machinery which will improve the efficiency, productivity and economics of mining operations as well as mineral beneficiation process, safety and health of persons working in the mines/beneficiation plant and surrounding areas shall be encouraged. Availability of such equipment and machinery shall be incentivized and freely allowed. At the same time capacities shall be developed for indigenous industry for manufacture of mining machinery and mineral beneficiation equipment and machinery for which induction of modern technology and participation shall be encouraged.

### 6.5 Human Resource Development

Development of human resources shall be the mainstay to improve the competitive edge of the national mining industry. Emphasis shall be laid on mechanisation, computerisation, automation and adoption of state of the art technology of the existing and new mining units. The human resource development strategy shall be suitably reoriented for the purpose. Facilities for basic and specialised training

shall be constantly reviewed and upgraded from time to time, to ensure that adequately trained manpower at all levels is available for the development of mines and minerals. As the mining sector takes off, the country will need more and more mining engineers, geologists, geo-physicists, geo-chemists, geo-instrumentation specialists, software professionals etc.

## 6.6 Infrastructure Development

Mining infrastructure requires a special thrust as the economic efficiency of evacuation of minerals from pit mouth to user point or port or rail head is closely linked to the end use value of the mineral and of the viability of the industry producing and using the mineral.

While local evacuation networks will be encouraged to be built in an integrated manner along with developing the mineral blocks, dedicated mineral corridors shall be planned to facilitate transport of minerals from mining areas in hinterland. Development and installation of innovative, eco-friendly and efficient modes of evacuation like slurry pipelines and close loop conveyors shall be promoted and encouraged. An enabling environment will be created to allow mining companies to undertake construction of such infrastructure including construction of conventional transportation networks like rail and road for their own usage in coordination of State/Central agencies. Use of coastal water ways and inland shipping shall also be promoted. To promote investment in the mining sector special incentives or priority movement by railways/port/coastal shipping must be encouraged.

The contribution of mineral development to regional and more specifically peripheral development, commensurate with the huge investment in large mining projects is substantial. An integrated approach shall be encouraged encompassing mineral development, regional development and the social and economic well-being of the local, and particularly, tribal population.



## 6.7 Financial Support for Mining

Mining is an eligible activity for obtaining financial support from financial institutions. However, at present only those mining projects which have a substantial component of mining machinery, equipment and buildings are being financed. Steps shall be taken to facilitate financing of mine development and also exploration being integral to the mining project for which efforts shall be made to grant mining the status of industry.

## 6.8 Small Deposits

Small and isolated deposits of minerals are scattered all over the country. These often lend themselves to economic exploitation through small scale mining. With modest demand on capital expenditure and short lead-time, they provide employment opportunities for the local population. However, due to lack of economies of scale they can also lead to sub-optimal mining and ecological disturbance. Efforts will be made for promotion of small mineral deposits in a scientific and efficient manner while safeguarding vital environmental and ecological imperatives.

Where small deposits are not susceptible to viable mining, a cluster approach will be adopted by granting the deposits together as a single lease within a geographically defined boundary.

In grant of mineral concessions for small deposits in Scheduled Areas, preferential right shall be given to Scheduled Tribes singly or as cooperatives while extending enabling environment to carry-out mining operations in a systematic and efficient manner.

## 6.9 Beach Sand Minerals

Efforts will be made to encourage exploitation of the replenishable deposits of beach sand minerals for improved economic growth as per the objectives of the extant policy on exploitation of beach sand minerals. However, there shall be coordination between the different agencies viz., State Governments, Indian Bureau of Mines, Department of Atomic Energy, Atomic Minerals Directorate for Exploration and Research, and Department of Customs and Excise etc. to ensure regulation of mining of beach sand minerals to be in conformity to the mining legislation and other related legislations like The Atomic Energy Act, 1962 and The Atomic Energy (Working of Mines, Minerals and Handling of Prescribed Substances) Rules, 1984 while also conforming to national security requirements and established international protocols.

## 6.10 Protection of Environment

Extraction of minerals impacts other natural resources like land, water, air and forest. It is necessary to take a comprehensive view to facilitate the choice or order of land use keeping in view the needs of development as well as needs of protecting the forests, environment and ecology.

Prevention and mitigation of adverse environmental effects due to mining in accordance with the latest scientific norms and modern afforestation practices shall form integral part of mine development strategy in every instance. All mining shall be undertaken within the parameters of a comprehensive Sustainable Development Framework which will ensure that environmental, economic and social considerations are integrated effectively in all decisions on mines and minerals issues. The guiding principle shall be that a miner shall leave the mining area in an ecological shape which is as good as it was before the commencement of mining or better.

Mining operations shall not ordinarily be taken up in identified ecologically fragile and biologically rich areas. The Government shall identify such areas that are critically fragile in terms of ecology and declare as 'in-violate areas' or 'no-go areas' out of bounds for mining.

With a view to reduce pollution, carbon footprint and operational costs, use of renewable sources of energy at mining sites will be encouraged through appropriate incentives.

#### **6.11 Sustainable Development in Mining Sector**

Environmental, economic and social considerations must be taken into account as early as possible in the decision-making process, to ensure sustainable development in the mining sector which envisions mining as financially viable; socially responsible; environmentally, technically and scientifically sound; with a long term view of development; uses mineral resources optimally; and, ensures sustainable post-closure land uses.

The Government shall set a benchmark against which all mining operations may be evaluated in terms of their comparative performance on sustainable development framework and enforce commitment on part of the mining companies to adopt sustainable development practices for achieving environmental and social goals.

#### **6.12 Welfare of Project Affected Persons**

##### **6.12 (a) Relief & Rehabilitation of Displaced and Affected Persons**

Mining operations can involve acquisition of land held by individuals including those belonging to the tribals and weaker sections. In all such cases a careful assessment of the economic, cultural, environmental, and social impact on the affected persons need to be undertaken to ensure that suitable, appropriate, relief and rehabilitation packages are evolved.

In areas in which minerals occur and which are inhabited by tribal communities and weaker sections, it is imperative to recognize resettlement and rehabilitation issues as intrinsic to the development process of the affected zone. A mechanism will be evolved which would actually improve the living standards of the affected population and ensure them a sustainable income. For this purpose, all the provisions of the National Rehabilitation and Resettlement Policy or any revised Policy or Statute that may come into operation, will be followed.

#### 6.12 (b) Devolution of Mining Benefits to Project Affected Persons

The mining legislation has been amended to provide for the establishment of District Mineral Foundation ("DMF") with the objective of working for the interest and benefit of persons, and areas, affected by mining related operations. The objectives for devolution of mining benefits under DMF for inclusive and equitable development of project affected persons and areas are to be guided by the provisions of the Pradhan Mantri Khanij Kshetra Kalyan Yojana ("PMKKKY").

It shall be the endeavour of the Government to monitor and review the implementation of schemes under DMF for giving effect to PMKKKY for which a national web portal shall be developed with free access to the public.

#### 6.12 (c) Welfare of Tribal Communities

Existence of minerals in tribal areas with rich biodiversity requires a comprehensive assessment. Land acquisition and displacement of tribal communities due to mining projects may lead to distress in tribal communities living in Scheduled Areas.

Grant of mineral concessions in Scheduled Areas shall be guided by the provisions contained in article 244 read with Fifth and Sixth Schedules to the Constitution relating to administration of the Scheduled Areas and Tribal Areas and the

provisions of the Panchayats (Extension to the Scheduled Areas) Act, 1996 and the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 or any other relevant statutory acts protecting the interests of tribals. All Relevant Acts/Rules related to rehabilitation and resettlement like The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, subsequent amendments or any other relevant acts/rules shall be strictly implemented.

### 6.13 Mine Closures

Once the process of extraction of a mine is complete, there is need for scientific mine closure which will not only restore ecology and regenerate bio mass but also take into account the socio-economic aspects of such closure. Where mining activities have been spread over a few decades, mining communities get established and closure of the mine means not only loss of jobs for them but also disruption of community life. Mine closure should be done in an orderly and systematic manner.

Government has a role in ensuring that post-production mine decommissioning and land reclamation are an integral part of the mine development process; that financial provisions for the costs incurred in mine closure are accorded a high level of priority by the industry; and that consistent approaches are adopted for efficient and effective mine reclamation and rehabilitation.

### 6.14 Mine Safety

Mining operations at times are hazardous in nature. Accidents happen and often result in occupational health problems, serious bodily injury or even loss of life. Efforts must be directed towards the development and adoption of mining methods which would increase the safety of workers and reduce accidents. Towards this end, participation and cooperation of mine workers shall be secured.

Steps will also be taken to minimise the adverse impact of mining on the health and safety of workers and the surrounding population. DGMS should be further strengthened through adequate manpower, equipments, and skill sets in order to carry out the regulatory role for ensuring mine safety effectively.

#### 6.15 Mineral Security

Mineral resources security is an important issue with strategic as well as economic significance. Securing access to sufficient, reliable, affordable, and sustainable supplies of minerals is increasingly becoming an important factor for functioning of downstream industries and the overall economy. Hence, ensuring long-term mineral security for nation should be taken up with utmost priority. To ensure adequate supply of minerals which are not available locally, downstream regulations should be aligned for their exploration and development and for facilitating acquisition of mineral assets in other countries by public as well private Indian business entities.

### 7. FOREIGN TRADE

Minerals continue to be an important source of foreign exchange earnings. The policy of export shall keep in view the dynamics of mineral inventories as well as the short, medium and long term needs of the country. Efforts shall be made to export minerals in value added form as far as possible. The indigenous mineral industry shall be attuned to the international economic situation in order to derive maximum advantage from foreign trade by carefully anticipating technology and demand changes in the international market for minerals.

The import of mineral based material shall be coordinated as far as possible with the indigenous development of mineral based industries. Areas of cooperation with countries with complementary resource base shall be developed for mutual advantage. The approach shall be to make available mineral based materials to domestic users at reasonable prices as determined by market forces.

A long term export policy for the mineral sector would provide stability and prove to be an incentive for investing in large scale commercial mining activity. To develop mining as a modern stand-alone industry substantial investment is required. Assurances on export of minerals will be a key factor for investment decisions particularly on Foreign Direct Investment (FDI) in the sector. The Export Policy should be based on a clear long term strategy for export of mineral taking these aspects into consideration.

## 8. FISCAL ASPECTS

It will be the endeavour of government to design fiscal measures within the context of the budget and for rationalisation of taxation and royalty, conducive to the promotion of mineral exploration and development including beneficiation and other forms of product refinement. In the context of the changing mineral scenario and the economies of mineral development and products, both at the national and international level, fiscal changes will be examined from time to time consistent with the general tax structure and through the normal budgetary process.

## 9. RESEARCH AND DEVELOPMENT

### 9.1 General Approach

Research and development in the mineral sector has to cover the entire gamut of activities from geological survey, exploration, mining, beneficiation, concentration of minerals to development of materials. Efforts will be directed towards the development of new technologies for conversion of existing mineral resources into viable economic resources. Appropriate technologies shall be developed to enable indigenous industries to utilise the mineral resources with which the country is abundantly endowed. R&D efforts shall be directed to find new and alternative uses for minerals whose traditional demand is on the wane. Indigenous

technology has to be upgraded through research and appropriate absorption and adoption of technological innovations. Research and development efforts shall be made to improve efficiency in process, operations and also the recovery of by-products and reduction in specification and consumption norms. Efforts will also be directed to evolve low capital and energy saving processing systems.

## **9.2 Research in Mining Methods**

Mining methods determine the safety, economy, speed and the percentage of extraction of the ore reserves from a mine. Research and development thrust shall be directed specially in the areas of rock mechanics, ground control, mine design engineering, equipment deployment and maintenance, energy conservation, environmental protection, safety of operations and human engineering.

## **9.3 Mineral Processing and Beneficiation**

Attention will be given to beneficiation and agglomeration techniques to bring lower grades and finer size material into use. Research organisations, including the National Mineral Processing Laboratories of the Indian Bureau of Mines will be strengthened for development of processes for beneficiation and mineral and elemental analysis of ores and ore dressing products. There shall be cooperation between and coordination among all organisations in public and private sector engaged in this task. Research and development shall be oriented to ensure maximum economic recovery of the associated minerals and valuable metals.

## **9.4 Development of Automated Equipment**

To meet the objective of safety and economic production attention will be given to the development of robotics, automated equipment and system for mining, especially for deep mining and transportation to surface. While efforts shall be made for indigenous development, Government shall also consider an appropriate fiscal



measures to facilitate import of automated equipments, machinery and mining robots etc. which are not available in the country, which can be used for exploration, mineral development and value addition in the downstream industry.

#### **9.5 Deep Sea Mining**

Deep ocean resources represent an exceptionally large and potentially important mineral resource. Integrated systems for exploration, exploitation, mining and processing of these resources shall be expedited with the development/ acquisition of necessary technologies. Appropriate mechanism for coordinating the survey and exploration of Deep Sea Bed Area will be established with the Ministry of Earth Sciences. Efforts towards this end need to be supplemented through necessary amendments to The Offshore Areas (Regulation and Development) Act, 2002 or any other appropriate administrative actions to create an enabling platform for encouraging exploration and exploitation of mineral reserves/resources in offshore areas.

#### **9.6 Production of Materials of High Purity**

Research will be directed towards raw materials required for production of materials of high purity for use in advanced technology applications such as semi-conductors, photo-voltaic, lasers, special sensors, high temperature new ceramics, hard and high temperature materials, superconductors, insulators, very thin films, glasses and liquid crystals and metal and mineral fibres.

#### **9.7 Coordination of Research Organisations**

Research and development activities in the mineral sector are carried out in the national laboratories, educational institutions and R&D units of public and private sector enterprises. Pooling of resources, efforts and expertise available in various R&D Organisations is imperative to meet the challenges and to fulfil

the tasks ahead in the mineral sector. Coordination, synergy and convergence among the various institutions engaged in R&D in the mineral sector shall be strengthened to derive the maximum benefit. Interchange of scientists between institutions shall be encouraged to accelerate the pace of interaction. It shall also be ensured that the research findings are made available to users expeditiously. There shall be cooperation between and coordination among all organisations in the public and private sectors engaged in this task.

Mining methods determine the safety, economy, speed and the percentage of extraction of the ore reserves from a mine. Research and development thrust needs to be directed in areas of such as rock mechanics, ground control, mine design engineering, equipment deployment and maintenance, energy conservation, environmental protection, safety of operations and human engineering. This has to be done in a holistic way so that inter-linkages are established to the advantage of each segment.

#### 10. INTER GENERATIONAL EQUITY

There is a need to understand that natural resources, including minerals, are a shared inheritance where the state is the trustee on behalf of the people to ensure that future generations receive the benefit of inheritance. State Governments will endeavour to ensure that the full value of the extracted minerals is received by the State. However, a disaggregated approach in respect of each mineral requires to be adopted considering aspects like reserves/ resources and potential for reuse through recycling, which are relevant and suitable in the Indian context.

#### 11. INTER MINISTERIAL MECHANISM FOR SUSTAINABLE DEVELOPMENT

An inter-ministerial body with members like MoM, MoES, MoEFCC, States at Ministerial and Secretariat level, may need to be constituted to institutionalise a mechanism for ensuring sustainable mining with adequate concerns for

environment and socio-economic issues in the mining areas, and to advise the Government on rates of royalty, dead rent etc.

This proposed mechanism or any other institutional process can also decide the limits on the extent of mining activities that should be permitted which would, *inter alia*, involve undertaking a detailed study for assessing what should be the state-wise/region-wise ceiling of annual excavation of minerals, considering the availability of mineral resources, the carrying capacity of the region, and the macro environmental impact on the region while also keeping in mind the principles of sustainable development and intergenerational equity and all other relevant factors.

## 12. CONCLUSION

Under the 'Make in India' initiative, the Government of India aims to increase the share of the manufacturing sector. These national initiatives/vision, may require a holistic development of the mineral sector on a sustainable basis in order to fulfil the demand of downstream industries dependent on mineral/ore supply. The success of the third national mineral policy will depend largely on a national consensus by various key stakeholders and their commitments to fulfil its underlying principles and objectives.

