

TECHNICAL SESSION – MINERAL POLICY & REGULATIONS

Chairperson :-Shri. Balvinder Kumar, Union Mines Secretary

Rapporteur :-Shri. Subhash Chandra, Union Mines Joint Secretary



The representatives of nine states viz., Andhra Pradesh, Chhattisgarh, Gujarat, Jharkhand, Karnataka, Odisha, Madhya Pradesh, Maharashtra and Rajasthan gave presentations on the blocks put for auction and the blocks to be put up for auction shortly. Status of the same is furnished below:-

State	Blocks already put for auction	Blocks to be put up for auction during 2016-17	Remarks
Andhra Pradesh	06 Limestone	04 Limestone & 02 Gold	01 block auctioned
Chhattisgarh	02 Limestone & 01 Gold	06 Limestone & 02 Bauxite	
Gujarat	05 Limestone	03 Limestone & Marl and 02 Limestone	Auction annulled as only three bids were received.
Jharkhand	02 Gold in current month	01 Iron ore, 01 Limestone, 02 Bauxite & 01 Graphite	
Karnataka	14 mines	--	Exploration under progress in 09 blocks
Odisha	05 Iron ore, 05 Limestone, 01 Manganese & 01 Bauxite	04 Limestone, 03 Iron ore, 01 Manganese & 01 Bauxite	Exploration under progress in 08 Iron ore blocks to convert from G3 to G2.
Madhya Pradesh	03 Limestone & 01 Diamond	04 Limestone	Exploration under progress in 14 blocks
Maharashtra	01 Tungsten, 01 Bauxite, 01 Limestone & 01 Iron ore	01 Bauxite, 04 Limestone, 01 Manganese, 02 Iron ore & 01 Copper	
Rajasthan	04 Limestone & 01 Copper	03 Limestone, 02 Manganese & 04 Iron ore	

State-wise replies to queries raised by participants are as under:-

ANDHRA PRADESH:- Several proposals for grant of mining leases of Manganese are pending with the State Govt wherein LOI have been issued shall be expedited. Pre-bid meeting shall be convened before blocks are put for auction to resolve the issues / queries of the prospective bidders.

CHHATTISGARH:-Following suggestions noted :- (1) To invite private mining companies as members on the State Geological Programming Board. (2) Small blocks having meager resources may not be useful for captive purpose and these blocks should be allotted for merchant miners only. (3) Grant of composite licences for Iron ore wherever level of exploration is inadequate may be considered. (4) Possibility of exploring laying down of pipeline from Bailadila may be cost effective compared to railway line. (5) Entry tax levied by Gram Panchayats to be discussed with concerned authorities.

GUJARAT:- Average sale price published by Indian Bureau of Mines was on higher side which was one of the reason for failure of auction of limestone as base price was high. Mechanism needs to be developed to address the issue appropriately.

JHARKHAND:-On suggestion for including resources of existing ML as well as those of upcoming blocks for auction may be considered while determining the carrying capacity of Saranda area, it was informed that the matter pertains to MoEFCC. However, report of NEERI in this regard is to be received shortly. Regarding declaration of areas falling under the blocks put up for auction as mining area land, the suggestion was noted.

KARNATAKA:- Production limits not fixed in the blocks put for auction. Out of 14 blocks put for auction, estimation of resources in eight blocks is incorrect as steeply dipping nature of the ore body has not been considered. Bid reserve price of 35% has been kept based on three years old CRISIL report. Exit clause not inserted in the tender document. The participant from Sponge Iron Manufacturer's Association was advised to meet the Secretary (Steel) &

Secretary (Mines) for their grievances. Regarding availability of 55.3% Fe in Srinivasulu Mines vis-à-vis rates of royalty for <55% and >55%, the issue has been noted. No provision for participation of consortiums in e-auction.

ODISHA:-Balda Bauxite block has been explored to the G2 level and is being notified for auction during the current year. The resources available in the limestone blocks notified for auction were less and therefore no bid was received for the same. The extremist affected area of Malkangiri shall be put to auction as the situation is under control and DGPS done followed by meetings with Gram Sabha. In Sundargarh district, little area is available having G3 level of exploration of Limestone and therefore not yet decided to put it on auction. The policy of the State Govt. is for equitable distribution of raw material between captive and non-captive mines, The level of exploration in Jampalli Limestone block not known. MoU has been signed between State Govt. and MECL for converting G3 level of exploration to G2.

MADHYA PRADESH:-The process of annulation of e-auction in case of insufficient bidders needs to be reviewed by extending the date of submission of tenders. No separate slabs available for charging Royalty for Iron ore below 55% Fe. Regarding Diamond blocks (133 Ha.) put for auction, only two bidders bidded. Requirement of minimum three bidders should be relaxed after first round.

MAHARASHTRA:- First round of auction was cancelled as the blocks were falling under ecologically conservative zone (ECZ). State Govt. has approached MoEFCC to review these blocks for deletion from ECZ. It was decided to convene meeting by Ministry of Mines, New Delhi with IBM & State Governments for fixing average sale price for all minerals. Post auction committee constituted by State Govt. shall look into the issue of facilitating land acquisition. Regarding aluminous laterite of Chitale block, it was clarified that as per threshold value, the mineral is Bauxite and not aluminous laterite.

RAJASTHAN:-Production capacity for bauxite will be decided by the State Govt. The suggestion for tenure of mining lease for 50 years to be reviewed by

life of mine upto availability of mineral has been noted. The Copper deposits of Jhunjhunu and Sikar fall under Aravalli and therefore not considered for auction. The blocks in Chittorgarh and Sindwari include grazing land and these shall be granted subject to Supreme Court decision. One of the reason for failure of auctioning of Limestone blocks was it included private land and therefore level of exploration could not be upgraded. As such, relaxation was sought from Ministry of Mines, New Delhi. In DedrauliKarauli iron ore block, having lean ore of magnetite, the level of exploration is G4 and therefore relaxation was sought from Ministry of Mines, New Delhi. Suggestion on difference in charging of royalty on magnetite concentrate vis-à-vis Haematite has been noted. Suggestion on fixing price of private land falling under auctionable blocks prior to bidding by Central / State Govt. authorities has been noted. Regarding pending proposals for grant of mining leases of minor minerals, it was informed that new minor mineral concession rules are under finalization. The royalty of low grade bauxite sometimes is exceeding the royalty for metallurgical grade bauxite which may be looked into.