\*\*\*

+

+

## **PART-C**

## **APPENDIX A**

No.16/1/2017-M.V  
Government of India  
Ministry of Mines

New Delhi, Shastri Bhawan  
Dated, the 14<sup>th</sup> August, 2017

**ORDER**

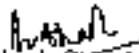
Whereas, there have been seminal changes in the framework of Mining Laws, Rules and Regulations subsequent to the Mines and Minerals (Development and Regulation) Amendment Act, 2015 bringing in transparency to the mineral sector; and

2 Whereas, the Hon'ble Supreme Court in its judgment dated 02.8.2017 in the Writ Petition (Civil) No.114 of 2014, *inter-alia*, directed the Union of India to revisit the National Mineral Policy 2008 and announce a fresh and more effective, meaningful and implementable policy before 31.12.2017.

3 Now therefore, it has been decided to set-up a Committee to review the National Mineral Policy 2008 and for submission of a report for a new National Mineral Policy with the following composition:

1	Dr K Rajawara Rao, Additional Secretary, Ministry of Mines	Chairman
2.	Joint Secretary, Ministry of Steel	Member
3.	Joint Secretary (Forest Wing) Ministry of Environment, Forests & Climate Change	Member
4.	Joint Secretary (Environment Wing) Ministry of Environment, Forests & Climate Change	Member
5.	Joint Secretary, Ministry of Coal	Member
6.	Joint Secretary, Department of Revenue, M/o Finance	Member
7.	Joint Secretary, Ministry of Shipping	Member
8.	Joint Secretary, Ministry of Road, Transport and Highways	Member
9.	Representative from Railway Board	Member
10.	Representative of NITI Aayog	Member
11.	Director General, GSI	Member
12.	Controller General, IBM	Member
13.	Secretary (Mines), Government of Andhra Pradesh	Member
14.	Secretary (Mines), Government of Chhattisgarh	Member
15.	Secretary (Mines), Government of Goa	Member
16.	Secretary (Mines), Government of Gujarat	Member
17.	Secretary (Mines), Government of Jharkhand	Member
18.	Secretary (Mines), Government of Karnataka	Member
19.	Secretary (Mines), Government of Madhya Pradesh	Member
20.	Secretary (Mines), Government of Maharashtra	Member
21.	Secretary (Mines), Government of Odisha	Member
22.	Secretary (Mines), Government of Rajasthan	Member
23.	Secretary (Mines), Government of Tamil Nadu	Member
24.	Secretary (Mines), Government of Telangana	Member
25.	Representative of CII	Member
26.	Representative of FIMI	Member
27.	Representative of FICCI	Member
28.	Representative of ASSOCHAM	Member
29.	Shri Bipul Pathak, Joint Secretary, Ministry of Mines	Member Secretary

- 3 The Terms of Reference of the Committee will be as follows:
- i) to review the National Mineral Policy 2008 and suggest a new policy taking into account the measures already taken and may need to be taken for bringing in further transparency, balanced social and economic growth, including sustainability of mining industry;
  - ii) to suggest recommendations for conservation and mineral development, and protection of environment and measures to assess the carrying capacity of mining in states/regions;
  - iii) to suggest measures for improvement of survey and exploration of minerals; database of mineral resources and reserves, scientific methods of mining; manpower development, infrastructure development; financial support for mining; and research in mining.
  - iv) to examine and make recommendations for development of strategic minerals;
  - v) to examine and review fiscal aspects conducive to the promotion of mineral exploration and development, including beneficiation and other forms of product refinement; and
  - vi) any other matter which the Committee feels relevant.
- 4 The Committee may co-opt any other Member, it may so desire
- 5 The Committee will submit its report by 31<sup>st</sup> October, 2017
- 6 The Committee will be serviced by the Mines-V section of the Ministry of Mines.

  
 (Subhash Chandra)  
 Joint Secretary to the Govt. of India  
 Tel. 011-23384334  
 subhash.chandra65@gov.in


To:  
The Chairman and Members of the Committee

Copy to:

- (i) Additional Secretary, Prime Minister's Office
- (ii) Finance Secretary, Ministry of Finance
- (iii) Member Secretary, NITI Aayog
- (iv) Secretary, MOEFCC
- (v) Secretary, Ministry of Steel
- (vi) Secretary, Ministry of Coal
- (vii) Secretary, Ministry of Shipping
- (viii) Secretary, Ministry of Road, Transport and Highways
- (ix) Chairman, Railway Board
- (x) Chief Secretaries of Andhra Pradesh, Chhattisgarh, Goa, Gujarat, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Tamil Nadu, and Telangana

Copy for information to:

- (i) OSD to Hon'ble Minister of State (IC) for Power, Coal, New and Renewable Energy & Mines
- (ii) Sr PPS to Secretary, Ministry of Mines
- (iii) PS to JS(NK) / PS to JS(BP) / PS to EA / PS to JS & FA

  
 (Subhash Chandra)  
 Joint Secretary to the Govt. of India

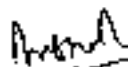
No. 15/1/2017-M.V  
Government of India  
Ministry of Mines

New Delhi, Shastri Bhawan  
Dated, the 31<sup>st</sup> December, 2017

**ORDER**

In continuation of Ministry of Mines' Order No. 15/1/2017-M.V dated 14.08.2017 regarding constitution of the Committee under the Chairmanship of Dr. K. Rajeswara Rao, Additional Secretary, M/o Mines, to review the National Mineral Policy 2008 in accordance with the Hon'ble Supreme Court's judgment dated 02.08.2017 in the matter of Common Cause Vs. UOI & Ors. [Writ Petition (Civil) No. 114 of 2014], it has been decided by the competent authority to modify the para 5 of the aforesaid Order and to extend the time period of the Committee for submitting its report to the Ministry of Mines, Government of India, upto 31.12.2017.

2. The composition and the terms of reference of the Committee shall remain the same.
3. This may be brought in to the notice of all concerned.

  
(Subhash Chandra)  
Joint Secretary to the Govt. of India  
Tel: 011-23384334  
[subhash.chandra65@gmail.in](mailto:subhash.chandra65@gmail.in)


To  
The Chairman and Members of the Committee

**Copy to:**

- (i) Additional Secretary, Prime Minister's Office
- (ii) Finance Secretary, Ministry of Finance
- (iii) Member Secretary, NITI Aayog
- (iv) The Secretary, MOEFCC
- (v) The Secretary, Ministry of Steel
- (vi) The Secretary, Ministry of Coal
- (vii) The Secretary, Ministry of Shipping
- (viii) Secretary, Ministry of Road, Transport and Highways
- (ix) Chairman, Railway Board
- (x) Chief Secretaries of Andhra Pradesh, Chhattisgarh, Goa, Gujarat, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Tamil Nadu, Telangana

**Copy for Information to:**

- (i) PS to Hon'ble Minister of Rural Development, Panchayati Raj and Mines
- (ii) PS to Hon'ble Minister of State for Coal and Mines
- (iii) Sr. PPS to Secretary, Ministry of Mines
- (iv) PS to JS (NKS)/ PS to JS(BP)/ PS to I&A/ PS to JS & I&A

  
(Subhash Chandra)  
Joint Secretary to the Govt. of India



## **APPENDIX B**

**Minutes of the first meeting of the Committee constituted to review the  
National Mineral Policy 2008 held on 28.08.2017**

---

1. The first meeting of the Committee constituted under the Chairmanship of Dr K Rajeswara Rao, Additional Secretary, Ministry of Mines, to review the National Mineral Policy 2008 was held on 28.8.2017 in New Delhi. The list of participants is given as Annexure.
2. At the outset, Shri. Bipul Pathak, Joint Secretary, Ministry of Mines and Member Secretary of the Committee welcomed the members of the Committee and other participants present. Shri. Pathak gave a brief presentation on the background to the constitution of the Committee in pursuance of compliance of the directions given by the Hon'ble Supreme Court in its judgment/order dated 2.8.2017 in writ petition No.114/2014. He also highlighted the salient provisions of National Mineral Policy, 2008 (NMP 2008) and the subsequent actions taken by the Ministry of Mines in amending the Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act) for implementation of some of the important provisions of NMP 2008. Shri. Pathak also presented the way forward for working of the Committee in reviewing NMP 2008; and in this regard requested all the members to give their written comments/suggestions for consideration of the Committee.
3. In his address Shri. Arun Kumar, Union Secretary of the Ministry of Mines said that one impetus for revisit of the NMP 2008 has come from the Supreme Court's verdict of 2.8.2017; and that as this issue was not part of the subject matter of the writ petition the Ministry had not apprised the Court of the various reform changes and developments that took place in the mining sector in the recent past. He reflected on the amendment to the MMDR Act in 2015 as a paradigm shift in the way mineral concessions are granted and also on certain other measures that the Ministry has taken up thereafter for strengthening the regulatory framework. He mentioned that drawing on the experience of working with the amended provisions of the MMDR Act

in the past two years there may be some areas in the NMP 2008 which may require revisiting. Added to this he said there may be certain new issues that might be considered by the Committee for incorporation in the policy document like surveillance/monitoring, efficient mechanisms for grant of statutory clearances, sustainability, inter-generational equity, macro environmental impact assessment, etc. He requested the members to send detailed comments so that the considered views of the State/industry associations being represented are properly reflected; and since the mandate allows the Committee to consider any other matter which it feels relevant he also asked the members to feel free to send their views on any issue which they feel would be relevant to the exercise being undertaken. Shri. Arun Kumar in his concluding remarks exhorted the members that there has to be an element of realism so that the policy is practically implementable on the ground; and he hoped for realistic workable solutions coming from the members for making of an improved, effective and implementable policy which would provide a roadmap for the future.

4. Dr. K. Rajeswara Rao, Additional Secretary, Ministry of Mines and Chairman of the Committee welcomed the members and the participants present in the meeting and mentioned that the Committee is embarking on a major exercise as certain developments in the mining sector in some states have drawn the attention of the civil society and the Supreme Court. In this context he stated that the mandate before the Committee is to work for an improved, implementable and practical policy as mentioned by the Secretary Mines. Dr. Rajeswara Rao requested for wholehearted participation of the members in giving their considered views/suggestions and by taking active part in the deliberations. He also requested that it would be helpful if the views are structured as per the existing NMP; and requested for representation by the same members in all the meetings of the Committee so that there is consistency in thought and approach. Using the forum Dr. Rajeswara Rao also requested all the States and all the associations representing the mining and mineral sector to give their inputs/suggestions; and mentioned that two to three meetings would be held to consider all the suggestions, to consolidate opinion and take a common view before placing the draft policy in the public domain.

5. After the inaugural observations, Shri. Pathak co-ordinated the proceedings of the meeting by requesting the members of the Committee and other participants to present their views/comments.
6. Shri. N K Rao, Director General, Geological Survey of India stated that the goals and perspective of NMP 2008 are dynamic and responsive to the changing global economic scenario as a result of which revision and review are inbuilt features of the NMP 2008. He said that the gap areas in the NMP 2008 have already been addressed through the amendment to the MMDR Act in 2015 and through formulation of the National Mineral Exploration Policy 2016. Even so, Shri. Rao said that the NMP 2008 is dynamic enough to accommodate changes to reflect ongoing developments. DG, GSI said that leaving aside the issues already covered in the NMEP 2016, there are a few issues that require the attention of the Committee. The concerns expressed by Shri N K Rao, DG, GSI for consideration of the Committee are summarised as follows:
  - i. Forest clearance issues during exploration need to be streamlined for facilitating conduct of proper exploration to establish mineralisation as per the prescribed norms.
  - ii. State Governments to extend all possible assistance and cooperation to GSI in sorting out local issues, for enabling them to carry out exploration.
  - iii. Addressing urbanisation issues i.e., the difficulty in conducting exploration of potential mineral deposits close to populated areas.
  - iv. Smooth and efficient functioning of National Mineral Exploration Trust.
  - v. Collaboration with scientific and research bodies, universities and industry for scientific and technological research to address the mineral exploration challenges in the country through the National Centre for Mineral Targeting.
  - vi. Collation of all baseline and mineral exploration information generated by various central & state government agencies and also mineral concession holders and to maintain these on geospatial database through the National Geoscientific Data Repository.

- vii. Open dissemination of geoscientific data as a public good.
  - viii. Addressing environmental issues adequately.
  - ix. Addressing issues related to coking coal exploration i.e., issues related to freeing coal bed methane leasehold areas to release these blocks for coking coal exploration.
  - x. Addressing issues related to mineral development in the offshore areas.
7. Shri. R K Sharma speaking on behalf of Federation of Indian Mineral Industries (FIMI) started with the issue of sustainable mining. Sharing statistics on the texture of mining in the country he said that mining leases upto 50 hectares account for 74% of the leases covering 9% of the total area under mining. He said that these small mines accounting for the majority of the leases, which are not sustainable are the public face of the mining industry inviting criticism for unscientific and haphazard mining; and therefore expressed the need for taking into view the texture of the mining industry while addressing the issue of sustainable mining.
8. Shri. R K Sharma recounted the history of development of the mining policy in the country and in this regard mentioned that the NMP 1993 and the NMP 2008 adequately focussed on inviting foreign investment and technology into the mining sector. Shri. Sharma focussed on the need for concentrating on exploration and stated that unless there is adequate exploration the country cannot develop mineral resources - as the level of exploration reflects the level of resource development in any country. There are hardly any foreign companies presently undertaking exploration in the country and said that we also do not have the required levels of technology in exploration. He said that unlike in India where the government uses tax payers money for exploration, developed countries like Australia, Canada, Chile, USA, Brazil, Argentina etc invite junior companies who have expertise in exploration and are willing to take the risks associated with exploration which is an unpredictable and highly risky venture. Exploration is kept as a separate branch all together and he said that governments in these countries allow the junior companies to sell their data which allows them to defray the costs and losses incurred in exploration.

9. The thrust of Shri. Sharma's concern was on allowing private participation in exploration, and mentioned that unless the statutory framework allows for a seamless transition from reconnaissance to prospecting and thereafter to mining coupled with the provisions of easy transferability of concessions the exploration in the country will not be successful. In this regard he stated that NMP 2008 has all the necessary ingredients for encouragement and development of exploration by way of envisaging seamless transition from reconnaissance to prospecting and then to mining; but unfortunately he said that our present statutory framework is not aligned with the mineral policy. The amendment Act of 2015 has the feature of auction which though transparent he said may not deliver the results the government has in mind as nowhere in the world mineral resources are developed through an auction based system. He said that the focus should be on having an efficient regulatory mechanism in place unless which even a system as one based on auction will degenerate into corruption. The cost of auction money, the cost of land, NPV and payments for compensatory afforestation, royalty, contributions to DMF & NMET, GST charges of 18% on royalty, etc all added together he said will make the cost of raw material to the manufacturing industry so much more costlier which might compel the industry to look at imports for meeting their raw material requirement.
10. The other concerns expressed by Shri. Sharma representing FIMI are summarised are follows:
- i. Addressing the issue related to high costs involved in mining in the country, which is highly taxed and uncompetitive in overseas market due to the various levies to be paid like Royalty, NPV, 18 % GST on Royalty, SPV Cess, contributions to DMF and NMET, etc.
  - ii. Need for focussing attention on development of minerals like diamond, gold, and strategic minerals like nickel, copper, cobalt, and rare earth minerals, to provide for: (a) private participation in exploration by ensuring seamless transition from reconnaissance to prospecting; and (b) investment and latest technology for making the mineral based industry viable and profitable.

11. Shri. Syedain Abbas, Joint Secretary, Ministry of Steel mentioned that detailed written comments of the Ministry of Steel would be sent and expressed a few concerns of the steel sector for consideration of the Committee, which are summarised as follows:
- i. Policy should address concerns of minimising risks associated with acquirement of land, obtaining clearances etc., especially in an auction based system.
  - ii. Conservation should be understood in the context of the particular mineral. A mineral like coal once consumed is lost forever. However, iron ore is different - as steel can be reused and 98% of steel is recoverable in the recycling process. Therefore any talk of iron ore in the context of intergenerational equity should be understood and viewed differently.
  - iii. Promotion of use of low grade iron ore. Iron ore from Fe content of 45% and upto 55% is not usable unless beneficiated; and the policy should address the concerns of the beneficiating industry for getting support from the government.
  - iv. Policy needs to relook the issue of area limits of mining lease, especially when there is a auction based regime in place. There is a need to encourage big players who can bring in technology and investment for scientific and sustainable mining.
  - v. In the auction regime the end use players should not be put at a disadvantage in terms of restrictions on sale of ore or restrictions on use of ore in sister concerns or plants operated jointly or in collaboration with others. Rules should be relaxed for sale of ore.
  - vi. In the context of lowering costs, it should be examined whether as manufacturers one can avail input tax credit against payments towards royalty, DMF, NMET and other levies.
  - vii. Development of infrastructure facilities in a holistic manner particularly in mineral rich regions where bulk minerals are found, which require enormous

amounts of infrastructure whether they are rail, roads, ports, slurry pipes, and inland waterways etc. Committee should examine these issues.

12. Secretary, Department of Mining and Geology, Karnataka, expressed a few concerns for consideration of the Committee, which can be summarised as follows:
- i. Mapping of demand & supply of major mineral should be done, based on which a plan for timely exploration should be prepared in order meet the national level demand.
  - ii. Infusing technology and techniques available worldwide.
  - iii. Strengthening state departments for managing resources as well as the State Geological Planning Board
  - iv. Creation of a sophisticated data base for mapping of resources.
  - v. Simplifying procedures in transition from reconnaissance to prospecting and then to mining especially when new minerals are discovered.
  - vi. The concept of scientific mining should be properly defined.
  - vii. Setting up of skill centres for imparting training to manpower deployed in the mining and mineral sector
  - viii. Addressing environmental issues by creating synergies between mining and environment for dealing with environmental concerns
  - ix. Restrictions linked to the specified end use at the time of auction should be minimal with regard to sale and use of minerals.
  - x. A relook at reservation under section 17A with regard to reserving mineral blocks for PSUs which are only trading as this will be limiting/blocking state mineral resources.
  - xi. Address issues relating to functionalising NMET with a greater participatory role for State governments.



13. Representative of ASSOCHAM expressed the concerns of behalf of the industry association, which are summarised below for consideration of the Committee:

- i. Different provisions for end users to tap the advantage of rich mineral resource available in the country. Policy should provide for direct allocation of mining lease to companies who have either set up a plant or who propose to make mega investments in the country with a provision for augmenting state revenues in the form of additional royalty or sharing super normal profits if the business cycle generates profits above normal.
- ii. Concept of inter generational equity should be understood in the perspective of the particular mineral and the emerging technologies associated with the mineral use. In a 50 years horizon use of coal as a fuel will be come down drastically. Similarly technology for conversion of steel scrap into steel is getting better by the day. Steel intensity (the amount of steel used to produce one unit of GDP) is increasing. There is enough scrap to meet the demand of steel metal and with the advances in material science and technologies for conversion of scrap to steel the kind of dependence on iron ore which we see now will not be there in the future. In the perspective of demand and associated technologies, conserving coal or iron ore in the sense of restriction/abstinence in use will actually result in losing an opportunity to unlock the mineral wealth.
- iii. Change in focus from bulk minerals to exploration of rare earth minerals and strategic minerals. We should take a step back and think holistically and comprehensively to understand where mineral industry would be moving in the future and instead of concentrating on bulk minerals we should rather involve NMET in undertaking exploration of rare earth minerals and strategic minerals as the top priority.
- iv. Auction system is a race to the bottom with no economic justification for the high bids. This has to be rationalized. There are early signs that this system is not working. We should see the totality of the situation and have a liberal policy to leverage the mineral resource to generate employment and revenue to the states. A comprehensive amendment of the mineral policy through a

new approach is required; mere tinkering of the existing policy in the light of Supreme Court's directions will not do as the need of the hour is to take steps for having a liberal policy for unlocking the mineral wealth and leveraging it for generating employment and revenue to the states.

14. Shri. V S Gaur, Joint Secretary, NITI Aayog said that detailed comments will be made available. Speaking in the context of the recent amendment to the MMDR Act he said that even earlier when the statute assured seamless transition from reconnaissance to prospecting and then to mining not much of investment came and there was hardly any big level of exploration. The present statute does not assure seamless transition from reconnaissance to prospecting policy and this he said was actually a dampener on exploration clamping down the activity even further. Therefore he said the challenge before us is how to really go ahead for taking up exploration in a big way; and said that no mineral rich county has taken up exploration through governments funding. In the coming decades he said the sector will witness a shift in focus from bulk minerals to non-bulk minerals, and that we should really focus on rare earth minerals and take the present opportunity to encourage private sector participation in exploration and development of rare earth minerals which are strategically and economically valuable for the country.
15. He said that an analysis of the past mineral policies will show that these mineral policies have not yielded in getting us the desired levels of exploration and development of minerals; and the reason for this he said was that the statutory framework was really not aligned to the policy framework. The NMP 2008 he said though being very good failed to work the results as there was a mismatch between the policy and the statute. Therefore, he said, the task before the Committee is set out for making an implementable and workable policy through well aligned statutory provisions complementing the policy. For encouraging exploration he stressed upon the need to strengthen the state government departments and buttress the efforts of private sector in exploration by giving them the 'right of first refusal'.

- In the end he reiterated that the need of the hour is to make an implementable and workable policy for taking up exploration in a big way for development of minerals which will increase the GDP of the country.
16. Ms Alarnelmangai, Director, Geology and Mining, Govt of Chhattisgarh expressed her concerns for consideration of the Committee, which are summarised as follows:
- i. Implementation of mine closure plan for restoring the mined area.
  - ii. Systematic audit using IT enabled tools to verify the quantum of excavation, the assessment of ecological damage, and the compliance of adherence to mining plan.
  - iii. Taking up exploration in a big way to augment areas under mining, through use of latest technologies and techniques.
  - iv. Up gradation and strengthening of laboratories for analysis of minerals resulting in more accurate exploration results.
17. The concerns on behalf of Cement Manufacturers' Association (CMA) for the consideration of the Committee were put forward by Ms Aparna Dutt Sharma, Secretary General and Shri U R Raju, Chairman, Committee of Mines and Minerals, which are summarised as follows:
- i. Areas where mineral occurrence is established, or where there is a possibility of occurrence, should be notified as mineral bearing lands in the revenue records and should be reserved for mineral excavation. Go & NoGo area should be clearly defined.
  - ii. Once these areas are identified for mining activity, in-principle clearances should be obtained even before auction takes places.
  - iii. Streamlining the process for land acquisition and statutory clearances.
  - iv. Committee should take an overview of the tax regime followed in different states to ensure a uniform tax regime across all the states.
  - v. Utilisation of waste generated from the cement industry.

- vi. Standardisation of exploration data before auctioning of mineral blocks.
  - vii. Revisit of threshold values in the context of resources and reserves, with a reference to the cut-off value for end use industry
  - viii. Participation of Ministry of Mines and IBM during the auction process conducted by the States should be ensured.
  - ix. Calculation of Stamp duty at the time of registration of mining lease deed needs to be streamlined to remove discrepancies and to ensure uniformity across states.
  - x. Reservation of areas for PSU should not be allowed especially for bulk minerals.
  - xi. Exploitation of deep seated mineral deposits should be assigned priority and existing lessees should be enabled to include non-mineralised areas so that excavation of deep seated mineral deposits is feasible.
  - xii. Formulation of uniform rehabilitation and re-settlement (R&R) policy to be implemented and followed uniformly across all the states.
  - xiii. Rejects from captive mines should be allowed to be sold to ensure zero waste mining policy requirements.
  - xiv. State level departments should be strengthened with state-of-the-art technology and trained manpower.
18. Shri G G Pa, Director, Department of Revenue, Ministry of Finance stated that it would not be possible for stating any specific fiscal measures in the mining policy with regard to direct or indirect taxation though the D/o Revenue would consider proposals received from the ministries/departments for taking fiscal measures to Incentivize exploration and production of minerals
19. Shri. N B Dhal, Special Resident Commissioner, Govt. of Odisha said that while drafting a new policy one should carefully consider the welfare of people affected by the mining. He said that revision of royalty should be undertaken by the Central Govt.

periodically without much delay; and also said that there should be transparency in decision making. These practical considerations/ground realities should be kept in mind while framing the new policy while reminding ourselves that any policy is only as good as its implementation.

20. The concerns expressed by FICCI for consideration of the Committee, are summarised as follows:

- i. There is need to auction large mineral-blocks with large ore bodies to attract large scale investments with latest technologies and techniques. As exploration is high risk business, Public Private Partnership (PPP) model should also be considered. ii. Tax holidays should be considered for exploration and prospecting especially in remote areas.
- ii. New policy should be aligned with other policies like the National Steel Policy announced by Ministry of Steel; and the Committee should take an overview of other policies wherein certain provisions like tax holidays and concessions have been extended, so that the NMP is in line with other policies.
- iii. SPV for obtaining regulatory clearances and land acquisition.
- iv. Need of tenement registration so that details of free areas and held areas are made available in public domain; there should be dissemination of geospatial database through the National Geoscientific Data Repository. vi. Encourage constructing of slurry pipelines and close loop conveyors for transportation of mineral ore and address problems (like difficulty in getting Right-Of-Way) which are being faced in some states when companies are undertaking such projects.
- v. vii. Royalty or taxes paid to state or centre should be refunded back while exporting commodities like steel etc.

21. Shri Bipul Pathak, Joint Secretary (BP) mentioned that there should be a focus on mineral security especially with regard to strategic minerals, which should find a place in NMP and downstream regulations should be aligned for exploration and

- development of strategic minerals, and for enabling/facilitating acquisition of mineral assets in other countries by private sector players.
22. Shri P Dansana, representative from the Railway Board, M/o Railway said that infrastructure for evacuation of minerals is an issue which needs urgent attention especially in the context of the requirement of 300 MT production of iron ore production for meeting the demands of the Steel sector. He also said that poor linkage between mines and rail-head causes problem in evacuation of minerals, and this requires strengthening by constructing railway sidings (which is generally financed by private parties) and by strengthening the road network for movement of minerals.
23. Shri S D Kaushik, Consultant from Ministry of Shipping said that from the environment point of view, mode of transportation of minerals should be shifted from rail and road network to coastal shipping. Navigation by inland waterways is being developed on a large scale which should be utilised as it is eco-friendly as well as a cheaper mode of transportation.
24. Shri Virendra Singh Khaira, Sptd Engineer representing M/o Road Transport and Highways said that though there is no special focus on laying road networks in regions where the mines are located specifically, he informed that the Ministry is involved in developing a robust national highway network especially in left wing extremism affected areas and about 4000 kms of road have almost have been paved. On a specific query by Dr Rajeswara Rao, Chairman of the Committee regarding utilisation of waste generated from power plants it was informed that fly ash is being used in construction of embankments and upper layers of the roads and similarly spoils from stone quarry are also being used in paving of roads. In this context Shri Manish Mishra informed that use of steel slag for road construction is being examined by NITI Aayog, which will decrease the load on use of stone aggregates in construction of roads.

25. Shri Asheesh Kumar, Director, Ministry of Coal informed that the concerns of Coal Ministry are common with the concerns of Mines Ministry and that detailed comments will be sent.
26. Shri Aboobaker Siddique P, Mines Commissioner, Govt of Jharkhand said that the major challenge in commencement of mining is obtaining FC and EC and that there should be convergence in the procedures adopted by the forest wing and environment wing in MOEFCC. The issue of carrying capacity especially in the Saranda forest region should be addressed. Capacity building of mining and geology departments of state governments should be given special attention to enable them for carrying out exploration and for conducting auctions. He also said that the Committee should consider having provisions for delegating powers to state level for simplifying procedures for granting FC for exploration.
27. The concerns expressed by Shri Vineet Austin, Director, Geology and Mining, Govt. of Madhya Pradesh for the consideration of the Committee, are summarised as follows:
- i. Simplification of the present auction procedure to make it easier to understand and to facilitate larger participation.
  - ii. Policy should also consider the interests of small and medium prospective miners for obtaining mineral concessions, who cannot take part in auction for want of large finances.
  - iii. Ease of doing business should be further strengthened.
  - iv. Improvement in methods of survey & exploration techniques should be discussed. Capacity building of state departments for provision of latest equipments and training needs to be addressed.
  - v. Exploration and development of strategic minerals to be focussed.
  - vi. Coordination amongst State Departments, IBM, and DGMS while conducting inspection in mines.

- vii. Overview for simplification and coordination of various state and central department which oversee regulation in mining sector.

28. Concerns expressed by Shri D S Maru, Director Mines, Government of Rajasthan for consideration of the Committee, are summarised as follows:

- i. Exploration and development of deep seated mineral deposit like Potash (the demands of which are being met 100% through imports at the present). Private sector should be encouraged. Provision of preferential right from reconnaissance to prospecting and then to mining should be given in order to attract private sector involvement.
- ii. Provision for transfer of mining lease in respect of non-captive mines should be incorporated.
- iii. Tenure of leasehold should be increased to 90 years from the present provision of 50 years.
- iv. Capacity building of state departments should be addressed
- v. Provision for amalgamation of mines, surrender of mines should be considered.
- vi. Composite License for Bulk minerals should be considered
- vii. Mineral bearing lands should be identified and earmarked specifically for the purpose of mining only.
- viii. Area-limit for mining leasehold should be enhanced.
- ix. The issue of dumping of waste materials outside mining leasehold needs to be addressed.

29. Concerns expressed by Shri A K Kothari, President of the Mining Engineers' Association for consideration of the Committee, are summarised as follows:



- i. Illegal mining and violation of the provisions of the rules and regulations are separate issues and should be clearly differentiated in the Policy to avoid confusion in this regard.
- ii. Before conduct of auction the assessment of the quantum of resources should be certified by third party certifying agencies.
- iii. For the ease of doing business subsuming all mining related levies and royalty etc. under a single mining tax should be considered.

30. Concerns expressed by Shri Manish Mishra representing by CII for consideration of the Committee, are summarised as follows:

- i. Regulatory environment needs to be conducive to conducting exploration and mining.
- ii. Sustainable Development Framework and Upliftment of people living in mining areas should get special focus.
- iii. Benchmarking of the national mineral policy with mining jurisdictions which are known to be progressive and developed like Brazil, Australia, Canada, etc to make the national mineral policy updated and current with regard to issues like taxation, allotment and tenure of concessions, etc. The mineral policy should have embedded provisions which would allow and require bench marking on a regular basis.
- iv. Periodic regulatory impact assessment to assess whether the statutory provisions in the Act and Rules have served their purpose and to take steps for course correction if the need arises.
- v. Effective use of funds under DMF for upliftment of persons affected by mining needs to be assessed so that these funds are utilised and spent properly and the possibility of setting up of an SPV for this purpose should also be considered.
- vi. Issues related to expiry of mining leases 2020 should be addressed urgently as huge amounts of disruption in supply of minerals like Iron-ore is expected.

Steps should be taken to ensure a smooth transition to ensure continued ore supply without employment loss.

31. Concerns expressed by Shri Kaushik Mukherjee representing JSW for consideration of the Committee, are summarised as follows:
- i. Draw up a programme of cooperation operation between various exploration agencies for speeding up exploration; and foreign companies specialised in exploration can also be identified and invited for this purpose.
  - ii. The Mines Ministry should play a pro-active role to speed up the process of transfer of forest clearance to enable the companies who have won the auctioned 'C' category mines in Karnataka for early commencement of mining. It was also impressed that since the decision to allot the mines is established the process of Stage I FC should be speeded up which will cut down the process by 18 months.
32. Shri Ranjan Sahai, Controller General, IBM, clarified certain doubts/apprehensions raised by the members relating to geological reports, threshold values/cut-off values of mineral ore for captive/end-use, guidelines for final/progressive mine closure plan, size of the deposit while demarcating mineral blocks to be put on auction, etc.
33. Shri. R K Sinha, former CG, IBM mentioned that even the previous regime which allowed for grant of an exclusive reconnaissance permit and seamless transition from reconnaissance to prospecting and then to mining, did not show the desired results as only about 3-4 reconnaissance permits got converted to prospecting out of around 401 permits granted. Now the present regime has an open sky policy for grant of non-exclusive reconnaissance permits. However, without an assured transition to prospecting even this open sky policy may not yield the desired results to ramp up exploration. It was therefore necessary he said for the Committee to examine what needs to be done in this regard.

34. Dr Rajeswara Rao, AS (Mines) at the end thanked all the members for their active participation and expressed a desire that the Committee should work in a cohesive manner to bring out the revised National Mineral Policy within the stipulated timeframe.

The meeting ended with vote of thanks to the Chair.

\*\*\*

## **APPENDIX C**

**Minutes of the second meeting of the Committee constituted to review  
the National Mineral Policy 2008 held on 11.09.2017**

---

1. The second meeting of the Committee constituted to review the National Mineral Policy 2008 was held on 11<sup>th</sup> September, 2017. The list of participants attending the meeting is placed as Annexure.
  
2. Shri Bipul Pathak, Member Secretary of the Committee welcomed the members of the Committee and placed the comments before the Committee for discussion, which were received from IBM, Cement Manufacturers' Association, Beach Minerals Producers Association (BMPA), Government of Telangana, ASSOCHAM, TATA Steel, Sponge Iron Manufacturers' Association, CR, and FIMI
  
3. Thereafter, Dr K. Rajeswara Rao, Additional Secretary, Ministry of Mines and Chairman of the Committee welcomed the members of the Committee especially those who were attending for the first time. He thanked everyone for their enthusiastic response. He expressed his satisfaction with the progress of the Committee and the demonstration of sincerity and commitment shown towards the endeavor for making a meaningful and implementable policy which will direct the mining sector in the coming years. He once again stressed upon the importance of having the comments in a para wise format corresponding to the paragraphs of NMP 2008 for the sake of systematic comprehension, ease of examination and discussion. So far only IBM and CMA have given their comments in this format. He has requested all the State Governments and the others who are yet to give their comments to submit their comments in the format prescribing to NMP 2008; and also requested those who have given their comments to resubmit their comments in the NMP format. It was suggested that supporting data and other issues could be included as annexure. He requested the Associations representing the industry to mention the details of the members and stakeholders consulted.
  
4. Considering the importance of addressing the concerns of mining affected populations and the issues arising out of displacement and rehabilitation of project affected persons living in the Scheduled areas, Dr Rajeswara Rao, informed the Committee that suggestions and comments from M/o Panchayati Raj and M/o Tribal Welfare have been requested and that they have been invited to attend the deliberations of the Committee. Similarly, Dr Rao also stressed upon the need and importance of the Committee to deliberate the concerns of the 'Particularly Vulnerable Tribal Group' which is a classification created by the Government of India with the purpose of enabling improvement in the conditions of certain identified tribal communities with particularly low development indices; and in this regard he

informed the Committee that inputs and participation from Anthropological Survey of India would also be requested.

5. Dr Rajeswara Rao, conveyed his discussions held with Shri Arun Kumar, Secretary, Ministry of Mines with regard to the National Mineral Exploration Policy, 2016 (NMEP 2016); and in this regard he has requested the members of the Committee to give their considered opinion as to whether the NMEP 2016 should be subsumed in the National Mineral Policy. As the policy for the mineral sector is expected to be an overarching framework covering and encompassing the issues concerning exploration it was important for the Committee to seriously deliberate on the issue of subsuming the NMEP into the new policy framework. It was also required to be seen if the NMEP should remain as an independent policy document with references in the National Mineral Policy. Dr Rao requested the members of the Committee as well as the non-member State Governments for their comments in this regard.
6. Shri Bipul Pathak, Member Secretary reiterated the context of this Committee's constitution and referred to the judgment delivered by the Hon'ble Supreme Court on 2<sup>nd</sup> August, 2017. He informed that the Ministry of Mines is shortly going to circulate the judgment to all the State Governments along with an advisory. The Hon'ble Supreme Court has directed that by 31.12.2017 the National Mineral Policy 2008 should be revised to announce a fresh and more effective, meaningful and implementable policy. Shri Pathak informed the Committee that the real context of this revision while framing the policy/governance structure is to address the environmental concerns and concerns of intergenerational rights, sustainability, and other related issues. He was appreciative of the fact that many of the associations were aware of it and that their comments do flow in the perspective given by the Hon'ble Supreme Court.
7. Shri Surendra Kumar, Advisor, M/o Environment, Forests & Climate Change (MOEFCC) informed the Committee that they are in the process of collecting comments/suggestions from the stakeholders and that the consolidated comments of MOEFCC would be submitted shortly. He mentioned that mining plans should be approved keeping in mind the ceiling placed by MOEFCC with regard to conservation of the environment. He mentioned that presently the focus is on a few minerals like iron ore and manganese; and suggested that the policy should also incorporate concerns for placing limits on production of other minerals also like limestone especially as there is encroachment into agricultural land for mining. He informed the Committee about the State Environment Impact Assessment Authority (SEIAA) and the District Environment Impact Assessment Authority (DEIAA) at the district level; and that these should also find a mention in the policy document. Shri Surendra Kumar concluded his submissions by expressing his concerns for monitoring of illegal mining which should also be suitably incorporated in the policy.

8. A concern was raised about the number of boreholes required for completion of exploration in forest areas. Representative of GSI stated that though guidelines have been issued by MOEFCC in 2014 having special provisions for prospecting of minerals in forest areas which intends to facilitate drilling of 15-20 boreholes per square KM, the said guidelines lack clarity due to poor drafting as a result of which they are having issues in this regard with Govt. of Chhattisgarh. It was stressed upon the Committee to address the issue of facilitating exploration in forest areas with the requisite number of boreholes, to conform to the requirements laid down in Minerals Evidence Rules especially for geologically complex deposits where the requirement of drilling will be even higher.
9. Shri Deepak Mohanty, Director, Govt. of Odisha, mentioned that exploration operations do not really sacrifice any greenery, forest area or tree growth; and therefore stressed upon the need for involvement of the MOEFCC in a serious manner to allow and facilitate geological exploration. He informed the Committee that several rounds of discussions/deliberations were held with MOEFCC prompting them to issue another circular in 2016 for relaxing the exploration norms. The circular empowered the DFO to allow exploration if the vegetation cover is less than 10%; and allowed the regional office of the concerned state to take a decision if the vegetation cover is upto 40%. Only in the case where the vegetation cover is more than 40% the circular required a proper forest clearance be required to be obtained. Shri Mohanty mentioned that despite the circular the State is facing problems in undertaking exploration activities in forest areas; and in this regard he mentioned that the DFOs in the State would not allow preparation of temporary pathways which are essential for taking drill machines to the site if exploration has to be taken up. He stressed upon the need for forest officers to interpret the circulars in the true spirit of the relaxation given by MOEFCC especially if the exploration activity does not actually sacrifice any forest growth. Shri Mohanty said that there is no point in having the circulars relaxing the provisions if there is no clarity and it is vulnerable for interpretation in a manner which will not allow exploration. He also mentioned that due to lack of clarity, civil groups like NGOs etc give their own interpretation to the circulars and then blame the State Government for not implementing them in the "proper" way. He stressed upon the need for MOEFCC to spell out everything clearly, without any ambiguity, so that the circulars translate into actually allowing exploration and that they are not interpreted by the field officers in a different manner. The Chairman assured Shri Mohanty that concerns expressed by him would be suitably incorporated in the policy.
10. Speaking in this context, Shri Rajender Kataria, Secretary Mines, Govt. of Karnataka, added that the policy framework should clearly define the roles and responsibility of officers at each level to prevent such confusion and arguments with DFOs and derallment of exploration activities. Shri Mohanty shared his experience in dealing

with DFOs to prevail upon them to allow MECL to conduct exploration at G2 level. He added that such confrontations can be avoided if the instructions are clear without any ambiguity for interpretation. Shri Bipul Pathak, Member Secretary said that any circular or instruction should be interpreted by the field officers using common sense and an application of mind for the purpose for which the circulars have been issued, and unless the officers are not sensitized to this there would be problems in implementation, howsoever correctly the circulars are worded. The need is for a balance in wording the circulars without any scope for ambiguity and interpretation at the field level.

11. Shri. Atulya Misra, Principal Secretary, Govt. of Tamilnadu mentioned that the basis of review of NMP 2008 is the judgment delivered by the Hon'ble Supreme Court on 2.8.2017, and recounted certain aspects of the judgment for being considered by the Committee viz., sustainable mining, definition of illegal mining, consequences of illegal mining, and intergenerational equity. He mentioned that the National Mineral Exploration Policy 2016 is a very comprehensive document, and laid emphasis for bringing these two policies together. He also mentioned that emphasis ought to be given on utilizing mineral substitutes like 'M Sand', use of mineral waste, Star Rating, DMF, e-governance, mining surveillance system, and ease of doing business with provisions for fast tracking grant of EC and FC for inclusion in the policy document. The Chairman responded to Shri Atulya Misra's comments and said that the Committee would visualize the requirement of the next decade while framing the new policy. He mentioned that NMP 2008 is a very good policy formulated after a long as detailed deliberations by a Committee chaired by a member of the Planning Commission; and one which has been implemented through many reform changes like the amendment of MMDR Act in 2015 and the administrative measures introduced by the Ministry like Star Rating and MSS etc. He assured that the Committee will examine to see what areas of the NMP 2008 are required to be implemented and what changes are required to be made.
12. Speaking on the judgment dated 2.8.2017 delivered by the Hon'ble Supreme Court Shri Ranjan Sahai, Controller General, IBM said that one aspect which was not covered in NMP 2008 is 'intergenerational equity' and the three principles relied upon by the petitioner in putting forth his arguments on the concept of intergenerational equity viz., (i) conservation of options, (ii) conservation of quality, and (iii) conservation of access. He said that intergenerational rights and its obligations and extent of the mining activity as the Hon'ble Court has observed should form the core issue before the Committee in undertaking the exercise of reviewing NMP 2008. He said that a comprehensive study should be undertaken to decide the limits on production of mining in a region considering various factors like the carrying capacity of the area and other relevant factors. He said that such studies have already been undertaken in Goa and Karnataka and probably one in Odisha is being undertaken by MOEFCC. He said that once it is known that a particular area can produce a particular quantity of minerals based on the carrying capacity of the



area, it will help in finalizing/approving the mining plan and the approvals for EC and FC. He also emphasized the need for demarcation of forest areas into 'go' and 'no go' areas so that the States can plan and decide accordingly for mining or auctioning of the mineral blocks. These aspects he said are required to be incorporated into the policy.

13. Shri Sahai further said that another important aspect missing in NMP 2008 is the assessment of demand and supply of minerals; and in this regard he said that the new policy should address concerns for meeting the demand of minerals like copper, nickel, cobalt, lithium, potash, etc which are presently being imported. The new policy should stress on exploration for these minerals in a big way which will act as effective measures to substitute for the imports. Shri Sahai summed up his submission by saying that the new mineral policy should focus on sustainable mining and import substitution.
14. Shri B R V Susheel Kumar, Director, Govt. of Telangana emphasized that there should be clarity with regard to whether exploration and exploitation of minerals can be undertaken in wildlife sanctuaries and eco-sensitive zones, so that if exploitation in any of these areas is not allowed the need for undertaking exploration can be obviated. He also said that the mining zone atlas prepared by GSI on the basis of the geological survey, should clearly demarcate such areas as 'no go' areas. He also emphasized for declaring mining as an industry, and further said that certain clear timelines should be stipulated for completing the exercise from exploration to exploitation. Responding to Shri Susheel Kumar, Shri Surendra Kumar, Advisor, MOEFCC clarified that mining is clearly not allowed in National Parks or Wildlife Sanctuaries, and that the Courts have held how much buffer zone is to be left around Wildlife Sanctuaries or National Parks before mining can be undertaken.
15. Para wise comment received from IBM and CMA were taken up for discussion. On the suggestion to recast the preamble it was suggested by Mining Engineers' Association that the preamble should negate the concept of how much to be produced in terms of intergenerational equity as this concept of intergenerational equity is not viable at all at this moment. Another suggestion was received for inclusion of a 'vision statement' before the preamble which describes the overarching perspective of the policy in a few words like 'efficient, transparent and technology driven globally competitive mining industry to be developed within the country'.
16. The next item for discussion was 'zero waste mining' In this perspective, it was requested that members and especially FIMI representing the mining industry, to

elaborate on what we mean by zero waste mining or to suggest wording it differently. The Chairman requested OI and FIMI to look up what the other policies of best mining countries have to say on this concept. Shri R K Sharma, Secretary General, FIMI said that 'zero waste mining' as a concept means that all grades of minerals should be utilized. He said that IBM fixes threshold value which is the cut-off grade for a particular mineral, which in the case of iron ore it is 45% Fe which requires that iron ore of grades 45% Fe plus should not be thrown as dump. Iron ore of 48% Fe should be kept separately because the technology today allows changing the 45 % grade to 62% grade through a costly process. Even if the lessee cannot afford beneficiating low grade ores, unusable low grade ores above the threshold values cannot be dumped back as filler in the mine but has to be kept separately for use in the future. Shri R K Sharma proceeded to give the example of CODELCO to elucidate his point, which is the largest producer of copper in the world and said that when they started making copper the copper content in the ore was within 3 percent, but today they are still the largest producer of copper in the world using ore containing as little as 0.67 percent copper. He also gave the example of JSW in Karnataka – that when they fall short of ore they also used 45% Fe ore. He concluded his discussion on 'zero waste mining' by saying that what it really means is that when the ore has got metal content it has to be kept separately for use in the future. A suggestion was also made that this concept is mainly talking about the economic aspects of the mining. It was also suggested that the words 'sustainable', 'equity' and 'transparency' should figure in the preamble. Dr K Rajeswara Rao, Chairman suggested the word 'responsible mining'. Shri Deepak Mohanty suggested 'green mining'. Shri Bipul Pathak, Member Secretary expressed caution that use of words should be very carefully considered. Though the words may be innovative but unless they connote the meaning clearly there is bound to be some confusion.

17. Para 2.1 A suggestion was made to use the word 'optimised' as it was more appropriate than the word 'maximised' in Para 2.1 of NMP.
18. Para 2.2 Shri Bipul Pathak, Member Secretary said that strengthening of GSI, IBM, and the State Directorates of Mining & Geology with man power, equipment and skill sets upgraded to the level of state of the art is imperative and invited suggestions on this aspect. Shri R K Sharma, Secretary General, FIMI said that State DMGs have to be strengthened with more manpower consequent to the growth of mining industry over the course of time. Shri Bipul Pathak, Member Secretary said that e-governance and latest technology should be imbibed in the State DMGs with more technology intervention rather than increasing the number of personnel. The focus should be on introduction of new technology, partnering or outsourcing some the technology.
19. Regarding the goal of achieving large scale prospecting it was remarked that large scale prospecting by private industries is not happening right now mainly because

the auction blocks for composite licenses are small. It was suggested that auction block for large prospecting should be large. It was also said that NERP is not attractive because there is no right-of-first-refusal. ROFR is mentioned in the NMEP but it has not been translated into the rules. ROFR should be included in the rules to ensure that private industry can take up exploration of large blocks so as to attract investment in exploration. Shri R K Sharma, Secretary General, FIMI added that it is important to take up exploration/prospecting for minerals where the country is dependent on imports, like gold, diamond, platinum, nickel etc.

20. Para 2.3 Member Secretary said that the para is related to forestry and environment issues which also mentions about development of a sustainable development framework which as a concept is also being followed in Court cases. He said that the Ministry has developed a Sustainable Development framework based on which 'Star Rating' of mines in respect of major minerals has already been mandated as a statutory requirement under the Rules. He said that for the State Governments to take up Star Rating for minor minerals would depend on the capacity of the State DMFs. He expressed an opinion that it would be prudent for the States to take a graded approach in implementing Star Rating as the number of minor mineral leases are very large probably running into more than a hundred thousand; and it is very difficult to do Star Rating of all the minor mineral leases given the constraints of manpower in State DMGs. He however added that even within the minor minerals some of the minerals are very valuable so a graded approach may be adopted to take up such minerals in the first stage. Shri Pathak suggested that this item does not require any change as it clearly delineates all the relevant issues like special care for the tribal and indigenous populations; and the project affected persons will be protected through the comprehensive relief and rehabilitation measures in line with the National Rehabilitation and Resettlement (R&R) Policy 2007. He however invited suggestions. Dr Rajeswara Rao, Chairman suggested that the Committee will do good to examine how the rehabilitation policy is being implemented in some states to see if they are effectively ensuring the protection of interests of project affected persons. He said that it would be important to examine comments received from civil society groups, NGOs who focus on protection of environment, biodiversity, and protection of the indigenous people's interests. Shri Atulya Misra said that ensuring compliance of Star Rating will to a large extent take care of the concerns in the Para.
21. Para 2.4 Shri R K Sharma, Secretary General, FIMI said that upto 62% of iron ore is not consumed in the domestic steel industry because the country is surplus in iron ore and can produce any amount of iron ore. He said that according to IBM as on 31st March 2017 there are 145 million tonnes of iron ore lying at the mine head 64% of which cannot be exported because of the 30% export duty. He said that the world is flush with iron ore - 5% of the earth's crust being Fe<sub>2</sub>O<sub>3</sub> extending upto 75 Kms into the continental shelf. He said that the reserves/resources keep increasing with more and more exploration. To give an example he cited the case of Goa. When it was liberated in 1961, the total resources of iron were 350 million tonne. Accounting

for the exports from Goa to the tune of 1 billion tonnes, even now as on 1.4.2013 Goa has 957 million tonnes of iron ore. Therefore he said a different approach needs to be taken with regard to minerals in which we are surplus - the grades which are not required domestically will keep lying at the mine head with the consequences of mines getting choked and other attendant problems like run-off in rainy season polluting the surrounding environment. He therefore emphasized that we have to encourage exports of grades which we don't require domestically. Shri Bipul Pathak, Member Secretary said that perhaps the policy should make a distinction with regard to bulk minerals.

22. **Para 2.5** Shri Bipul Pathak, Member Secretary said that development of infrastructure which also requires considerable finances, has a bearing on the carrying capacity of a particular region. He said that road transport infrastructure and even railway infrastructure required for mining does utilize public private participation. Road infrastructure is of course heavily into the PPP mode of operation; and railway sidings are probably undertaken at the expense of the private miners themselves. He said that viability gap funding should be extended and where required the principle of user charges and PPP model should be the basis on which mining infrastructure is developed. Members also suggested that inland waterways be also used for transport of ore.
23. **Para 2.6** Shri Bipul Pathak, Member Secretary said that this Para focuses on revenue to the mineral bearing states and the problem of illegal mining. Shri R K Sharma mentioned that with the present statutory mechanism, States are properly compensated. Shri Bipul Pathak, Member Secretary said that comments from FIMI mention that the incidence of taxation and levies on mining is the highest in our country. With premiums which will accrue to the States on account of auction, and royalty, DMF and NMET etc. he opined that the concerns regarding revenue to the States is well taken care of. Regarding the second aspect he said that the statutory reforms and administrative measures like mining surveillance system, the concerns regarding illegal mining have also been addressed to a great extent. He said that with MSS being extended to minor mineral leases and upgradation for introduction of volumetric calculations, the issue of illegal mining has been fairly well addressed. Shri Atulya Mishra said that considering the import of the Supreme Court's judgment of 2.8.2017 illegal mining can be kept in a separate para with references about MSS. Ms Alarnelmangai, Director Geology & Mining, Chhattisgarh suggested that use of IT enabled tools and systematic audit can help in addressing the problem of illegal mining. Shri Bipul Pathak, Member Secretary welcomed the suggestion and said that illegal mining can be kept in a separate paragraph and technological interventions for tackling illegal mining will be included.

24. **Para 2.7** Member Secretary said that the Para focuses on use of state of the art exploration techniques, scientific mining and optimal use of minerals through addressing beneficiation technologies, research and development promotion, educational training facilities for HRD, man power requirement etc. He said that though they are all noble objectives, how far have we been able to implement is an issue which remains to be answered. State of the art exploration techniques is one thing we have not been able to adapt at all. State governments are probably using rudimentary techniques - even our State exploration agencies like GSI may have upgraded a little bit but might not have gone far. He said that the major research and development in the western countries for developing the state of the art techniques is undertaken by the private sector because the sector is more vibrant. Acquiring these technologies by agencies like GSI takes time and money and the system of the Government is such that by the time they are able to acquire a new technology, the world would have moved on with better technologies to another level. He said that we need to address this issue probably by elaborating as to how to get the state of art technology for the mining sector in the country. The Para is quite generic and couched in general terms. The Para was drafted in general terms in 2008 and ten years since then we have not reached anywhere in this regard; and therefore it requires a little elaboration as to how go ahead with achieving it so that in the next ten years we are able to achieve something better.
25. A concern was voiced that unless the NMEP is appropriately revised to ensure security of tenure after exploration, no funding/technology will come from outside. Member Secretary said that the suggestion made by the Chairman for subsuming the NMEP with the National Mineral Policy will be a humongous task to implement. But however he requested the members for suggestions in this regard. Ms Alarmelmangal, Director Geology & Mining, Chhattisgarh suggested that we can think of undertaking exploration by outsourcing major explorations. Shri Rajender Kataria, Secretary, Mines, Karnataka emphasized that an analysis of demand before planning for exploration is required. Issues pertaining to the economy, environment, forest issues have to be factored to achieve those targets. Shri Deepak Mohanty, Director, Odisha said that merging both the policies can be a good proposition because exploration in any case has to be measurable and is another dimension to the inter-mineral policy. Shri B R V Susheel Kumar, Director, Talangana suggested that NMP 1993 could be studied to include some portions on exploration policy including investment.
26. **Para 3.2** Member Secretary said that the para focuses on mineral administration across the country and said that the thought process at that point of time was to have as far as possible uniformity of mineral administration across the country, but he said that under our federal structure I think it may be very difficult to achieve. Orissa must be managing in a different way probably as compare to Rajasthan and Tamil Nadu - they have their own legislations also which are different from each others' legislations for minor minerals. But for major minerals there is uniformity of

- legislation. He said that the para might not require any change. Dr Rao suggested that it would be worthwhile to consider making a few corrections to strengthen the State mining administrative infrastructure – to strengthen the mining administration at the district level, block level, and state level.
27. Para 3.3 Shri R.K. Sharma, Secretary General, FIMI said that it is an important para for attracting investment and latest technology in the mining sector. He said that exploration is the key to mineral development and the level of exploration in the country is the indication of level of development of mineral resources in that country; and that can come only through private investments. Involvement of junior exploration companies who are the repositories of knowledge and the latest technology is imperative with regard to minerals like gold, diamond, nickel, platinum group of minerals. Copper, lead, zinc we have sufficient for the present but we have to import over the course of time. He said that no country in the world has spent tax payer's money on exploration. It is only private exploration which has contributed to the development of resources whether iron-ore or these minerals and the level of exploration also depends on the market situation. For eg: almost 50% of the world exploration expenditure goes in gold; 33% goes in base metals like lead, zinc, copper, nickel; 8% goes in the exploration of diamond. Exploring companies bring their own venture capital. Toronto Stock Exchange takes 80% of the world mineral expenditure and the balance 20% is contributed by New York, London, stock exchanges and now the Perth stock exchange. He concluded by saying that if country has to be self-sufficient in resources in which we are deficient, we have to involve private investments. Shri Deepak Gupta, MEA added to Shri Sharma's concern by saying that certification of resource evaluation before auction is also important so that the bidder is assured of the correctness or accuracy of the resource evaluation. Exploration agencies should have a separate QA/QC division which can certify the accuracy of the information possibly through a peer review mechanism. CII expressed its concerns with regard to security of tenure guaranteed to the concessioners and said that the rules should be aligned to allow retention of the lease till exhaustion of the mineral reserves.
28. Para 5.1 Member Secretary said that there is already a strategic shift in that from next year onwards GSI probably will be focusing on the minerals which FIMI has mentioned. Ms Alarmelmangai, D, Director Geology & Mining, Chhattisgarh said that GSI should focus on upgrading their orientations and strategy for undertaking exploration from G3 and G4 levels to higher levels.
29. Para 5.5 FIMI suggested that the Mineral Advisory Council which represented the state governments, associations and concerned ministries should be revived.

30. **Paras 6.1 & 6.2** Member Secretary said that the Mining Tenement System being developed by IBM will fulfil the requirements of Paras 6.1 and 6.2 when it becomes operational.
31. **Paras 7.1, 7.2, 7.3, 7.4, 7.5, 7.6, 7.7** Member Secretary said that the Committee has already deliberated on most of the topics like strategy of mineral development, scientific methods of mining, mining equipment and machinery, manpower development, and infrastructure development. He said that the concept of intergenerational equity in the context of conservation of mineral development was discussed and will be incorporated appropriately. A suggestion was made for increasing the carrying capacity. Member Secretary said that carrying capacity ought to be increased with a fusion of e-governance and technology.
32. **Para 7.8** Shri Atulya Mishra, Principal Secretary, Tamilnadu said that the concept of viability gap funding which was discussed earlier may be added to this para. In this context concerns were reemphasized on the need for a certification system to validate the claims of exploration results to attract financial support. Member Secretary said that unless third party certification is a robust mechanism, it will not gain the trust to attract foreign investment.
33. **Para 7.9** Member Secretary said that comments received on small deposits will be examined. Shri Atulya Mishra, Principal Secretary, Tamilnadu said that it is more of an implementation issue and clarity should be provided to deal with situations where small deposits occur along with major minerals. Shri R. Saravana Bharvan, Senior Research Officer NITI Aayog said that small scale mining and cluster approach face many problems due to e-governance, which should be properly addressed.
34. **Paras 7.10, 7.11, 7.12** Shri B R V Susheel Kumar, Director, Telangana reemphasized on declaring mining as an industry. Member Secretary assured that the issue will be taken up with the Ministry of Finance separately.
35. **Para 8** Shri Atulya Mishra, Principal Secretary, Tamilnadu said that the issue of dumping should be addressed. Member Secretary added by saying that it is a problem. Dumps keep lying at the mine head as a result of which states do not get royalty. Incentives should be provided for export of grades which do not have domestic demand.

36. Para 9 AS (Mines) said that the para needs a slight modification to update it with the new GST regime.
37. Para 10 CII said that the para needs to be aligned with goals of NMEP. A suggestion was also received that data sharing or knowledge sharing is the mantra of the UN and until the data sharing adopted, sustainable development cannot be achieved. Dr Rajeswara Rao said that if States feel research and development is required to be given emphasis to increase the capacity of the state machinery, comments may be sent in this regard. Member Secretary said that ONGC should share data on exploration done in the offshore areas with other agencies like GSI; and data with states or universities also need to be shared. He said that this requirement of data sharing should be mandated in this Para and invited comments in this regard. Shri B R V Susheel Kumar, Director, Telangana said that in order to revamp the exploration activities to be in line with the national goals, the country should think of having MoUs with developed countries USA and Canada for technology transfer for undertaking exploration of strategic minerals. Shri Bipul Pathak, Member Secretary seconded this suggestion and emphasized moving forward in this direction. He said that suggestion needs to be incorporated. MoUs with other countries should be reflected in the NMP. A suggestion was also received for including a special thrust on mining manpower and skill development.
38. Shri Bipul Pathak, Member Secretary requested all the members and especially the industry associations - FIMI, CII, ASSOCHAM, FICCI to have a relook at the items discussed and to send their comments/suggestions after consulting the stakeholders in the parawise format.

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



## ANNEXURE

List of participants who attended the second meeting of the Committee constituted to review NMP 2008 held on 11.09.2017

1.	Dr. K Rajeswara Rao, Additional Secretary	Ministry of Mines
2.	Shri Bipul Pathak, Joint Secretary	-do-
3.	Ms. Veena Kumari, D, Director	-do-
4.	Shri P. Vinay Kumar, Under Secretary	-do-
5.	Shri Atulya Misra, Principal Secretary	D/o Mining & Industries,
6.	Shri Rajender Kataria, Secretary, Mines	Govt. of Karnataka/Tamilnadu
7.	Shri Deepak Mohanty, Director	Director of Mines, Odisha
8.	Shri Ranjan Sahai, Controller General	Indian Bureau of Mines
9.	Shri Vivek Bharadwaj, Joint Secretary	Ministry of Coal
10.	Ms. Alarnel Mangar, D, Director Geology & Mining	Govt. of Chhattisgarh
11.	Shri J S Bindra	M/o Coal
12.	Shri B R V Susheel Kumar, Director	D/o Mines & Geology,
13.	Shri Aboobaker Siddique P, Mines Commissioner	Govt. of Jharkhand
14.	Dr. P.K. Jain, Chief Mineral Economist	IBM, Nagpur
15.	Shri Suresh Narayan Meshram, ADG	Mission-II, GSI, Nagpur
16.	Shri D. Mohan Raj, DDG	DDG, Mission-II, GSI,
17.	Shri Virendra Singh Khaira, Superintending Engineer	M/o Road Transport and
18.	Shri R. Saravanabhavan, Senior Research Officer	NITI Ayog
19.	Shri D. Nagaraju, Joint Director	DMG, Andhra Pradesh
20.	Shri D. Mahesh Babu, Joint Director	DGM, Chhattisgarh
21.	Shri S. Sudarsanam, Deputy Director	DMG, Tamilnadu
22.	Shri R. K. Nahwaya, Additional Director	Department of Mines, Govt
23.	Shri Surendra Kumar, Advisor	MoEF&CC
24.	Shri Pushpender Gaur	Indian Bureau of Mines,
25.	Shri Anil Kumar Singh	D/o Revenue
26.	Shri S. D. Kaushik, Consultant	Ministry of Shipping
27.	Shri Priyadarshi Sidhanta, Advisor	CII
28.	Shri Rajesh Gopinathan, Director	-do-
29.	Shri Manish Mishra	Tata Steel, CII
30.	Shri R. K. Sharma, Secretary General	FIMI
31.	Shri G Karunakar	FICCI
32.	Shri Shivam Mohale, RA-FICCI	-do-
33.	Shri Arpan Gupta, Dy. Director	-do-
34.	Shri Kumar Ankit	-do-
35.	Shri Shantanu Dubey	ASSOCHAM
36.	Shri Sherry Thomas	-do-
37.	Shri Deepak Gupta	MEA
38.	Shri M. Mahadevan	GM (RP & S), NMDC Ltd

•  
.  
-

## **APPENDIX D**

**Minutes of the third meeting of the Committee constituted to review the  
National Mineral Policy 2008 held on 26.09.2017**

---

1. The third meeting of the Committee constituted to review the National Mineral Policy 2008 was held on 26<sup>th</sup> September, 2017. The list of participants attending the meeting is placed as Annexure.
2. Shri Bipul Pathak, Member Secretary of the Committee welcomed the participants of the Committee and placed the comments before them for discussion, which were received from IBM, Cement Manufacturers' Association, Geological Survey of India, Indian Council of Forestry Research and Education, FICCI, CII, Govt. of Chhattisgarh, Pellet Manufacturers' Association of India, JSW Steel, Govt. of Telangana, Ministry of Steel, Govt. of Odisha, Govt. of Andhra Pradesh, MEAL, Mines Mineral & people, HLN Goa, Railway Board, NACRI, NITI Aayog, Goa Foundation, Indian Bureau of Mines (CME).
3. Thereafter, Dr K. Rajeswara Rao, Additional Secretary, Ministry of Mines and Chairman of the Committee welcomed the representatives of various Ministries, State Governments, Industry Associations, PSUs, representatives from Civil Societies, technical Institutions and the stakeholders to the third meeting to finalize the National Mineral Policy as per the directions of the Honorable Supreme Court. He thanked all the stakeholders for sending their notes/comments/suggestions on various aspects. He mentioned that NMP 2008 is very comprehensive document which has helped in development of the mining sector in a significant manner; and in this context mentioned that amendment to NMP 2008 has to be undertaken visualizing the existing situation, the emerging concerns regarding this sector, the requirements of the mineral sector in the coming years while being mindful of the fact that the mineral sector has several stakeholders with diverging interests. With this perspective he requested the stakeholders to give suggestions in a very constructive manner. He informed that the final meeting of the Committee will be held on 13<sup>th</sup> October where the first draft of the National Mineral Policy will be discussed. The Chairman concluded his opening remarks by saying that the Committee has an enabling environment to prepare a responsible policy to the society, community and also the nation.
4. Chairman introduced Dr Vinay Kumar, Director, Anthropological Survey of India who was requested to attend the meeting to have his valuable comments as the organization he represents is a very important and highly respected professional organization dealing with anthropological issues and also the NGOs. The Chairman

emphasized that the comments of Ministry of Tribal Welfare and Ministry of Panchayati Raj be obtained and examined carefully.

5. Dr Vinay Kumar, Director, Anthropological Survey of India mentioned that he will be sending his comments after reading the comments which were put up for discussion from the point of view of the organization. He stated that whenever we discuss anything dealing with the minerals we should be mindful of the fact that the area from where minerals come are predominantly areas inhabited by communities which are known as tribal communities. In this context Director ASI emphasized that we should refrain from using the term 'indigenous communities' because this is a disputed term as this raises a contentious issue of determining who is indigenous and who is an outsider. He added that this has been the point of view of the Government of India, and the point of view of a large number of anthropologists who have worked on these communities who are of the considered opinion that term 'indigenous communities' is more applicable in the context of America or Australia where you can certainly determine the "indigenety" of populations. He said that here we are dealing with the communities which are known as tribal communities and added that there are 705 scheduled tribe communities according to the recent statistics which constitutes 8.6% of the total population of the country.
  
6. He shared his experience of being a professor of social anthropology at the University of Delhi. He proceeded to place two perspectives. The first perspective is that many of these communities are occupying the areas which are mineral rich areas which maybe because of historical accidents or because of the history of their migrations; and that these communities were not aware of the richness of the areas. He said that a very prominent Anthropologist Marshall D. Sahlins mentioned that these communities had been squatting on mineral rich areas; and that they had no understanding of the richness of minerals. They might have had some inkling that the areas are mineral rich maybe based on empirical evidence of the quality of water and soil and their experience and understanding of different situations. He said that these communities became aware of the area and the fact that they were living in a rich area, when the colonizers started entering their areas and when they were displaced. Once they became aware of the fact that they are squatting on the mineral rich areas, they started emphasizing their rights over the area. He further said that in the whole debate dealing with the minerals, forest, land and other resources there has always been the question of rights right from the time the colonial powers came. There always been a question of determining these rights and the conflict between what is private, what is public, what is of their own, what is of the larger world. He said that anthropologists are very well aware of these conflicts. With the increasing awareness about the richness of their areas the more vigilant they have become asserting their rights through large number of movements in different parts of the world.

7. Dr Vinay Kumar further mentioned that the second point of view relates to the legal aspect. How do we deal with this kind of a situation - with the claims of these people. There are several ways of doing that. One is that we recognize them as "authors of that area" in the sense the royalty should go to them. The second is people's knowledge. He said that we should not forget the idea of community. The benefits should go to the communities. He gave examples from the United States of America where the communities are being compensated for what they have been doing and it is very important that we take up the idea of community who constitutes the community. He added that no communities are homogenous. The communities have various debatable moot issues pertaining to different perspectives, contested perspectives on reality. One should not forget the gender aspect, the aspect of age and the aspect of social stratification. He said that if any anthropological concept content has to come in the policy document then it is imperative that it should deal with the people's voices and also how the community is going to be benefited. He further said that we should not forget the people, the rights of the people and their voices. He assured to submit his comments after reading the comments put up for discussion.
8. Dr Claude Alvares, President, Goa Foundation spoke next. He informed that they would send their detailed comments on para 7.10 i.e. Mineral Development & Protection of Environment. He emphasized that the context for these discussions is the parameters laid down by the Supreme Court in the Odisha judgment - on the issues of 'sustainable development' and 'intergenerational equity'; and any meaningful discussion should include these concepts. He supplemented the suggestions made by the Director, ASI that we need to have a framework which includes the concerns of the people and communities. He emphasized that the Committee has been handed an historical mandate in the sense what this Committee does with this report is going to govern the country's mining in the next 10 years or more. He said that civil societies are generally perceived as organizations people opposed to mining and clarified that this perspective is incorrect. Mining has to be regulated in a certain way and the policy should lay down the parameters in which mining has to be done. He recounted the experience of mining in Goa, which is suspended every now and then because some rules have been violated or some procedures have not been followed and also gave the examples of Bellary and Odisha. He said that mining should be conducted in a sustainable manner and the Policy should lay down the parameters which should not be compromised while mining. The Policy document should not only assure the mining industries but also the environmental groups, the groups that represent the tribal communities and so many other groups - so that they don't have to keep going to the Courts repeatedly to deal with their problems. He emphasized that the Committee should work for a policy framework which will prevent these types of distortions and obstacles coming in the way of undertaking sustainable mining. He mentioned the efforts made by Goa Foundation in understanding the concept of 'intergenerational equity' as to whether it represented three generations or seven generations or generations even beyond - in reading literature on this field, interactions with institutions like the

World bank, IMF, CAG, Reserve Bank of India and the discussions with a large number of associated persons. He added that human civilization existed for more than 5000-10000 years and realizing this, they came up with the latest solutions all over the world and found that more than 55 countries are involved in sequestering these resources from mining in order to deal with the issue of intergenerational equity and debt sequester them through the mechanism of permanent fund. He suggested that whatever we get from the sale of resources, we should sequester them in a permanent fund, so that when resources are totally depleted and come down to zero, then at least we still have the capital kept aside in another form for the future generation. That this is the background to the idea of the permanent fund which has been accepted by Supreme Court in the case of Goa where already more than 250 crore rupees has been deposited in the Goa Iron Ore Permanent Fund which will be available for future generations and that these funds will only grow as more mining is done. Dr Claude Alvarez invited his colleague from Goa Foundation to explain this before the committee.

9. Shri Rahul Basu on behalf of Goa Foundation mentioned about the basic set of 5 principles. The First Principle is that minerals are owned by the state as a trustee on behalf of the people and especially for future generations. This is a legal principle called Public Trust Doctrine – States are not owner of the minerals but it actually part of the commons. Second Principle is that none of us have created minerals, we have inherited them, just like with family-gold or any other inheritance, we do not have the right to consume it, we have to make sure that our children inherit them. We are only custodians today; our children have to receive the minerals because it's inheritance now. This is the principle of intergenerational equity, the idea is what we inherit are our options, as long as we ensure that the next generation has at least the same amount of inheritance, then there is equity created. Third Principle is that if we mine, we are effectively selling our family gold because at the end of mining, we no longer have the mineral. Presuming we have got the value of the gold, we must ensure zero loss value which can be estimated easily, it's called economic rent, we must ensure that the economic rent tends to zero loss. Fourth Principle is that everything we receive we must save in this new asset. Now if it is an individual, we can save in land but at the national level, there's not in that much land to purchase. What most countries have done like Botswana, Chile, Norway are the example; they have taken the money from the mineral sale of their family gold and put it into essentially in a big Mutual Fund and ensure that to the extent of inflation you put money back, so that the corpus keeps increasing. Fifth Principle is to ensure income beyond the real income from the fund. He said that we all own the mineral, we all own the fund and we all own the income being generated by the fund and just give it equally to everybody.
10. Shri Basu further stated that there is nothing fairer or more equal especially in the context of article 39B of the Constitution which talks of common good. Applying the principle of common good to minerals there is a certain implication for the way we

draft the policy and if the policy is really not drafted in that way, that is not fully compatible with these some of the things which needs to be changed. He also mentioned that the two key things in MMDR Act are mineral conservation and mineral development. Mineral Conservation, he said, is to be understood in the context of conserving minerals because once minerals are extracted it is gone - we want mineral conservation to be redefined as the conservation of the value of the minerals. He said that minerals are owned by the entire society, all of that value must remain as part of the commons. Mineral Development happens when you extract minerals. In Goa overburden is found mixed with a number of minerals which need to be segregated for use like beneficiation. We are basically converting valuable material into junk by mixing up bentonite, red oxide and make it into mud - this is valuable stuff, we cannot create overburden. We cannot create minerals so mineral development must include zero waste mining - every single bit of value must be extracted for the minerals because we cannot create, we cannot be so wasteful with it. He further mentioned that when we talk about royalty, there are at least three different conceptions of royalty - income or revenue for the government, tax which is not the same as income or revenue, economic service provider and the fourth which is what Goa Foundation believes - it is none of the three as in no case is it income of the government because when you sell the family gold it is not income - it is sale of a asset. Mineral receipts must be treated as a capital receipt not as the revenue receipt in the books and because it's a trust asset and the public trust account the money must go into the public trust account of the State just like is happening with the National Investment Fund when the Government of India is divesting from assets the money is put into the Public Trust Account and then in to the National Investment Fund, then by extension the role of Ministry of Mines should not be focused on how much mineral can be extracted - it should be how much of the value of the minerals has been protected.

11. Member Secretary responded to the papers submitted by the Goa Foundation there are few concepts which are quite conceptual in nature they also address some of the issues and we would include them in the policy as guiding principle. He requested Goa Foundation to draft a paragraph on intergenerational equity for inclusion in the Policy documents which could be discussed in the next meeting. After that Member Secretary requested Shri S R Hiremath to give his point of views.
12. Shri Hiremath, Founder President, Samaj Parivartana Samudaya started his comments by giving a background to the cause being espoused by them and why they decided to move the Honorable Supreme Court. He requested the Committee to read the judgment delivered the three judge forest bench of the Honorable Supreme Court of India which is a landmark judgment dated 18th April 2013. He said that the ground realities were just astonishing - It was reckless and irresponsible mining which has adversely affected the people living in the area. Few miners basically stole the mineral wealth of this country throwing not only the laws of the land to the winds but the very Constitution. He said that Government of Karnataka in

2007 asked Justice Santosh Hegde, Retd. Judge of the Supreme Court, who was the then Lokayukta of the State, to investigate this illegal mining and conduct an enquiry and submit a report. The report was a very comprehensive report. Part 1 was submitted in 2008 and the next one came while the Supreme Court case was going on that was in 2011. He said that the three judge bench had to invoke powers under article 142 of the Constitution and had to use extraordinary powers to cancel the mining licenses of 51 C Category mines. He mentioned that Mr. Anil Agarwal from Centre for Science and Environment who produced an excellent report which he urged the members to go. The report is titled 'Rich Lands, Poor People - Is Sustainable Mining Possible' and he quoted a para from this report for the Committee to ponder over and incorporate it in the review of this policy: 'governments in India love to talk about poverty but usually serve the interest of the contractor and the companies the trouble is that mineral exploitation can easily destroy the natural resource base of the Poor forest and biodiversity in particular unless there is a strong governance of these resources which involve the local people instead of alienating them'. He said that nature can never be managed well unless people closest to it are involved in its management and healthy relationship is established between society, culture and nature; and India has a long history of diversified, decentralized community control systems which will have to be involved in the new challenging situations. He said that just as the government is giving the industry role in the development of the country the pros and cons have to be debated very seriously. The natural resources *Jal, Jungle, Zameen, Khanij, Beejare* integrated and closely related to the livelihood of the vast majority of our people. It is important to consider how to involve them in the decision making process for their own survival, for their culture and their values - they are bound to understand the importance of the environment that plays in their lives. He said that from 1979 he has been working in the villages. He said that local people are far wiser, they understand the importance of natural resources, they understand the working of Mother Nature and these great assets for their very survival and they will be able to manage it better. He said that the members should read judgments like the Samantha judgment and provisions of the PESA Act. He said that the government should rule with the consent of the governed as it is a very widely accepted concept worldwide.

13. Member Secretary responded to that in compliance of Hon'ble Supreme Court Orders this Committee has been constituted and all participants have been invited. He appreciated the views put up by Shri S R Hiremath and requested him to frame a policy paragraph for the Policy document.
14. Shri Hiremath further mentioned the common good principle enshrined in Article 39 should be kept in mind and that we need to learn from our experiences and move forward in the direction that should serve the people of this country.



15. Dr K R Rao, Chairman thanked Goa Foundation, Samaj Parivatana Samudaya for their inputs. He said that the review of NMP is being done in very transparent and consultative manner that is why all the interested stakeholders are being invited and comments/views are being taken from them. He clarified that draft policy will be kept in the Ministry's website for comments to be given not only by State Government/Ministries and Associations but also for the individuals/activists and whoever is interested in the mining sector. After that he invited representative from ICFRE for put their views before the Committee.
16. Representative from ICFRE mentioned that they have covered the importance of forest conservation and rehabilitation, environmental management including the abandoned area and said that they will go through the comments already given by different organizations and provide more inputs in this regard. She said that ICFRE recommends undertaking studies on carrying capacity before providing mining concessions.
17. Representative from NITI Aayog shared his experience of being a forest officer for 20 years. He said the existing policy takes care of many aspects including conservation of tribal people etc. He mentioned that the National Mineral Policy 2008 is the finest document. He said that whatever happened in Goa or Jharkhand was a failure of Governance as the mining departments could not enforce the law properly. He again mentioned that the new points which have been raised by Goa Foundation like intergenerational equity are really very interesting and need to be incorporated. He expressed his concern about happened after the MMDR Act was amended. The overall growth of the mineral sector is really getting hampered. The issues affecting the growth of the mineral sector require to be attended seriously, otherwise our country is going to be affected adversely in economic terms. The contribution of the mining sector in GDP has reduced from 2.4% to 1.3%. Being a big country with a huge population we require harnessing the mineral resource to provide a strong employment base to the people. However, we need to undertake exploitation in a proper manner considering the conservation aspects, environment aspects and forest aspects. He emphasized that exploration which is to be given through auction need to be changed. When the NMP 2008 talks about seamless transition from RL to PL to ML that should be there. We require exploiting our mineral resources so that country can grow. He mentioned his experience in Jharkhand BCCL where they have done a fantastic job in rehabilitation and recounted his contribution to rehabilitation of more than 4000 to 5000 hectares of mined areas. He said that we take care of environmental aspects. With regard to mineral sector, he said that to encourage exploration there should be seamless transition of RP to PL to ML so that really we can explore all mineral resources. He said that the forest department and ICFRE's views on forest area and eco fragile area should be taken care of. So once an area is declared as 'in-violate' by the Forest Departments, no exploration / prospecting should be allowed in this area to avoid inconveniences to companies who are allowed to do RL or PL but when they come for Mining Lease they are stopped since

it is an eco-sensitive or eco-fragile area - this unpleasantness should not be allowed as it is not the right approach towards companies who are putting their hard earned money in exploration. He suggested that the Forest Departments should declare the area as eco sensitive or eco-fragile beforehand. He suggested that regarding clearances there should be a single window system. The forest department and environment departments have introduced online system but it still requires improvisation. Some timeline should be there. Objections should be raised in one go so that the private companies are not harassed by raising objections a number of times. After that Dr K R Rao, Chairman invited the representative from Goa to put their view before the Committee as they were attending the first time.

18. Shri Prasanna Acharya, Addl. Secretary, Govt. of Goa assured that detailed comments will be sent later after getting the approval from the Government of Goa. He supplemented the Goa Foundation's views on intergenerational equity but he added that the focus should be on sustainability first - if we don't sustain ourselves there's no question of intergenerational equity. So the first goal and objective should be that we survive first - the needs of the present generation are taken care of and subsequently we can definitely take care of the intergenerational equity. He said that the government faced various difficulties like there was an SLP order which was passed in favor of the leaseholders where Goa has had concessions granted by Portuguese Government because of which there was an issue with regards whether they are to be treated in perpetuity or after the Abolition Act of 1987 are to be treated at par with other leases granted on the MMDR Act. High Court upheld the validity of Abolition Act. However, the lease holders managed to get an order from Supreme Court wherein it allowed them to carry on mining operations till they decide on the SLP. Unfortunately, it remains pending without a decision and mining was being carried on. He complimented Goa Foundation for the PILs filed by them, for doing a great job for the protection of environment. He said that we need to compliment such organizations for their serious concerns about protection of environment. He said that they have taken their guidance on intergenerational equity. He mentioned that Goa is in mining operations since 1950. Initially it was done manually and subsequently after 1955 it became mechanically and overall they are around 60-65 years into mining and we're going to exhaust our mineral resources. The collections made in GIOPF are kept in fixed deposits and we shall not touch whatever is the collection made under GIOPF the reason being that once we exhaust our resources in Goa, we won't be left with any major mineral with us - the concept of intergenerational equity wherever possible we have always borrowed. He said that valuable suggestions from the concerned citizens need to be taken into account for protection of environment. The role of the government should be to ensure sustainable mining. He said that he is glad that for the first time public opinion is translating into law. After that Dr K R Rao, Chairman invited FIMI to give their comments.

19. Shri R. K. Sharma, President, FIMI started his first comments by clarifying on the words 'indigenous' and 'tribal' - he said that in India we don't use word indigenous and we always use tribal because indigenous is a word more appropriate with countries like Canada and US. Second, he stated that we should incorporate a separate para for the safeguarding the interest of the tribal people in the new policy. Member Secretary supplemented his concern and assured to include it as a new para. Third, on sustainability he mentioned that 74% of the mining leases covering 9% of the area is from 0 to 50 Hectares and 84% of the mining leases covering 16% of the area is from 0 to 100 Hectares. So our mining leases should be sustainable first. He mentioned that Govt. of Rajasthan gave 30000 leases, out of which 27000 were of 1 Hectare, 3000 were 2-5 Hectares - when leases themselves are not sustainable how the mining can be sustainable. Dr K R Rao, Chairman mentioned that issues regarding welfare of the tribal people and sustainability were also discussed with the new Assistant Secretaries and assured to incorporate the same and to expand on sustainability in the new policy.
20. Shri Naresh Kumar, DIG, MoEF&CC mentioned that he has not gone through this document yet and supplemented the concerns expressed by NITI Aayog. He said that we should not plunder our resources - we should do sustainable mining and in this forest department is always with the mining sector or coal sector, if only we emphasize on sustainable mining. Second issue he mentioned was that minerals are mostly located in thick forest areas, national park, sanctuary or other reserve forest areas - we have to clearly demarcate the areas in which mining can be done and once it is decided then we should not touch the other areas - the policy should address this so that mineable areas are demarcated for mining forest clearance can be given. However, he cautioned that we should conserve areas demarcated as in-violate areas - it should not be a situation where today we mine here, next year we mine there and after 20 years we will mine everywhere.
21. Dr K R Rao, Chairman asked Niti Aayog to give comments on in-violate areas. Member Secretary again mentioned that there is a deadline given by the Hon'ble Supreme Court which we all have to follow and requested all the representatives to send their view/suggestion by 6<sup>th</sup> of October in a para-wise format so that the first draft of the new policy could be prepared by 13<sup>th</sup> of October. He further mentioned that as we have to keep the policy for public consultation for one month, we will have to prepare with the final document by the end of October.
22. Shri Karunakar representative of FICCI supplemented the comments of NITI Aayog regarding the survey and exploration. To attract huge investment required to explore new deposits using latest technology in addition to NMET funds, private investment should also be encouraged by incentivizing exploration. Policy should bring in methods to provide surety for the exploration company to progress towards

mining lease. Member Secretary desired to discuss the issue in detail by the Committee and incorporated in the policy document if found appropriate.

23. Member Secretary requested all the members to send their comment on intergenerational equity so that it can be incorporated in the new mineral policy document. He mentioned that the expertise of Goa Foundation can be used for formulating a paragraph for inclusion in the policy document.
24. Odisha Government has sent their written comments on NMP 2008. The additional suggestion from Odisha were discussed during the meeting. The policy should have a built-in mechanism/institutional mechanism to monitor the implementation of the policy either at state level or at the regional level. After the MMOR Act 2015, the exploration is de-incentivized, as at present only the blocks which are explored to the level of G3 or G2 are auctioned. Prospecting can be incentivized either by providing ROFR to the private companies undertaking prospecting or by compensating them by defraying the expenditure incurred by them.
25. Representative from Ministry of Steel mentioned that intergenerational equity should be understood from the perspective of reusability of minerals. She reiterated the need for faster statutory clearances, as at present 33 clearances are needed before the mines become operational. Member Secretary mentioned that M/o Steel's comments are reasonable and requested them to send their comments in a para-wise format.
26. Shri B R V Susheel Kumar, DMG, Yelangana stated that the Andhra Pradesh was the only state which enacted a legislation which provided for grant of mining lease and prospecting licence in the tribal areas to individual tribals or the societies or PSUs. As on 2011 the statistics in this regard shows that out of 175 mining leases / prospecting licenses granted in tribal areas, only 6-7 were granted to APMDC (a PSU) and all other leases were granted to tribal societies or the individuals. The problem raised was the inability of the tribals to raise fund for mining and the solution to this problem is finance them through banks. Shri Susheel Kumar opined that if this package is not in place then the tribals living in mineral rich areas will not able to avail the provisions of the legislation enacted for them. Therefore, he said, investments, technologies and equipment should be made available to them for carrying out the mining operations. Shri Susheel Kumar further said that in a similar manner when bauxite deposits were reserved for APMDC they employed 200 tribals and they are being paid and being given technical training. He said that the policy should have measures to facilitate transfer of benefits of mining to tribals living in the area. He further informed that MOEFCC clearances should be in a single window system. As per the NMP 2008 the grant for mineral concession is in a time bound manner. He suggested that the EC / FC should be issued in a time bound manner.

27. Shri Roopwant Singh, Commissioner, D/o Geology and Mining, Gujarat said that their comments which range from mineral conservation and development to strengthening of compliance regime. He said that over the past years they have been in the process of evolving mineral specific policy for certain minerals like construction related minerals and industry related minerals which have large OGP area in Gujarat but could not capitalize that. He mentioned that during the evolving of those policies, the few things that emerged were that the mineral policy should focus not only on mineral exploration but also on auction support, market research, and support by giving industry status. Finally, it should lead to infrastructure support towards promoting trading. Further, he suggested that rather than having a 10 year policy, we should have five year policies - the goals of which should be directed towards productivity, resource availability and strengthening the compliance regime as it is seen in leading nations like Canada and Australia. He mentioned his experience of the visit to Australia as part of delegation from Ministry. They spend huge amount on exploration, have high compliance level on environmental aspects; and even though they have an allotment regime, their mining is very efficient and extremely compliant. He submitted that the policy should promote efficient and compliant mining and assured to send comments.
28. Representative from Andhra Pradesh Government informed that they have submitted the comments. In addition to written comments a few more aspects were raised by him during the meeting. The current policy which ensures transparency in grant of leases provided through e-auction of major minerals should be extended to minor minerals also. To curb illegal mining monitoring by the state governments should be strengthened. He mentioned that since states are having insufficient funds, NMET funds should be allocated to the state governments. Member secretary responded to that as the state governments are getting the royalties in full, the state governments should allocate a part of that money to strengthen state machinery to curb illegal activities. Further, he said that Mining Surveillance system using GIS in generating triggers on illegal mining and the training to use the system is also being provided. The last aspect which the Andhra Pradesh representative mentioned was the delay in environmental aspect which is a concern to the mining industry, which should be addressed by MOEFCC.
29. Representative of FICCI suggested including goals to vision statement mentioned in policy document in terms of quantitative parameter like percentage of GDP or some other parameters which are pre-determined. Further, he mentioned about the pricing parity of the ores. He gave example that aluminum, copper, zinc and gold which all are based on London Metal Exchange wherein other indexes are iron ores, bauxite, manganese which all are Market determined. If the government could provide for an ideal reference pricing perspective or some kind of indices which will determine overall market industry as such. Member Secretary asked for details on

this point. FICCI representative mentioned about the cluster centric approach for small deposit. One way to put it forward is in case certain entities who have better EC or larger EC, they can come together to have economies of scale. Member Secretary mentioned that Ministry has received many comments on small deposits and these will be discussed to be incorporated them in the policy.

30. Shri Ranjan Sahai, Controller General, IBM mentioned that most of the issues which have been discussed pertain to the major minerals but if we see the mining industry, by large the minor minerals have got a very important role right now and there is a great need to add a separate para in the policy regarding minor mineral. For that purpose, the issues like intergenerational equity, sustainable development and the vision for curbing and checking illegal mining in respect of major minerals should also be included with reference to minor mineral in a separate para.
31. Representative from Tamilnadu Government asked for inclusion of issues of regulatory mechanism for beach sand minerals in the policy; and added that value addition, import etc. shall also be included under the ambit of ZBC of MMDR Act. Exporting of any kind of material should be based on a certificate for mineral being legally mined and with a valid transport permit which the Custom authorities should check.
32. Dr K R Rao, Chairman asked DMG, Telangana to draft a separate para drawing from his experience with respect to the initiative of APMDC for tribal welfare, which could be incorporated in the new policy document so that there could be policy enabling framework for economic and technical empowerment of tribal in exploring and exploitation of the minerals in their geographic area.
33. Dr K R Rao, Chairman again mentioned that the policy will be kept in the public domain for around 4 weeks for comments/suggestions from the tribals, tribal communities, civil societies, the public at large and government organizations.

The meeting ended with thanks to the Chair.

## ANNEXURE

List of participants who attended the third meeting of the Committee constituted to review NMP 2008 held on 26.09.2017

1.	Dr. K.Rajeswara Rao, Additional Secretary	Ministry of Mines
2.	Shri Bipul Pathak, Joint Secretary	-do-
3.	Ms. Yeena Kumari, D, Director	-do-
4.	Shri P. Vinay Kumar, Under Secretary	-do-
5.	Shri Roopwant Singh, Commissioner	CGM, Gujarat
6.	Shri R. Palaniswamy, Commissioner	D/o Steel & Mines, Tamilnadu
7.	Shri Ranjan Sahai, Controller General	Indian Bureau of Mines
8.	Shri S. K. Popli, Special Secretary	D/o Steel & Mines, Odisha
9.	Shri Prasanna A. Acharya, Addl Secy. &	Govt. of Goa
10.	DMGShri V S Gaur, Joint Secretary	NITI Aayog
11.	Ms Promodita Sathish, Economic Adviser	M/o Steel
12.	Shri Vinay Kumar Srivastava, Director	Anthropological Survey of India
13.	Ms. Alammangai, D, Director Geology &	Govt. of Chhattisgarh
14.	MiningShri Naresh Kumar, DIG F	MoEF&CC
15.	Shri J S Bindra	M/o Coal
16.	Dr. Sujeet Nayn, ASA	Archeological Survey of India
17.	Shri B R V Susheel Kumar, Director	D/o Mines & Geology, Telangana
18.	Shri S I Minz, Director	D/o Mines & Geology, Jharkhand
19.	Dr. P.K. Jain, Chief Mineral Economist	IBM, Nagpur
20.	Shri R. Saravanabhavan, Senior Research	NITI Aayog
21.	OfficerShri Suresh Narayan Meshram, ADG	GSI, Nagpur
22.	Shri D. Nagaraju, Joint Director	DMG, Andhra Pradesh
23.	Dr. V Jeeva, Scientist F	ICFRE
24.	Shri S. Sudarsanam, Deputy Director	DMG, Tamilnadu
25.	Shri R. K. Malwala, Additional Director	Department of Mines, Govt of
26.	Shri R K Sinha, CG (Retd.)	Indian Bureau of Mines
27.	Shri Pushpender Gaur, Deputy Controller of	Indian Bureau of Mines, Delhi
28.	Shri Priyadarshi Sidhanta, Advisor	CH
29.	Shri Manish Mishra	Tata Steel, CII
30.	Shri R. K. Sharma, Secretary General	FIMI
31.	Shri G Karunakar	FICCI
32.	Shri Kumar Ankit	-do-
33.	Shri Gouranaga Sen, Senior Business Analyst	Vedanta, FICCI

34.	Shri Shantanu Dubey	FICCI
35.	Ms Leena Vereukar	-do-
36.	Ashutosh Guru	-do-
37.	Shri Rajeev Moudgil	MESCO Steel, ASSOCHAM
38.	Shri Sherry V Thomas	ASSOCHAM
39.	Shri A K Kothari	MEAI
40.	Shri Deepak Gupta	-do-
41.	Shri M. Mahadevan	GM (RP & S), NMDC Ltd
42.	Shri Claude Alvares, President	Goa Foundation
43.	Shri Rahul Basu	-do-
44.	Ms Sumana Nandi	-do-
45.	Shri S R Hiremath, President	Samaj Parivartana Samudaya
46.	Shri A K Gohlot	WAPCOS
47.	Shri Mahendra Singh, Legal Consultant	-do-



## **APPENDIX E**

### **Minutes of the fourth meeting of the Committee constituted to review the National Mineral Policy 2008 held on 13.10.2017**

1. The fourth meeting of the Committee constituted to review the National Mineral Policy 2008 was held on 13<sup>th</sup> October, 2017. The list of participants attending the meeting is placed as Annexure.
2. Dr K. Rajeswara Rao, Additional Secretary, Ministry of Mines and Chairman of the Committee welcomed the representatives of various ministries, state governments, associations, PSUs, civil societies, technical institutions and the stakeholders. He appreciated the consistency of the members in their participation in the meetings and also acknowledged the interest and responses from state governments, professional bodies, civil societies and NGOs. He informed that people as individuals are also sending the comments as well as requesting for personal meeting with him and the Member Secretary. He further mentioned about his experience being associated with National Health Policy which took more than 2 years of consultation and finalization. He said that in last week he also studied many other policies like National Child Policy, National Women Policy which all took a very long time with a lot of consultations. He assured that we will make a reasonably practical, relevant and workable policy accommodating the scope of interest of every possible stakeholder. He stressed that the issues before the Committee are sustainable development, tribal welfare, responsible mining, exploration, as well as the Hon'ble Supreme Court's directives on intergenerational equity. We have to accommodate every aspect in the new policy. He opened the forum for discussing comments on the first draft of the new policy which was circulated in the meeting. Dr K. R. Rao, Chairman also complimented Joint Secretary, Director and WAPCOS for the sincere efforts put in by them. He informed that he discussed with the Member Secretary that concerns regarding tribals should be incorporated as a separate sub-heading with Relief & Rehabilitation because we have to treat the tribals as stake holders, as partners and not as the beneficiaries of the system. They have natural rights over these areas which we respect and support. Chairman expressed his happiness that NGOs like Samaj Parivartan Samudaya, Goa Foundation and the associations like

FICCI, CII, ASSOCHAM, FIMI for giving their time and inputs. He said that this could possibly be the last meeting unless some of the members want another meeting for consultations. He reiterated that Policy is not a detailed document but policy is a vision document.

3. Shri Bipul Pathak, Member Secretary of the Committee informed that a large number of comments have been received and a sincere attempt has been made to incorporate them in the draft of the new policy to the extent possible. The number of comments is very high with contradicting views on many issues and in the draft policy we tried to balance them. He stressed that policies keep changing over a period of time as the context changes. He mentioned that this would be last meeting with the members and afterwards as part of consultation process the draft policy document will be put up on public domain so that another opportunity is given for public at large to send their views and comments.
4. Shri Surendra Kumar, Representative from Ministry of Environment, Forest & Climate Change suggested that that 'polluter pays' principle may be incorporated in the policy and said that it was a major decision in the case of Common Cause and it can be incorporated in the policy so that the miners become cautious and undertake mining in a responsible manner.
5. Representative from Forest Conservation Division of MOEFCC informed that in the draft policy many concerns have been addressed but still certain points need to be flagged – for which he said written comments would be submitted. He said that prospecting license should not be allowed in very dense and thick forests as it is very difficult to give clearance in such cases. The second point he mentioned was that while developing mining infrastructure in the area, it should be ensured that the process should cause only minimum damage to flora and fauna of that area by using state-of-the-art techniques. Conservation of biodiversity, forest wildlife should be an integral part of NMP. In order to ensure rehabilitation and reclamation of mined areas, specific timelines or clear guidelines should be formulated. Member Secretary opined that reclamation has to be taken up by the forest Department as they have collected NPV/CAMPA funds to which MOEFCC official replied that CAMPA funds are

- for compensation for the trees felled on account of mining and NPV is for the damage caused to the eco-system and emphasized that it is the responsibility of miners to undertake reclamation work.
6. Ms. Ruchika C Govil, Joint Secretary, Ministry of Steel said they will examine the draft NMP to check whether the important points raised by their Ministry are included. Chairman complimented MoS officials for their consistent participation in the meetings. Their main points are the concept of Special Mining Zone, auction by states to end-users for captive purpose and flexibility for transfer of lease for both captive and non-captive users. Joint Secretary, MoS elaborated that from the captive iron ore mines only lumps are being used whereas the fines are not being used as fines have no use in the blast furnaces. Since they are not allowed to dispose of the fines to pellet manufacturers the fines are dumped as waste which is a national waste as fines is raw material for pellet manufacturing. Similar is the case of captive mines where only fines are used, lumps are dumped as waste. In this case, they have to crush it into fines for use. By the type definition that is being given in auction, the minerals are not being used to its maximum potential. IS, MoS stressed the need to take care of this problem in the new NMP.
  7. Shri Anupam Prakash, Director, M/o Steel appreciated the inclusion of the intergenerational equity and environment conservation. He further stressed that penal provisions should find a mention in the policy. To this, Member Secretary mentioned that details of penal provisions find mention in the regulatory act and cannot be mentioned in the policy. He reiterated that concerns are not going to be addressed fully in the policy document. These issues can be addressed through amendments to the existing acts or rules. He further clarified the issues which do not get reflected in the policy document has not been ignored but will be addressed through the subordinate legislations.
  8. Representative from NITI Aayog mentioned that draft policy document is reasonably good. However a few more points were highlighted by him. As of now, we have 5.7 lakh square kms. of OGP area out of which only 10-15 % has been explored till now - it will be better to have a timeline for completing the exploration of all OGP areas. A

framework needs to be given to the State Governments, Central Government and all other agencies in this regard. He proposed a timeline of 10 years for completion of exploration of all OGP areas. He also stressed on the need for giving a level playing field to the private investors.

He further mentioned that auction process is creating imbalances as some areas are reserved for PSUs and he questioned the rationale for reservation of area for PSUs. NITI Aayog representative further mentioned that if you intend to encourage the mining sector then we should not create a system in which one player gets much more advantage than the other player. The private miner who is buying the mine through the auction is purchasing it through a premium, whereas the PSU is acquiring the mine almost free of cost.

9. Dr K Rao, Chairman mentioned that the mineral policy has to be within the larger philosophy of national goals of the country. He further mentioned that ours is not a market driven economy. Ours is an established mixed economy and public sector plays an important role. Representative from NITI Aayog reiterated the need for a time bound exploration of OGP areas. Dr K Rao, Chairman clarified that the Ministry has a clear understanding of this and a system is being put in place towards achieving this goal.
10. Representative from NITI Aayog further mentioned that if in small deposit area we are giving mineral concession to the tribals, we can increase the scope of that not only to scheduled areas but to other areas also. The land owner can be given concession on their own land for minor minerals. If a land owner wants to undertake mining in his land for minor mineral, then he can be given the mining right at par of the additional 30 % of the payment to the royalty as being done in the existing mines. If he doesn't want to take the land for the exploration, then that land may be taken for the auction. Dr K Rao, Chairman asked Shri B R V Susheel, DMG, Telangana to clarify whether this point is in accordance with the Samata Judgment. Representative also asked for incorporating of incentive for beneficiation. Another point raised was that reporting standard for mineral resources should be as per an accepted international standard to ensure a uniform policy for declaring the

estimation of the resources. There is need to strengthen the Mining and Geological departments of the States on a uniform basis.

11. A concern was raised by a representative about the fiscal aspect and request to ensure a unified tax regime for minerals and mining industry where all royalties, levies duties, and taxes will be subsumed in to GST. Member Secretary mentioned that one paragraph can address the financial and other aspects of the mining/mineral industry in general. He welcomed the comments towards this end. How to incorporate the GST issue needs to be examined. Representative raised another point regarding tenure of lease, he proposed to have the tenure co-terminus with the mineral resources in the tenements so that the lessee will have incentive to continue secondary exploration. Member Secretary informed that tenure has already been increased in the amendment to the MMDR Act to 50 years from earlier 20 years regime.
12. Shri R K Sharma, FIMI mentioned that there are many leases in the public as well as in private sector which are continuing for the last almost 70-80 years. NMDC started with 1956 and is still continuing. Similar is the case with Hindustan Zinc. Hence, he proposed that a lessee should be allowed to associate till the deposit is exhausted by renewing the lease after 50 years, or 20 years which can be prescribed. Unless the lessee is assured that he is associated with the lease till the deposits are exhausted, he will not be able to do proper exploration and utilization of the resources.
13. Shri B R V Susheel Kumar, DMG, Telangana replied that the assessment can be done after 50 years. Member Secretary mentioned that this provision of the lease tenure commensurate with the availability of resources, is the domain of MMDR Act. Shri R K Sharma, FIMI supplemented the points made by NITI Aayog and to include CRISCO along with UNFC as UNFC standard is not acceptable by banks for finance.
14. Shri Rajeev Moudgil, FICCI supplemented NITI Aayog and Ministry of Steel's views and mentioned that our effort through this policy document is trying to harmonize different interests which is a good thing but we are ending up creating kind of contradictory provisions. For eg. promoting value addition in mining; and ensuring

mining should stand on its own are contradictory in nature. He also raised the question that in the hierarchy of various SC judgments, Acts, rules etc where does the policy fits in. He is of the opinion that policy stands at the top and given that all that has happened in the country for the last 20 years we need to set out a policy that addresses both the suggestions of the Supreme Court and its judgments as well as our previous experiences. Creating a policy document by just filling the gap will not serve the long term interest of generation of jobs, exploiting the mineral wealth of the country or making the 'Make in India' possible because we have to have a broader view. It is true that the policy cannot be specific with regard to its implementation. Hence consequent to the policy, the MMDR act should be amended to ensure that the policy guidelines are implementable by making provisions for the same. He also discussed about Intergenerational equity and sustainable mining giving emphasis on sustainable mining over Intergenerational equity.

15. Rahul Sharma, FICCI mentioned that production vs. import of minerals is in the ratio of 1:10. High import is mainly because of non-availability of raw material for industries. This is mainly due to lack of focus on exploration. National mineral policy should explicitly put some clauses to attract exploration. Companies should be allowed to identify the area for exploration with preferential right by granting them composite licence or giving First Right of Refusal. In his opinion this can be the step forward if we are really looking for encouraging exploration which has come up as an issue invariably in every meeting. Further, he said any provision to promote the exploration is key to development in metal sector. Another point raised is that the exploration must be treated as a business and treating it as a startup giving tax holidays, tax benefits etc. to encourage investments for exploration. He also stressed the need for facilitating a regulatory framework ensuring time bound EC/FC and other clearances. All regulatory issues should be addressed prior to auction so that the lessee does not face uncertainty for starting the mining operations.
16. Shri Claude Alvares, Goa Foundation had a word of praise for the draft of the new policy. He appreciated the incorporation of the voluminous content in the draft which was sent by him without losing the conceptual clarity in a crystallized and

concrete manner. He observed that that there are two paragraphs of intergenerational equity; of which the first paragraph be made into the second paragraph of the new policy as it fits more appropriately there. The one para missing in the document is the idea about the community knowledge of the mineral resources. This document deals excellently in disseminating information out to the mining industry, to prospectors, to trades, businessmen etc. For an activist information required is about mining lease, about what quantity is mined, value of the mineral mines etc. as public are the owners of those minerals. However, information above is being denied under various sections. Mining industry and the lease holders also refuse to provide the information. Information about minerals should be available to communities. In continuing, he further mentioned that the other matter that may also be considered as the part of the policy is that the policy should categorically come down heavily on all forms of illegal mining which has really ruined the industry, and is still ruining. After the Orissa mining case we are going to have lot more categories of mining which are declared as illegal mining, but Government needs to send out a message that if anybody is involved and is consistently violating the MMDR Act or EPA, he will be treated as a *persona non grata* in the industry. Government must give a public commitment to stop illegal mining in this country and also put it in the policy.

17. He further said that to keep supporting and incentivize those who meet all criteria of proper mining, an incentive system should be devised to give preferences to those who have done mining in a better way by giving a proper star rating and by giving them preference. Finally, the issue of zero waste should find a mention in policy. To elaborate he explained that Goa, a state of 3700 sq Km has 750 mn tonnes of mining waste. This waste has many minerals like bentonite, dolomite, red oxide etc. which the country is importing at present. Hence, the policy should mention the need to use associate minerals along with major minerals to ensure cent percent extraction and use of all available minerals from the extracted content.
18. Shri Rahul Basu, Goa Foundation further mentioned that ownership of mineral should find a mention in policy. From the ownership comes the idea of the resource



inventory and using CRIRSCO standards proper resource inventory and value of resources should be publically made available to people as they are the owners. He further said the terms of mining lease must target zero loss. He further mentioned that the fundamental point is improper pricing of the people's resources - they are being underpriced and therefore contributing towards a lot of malpractices. He further elaborated on the cap in mining and conservation of minerals. Member Secretary asked Goa Foundation to send precise comments to be incorporated in the new policy document.

19. Shri S R Hiremath, Samaj Parivartana Samudaya complimented the Committee and the members on the decision to place it on the website for 4 weeks to obtain public comments as it is a very important feature of the democracy and the governed must be given an opportunity to express their views. He also praised the draft mineral policy. He agreed with the comments of Goa Foundation about placing the intergenerational equity in first paragraph. He strongly recommended that during the time the policy is on the website, a sub-committee of this committee should visit at least 4 to 5 mining centers in the country to study the impact of 2008 policy on the people, the tribals and other poor people to understand the ground reality. He agreed that all issues cannot be mentioned in the policy. But we cannot review the policy effectively without understanding the impact of this policy in the last 9 years. He expressed his pleasure to be a part of the sub-committee to prepare a draft of the sub-committee. He expressed his desire over the draft policy for inclusion of intergenerational equity. He elaborated on the environmental degradation in Bellary due to mining operation. He stressed the need for reclamation and restoring the mined land.
20. Shri Mahesh Babu, Joint Director, Chhattisgarh mentioned to incorporate the difference between illegal mining and irregular mining amounting to violations. In 2013 Govt. of India clarified in CEC meeting what is illegal mining and what is violation of mining. Member Secretary clarified that could be incorporated as part of the Act and Rules only.

21. Shri Deepak Mohanty, Director of Mines, Odisha said that an institutional mechanism to regularly monitor the implementation of the policy should find a mention in the policy and half-yearly or yearly review/consultation shall be taken place. Further, Shri Mohanty mentioned that in survey and exploration the private investment is much more required. Private parties can be encouraged through the reintroduction of the Prospecting Licence as at present we are having only provision for composite licence or mining lease through auction. He also recommended incorporating a National Mining Manpower Skill Gap analysis as a part of the policy.
22. One of the issues raised by a member was regarding carrying capacity in consultation with the Forest Ministry. He further mentioned about incorporation of aspects relating to mine safety i.e. zero accident mining for which the star rating may be considered as a useful tool.
23. One of the concerns was regarding prospecting and exploration and the role of the State Govt is very important to co-ordinate the activities of various agencies involved in exploration viz. GSI, MECL. As state being the stakeholder, it shall be consulted before carrying out prospecting and exploration by any agency.
24. Shri S. Sudarshanam, Deputy Director, Tamilnadu mentioned that their comments on beach sand mineral will be sent shortly.
25. Shri B R V Susheel Kumar mentioned that concessions in scheduled areas should be given without auction as per the provisions of PESA Act and Rules where the Gram Panchayat and Gram Sabha select an individual or society from scheduled tribes. Those people cannot participate in the auction process because of very high bid value.
26. Dr K R Rao, Chairman again mentioned that the Committee is accountable for framing a responsible policy in consultation with all the stakeholders.

The meeting ended with thanks to the Chair.

## ANNEXURE

List of participants who attended the fourth meeting of the Committee constituted to review NMP 2008 held on 13.10.2017

1.	Dr. K Rajeswara Rao, Additional Secretary	Ministry of Mines
2.	Shri Bipul Pathak, Joint Secretary	-do-
3.	Ms. Veena Kumari, D, Director	-do-
4.	Shri Rajender Kataria, Secretary	D/o Mines, Govt. of Karnataka
5.	Shri Aboobaker Siddique, Commissioner	Govt. of Jharkhand
6.	Shri Sandeep Sharma, AIG (FC)	-do-
7.	Shri V S Gaur, Joint Secretary	NITI Aayog
8.	Ms Ruchika C Govil, Joint Secretary	M/o Steel
9.	Shri Anupam Prakash, Director	-do-
10.	Shri V S Khaira, SE	MoRT&H
11.	Shri R Sarvanabhavan, Sr. Research Officer	NITI Aayog
12.	Shri Suresh Narayan Meshram, ADG	GSI
13.	Shri B R V Susheel Kumar, Director	DMG, Govt. of Telangana
14.	Shri Deepak Mohanty, Director	D/o Steel & Mines, Govt. of
15.	Shri D Mahesh Babu, Joint Director	Govt. of Chhattisgarh/Odis
16.	Shri D Nagaraju, Joint Director	DMG, Andhra Pradesh
17.	Shri S Dudarsanam, Deputy Director	DMG, Tamilnadu
18.	Shri M. Kandan, Addl. Director	-do-
19.	Shri P K Jain, CME	IBM, Nagpur
20.	Shri R K Sinha, CG (Retd.)	IBM
21.	Shri Surendra Kumar, Advisor	MoEF&CC
22.	Shri R. K. Sharma, Secretary General	FIMI
23.	Shri G Karunakar	FICCI
24.	Shri Rahul Sharma, Director, Vedanta	-do-
25.	Shri Shivam Mohale	-do-
26.	Shri Rajeev Moudgil	MESCO Steel, ASSOCHAM
27.	Shri Sarthak Gupta	ASSOCHAM
28.	Shri A K Kothari	MEAI
29.	Shri Deepak Gupta	-do-
30.	Shri Chonbos Bhartiya	Vedanta
31.	Shri M. Mahadevan	GM (RP & S), NMDC Ltd
32.	Shri Apoorv Shukla, Sr Mgr	CII Delegation
33.	Shri Sachindra Singh	CII Delegation
34.	Shri Claude Alvares, President	Goa Foundation
35.	Shri Rahul Basu	-do-

36.	Ms Sumana Nandi	-do-
37.	Ms Shrayragiu Israni	-do-
38.	Shri S R Hiremath, President	Samaj Parivartana Samudaya
39.	Shri A K Gahlot	WAPCOS
40.	Shri Mahendra Singh, Legal Consultant	-do-

