

**Minutes of the meeting of Mining Ministers of State Governments on key issues
pertaining to mining sector on 19 January, 2018 at Goa**

A meeting of the Hon'ble Ministers in-charge of Mining Department of 21 major mineral rich States was held under the Chairmanship of Hon'ble Union Minister of Mines, Shri Narendra Singh Tomar, on 19 January, 2018 at Panaji, Goa. It was co-chaired by Hon'ble Union Minister of State for Mines Shri Haribhai P Chaudhary. Hon'ble Chief Minister of Goa Shri Manohar Parrikar was the chief guest for the meeting. It was also attended by the Senior Govt. officials of the Department of Mines of the State Government of the rank of Chief Secretary/ Principal Secretary/ Director of 21 major mineral rich States. The list of the participants is enclosed at **Annexure**.

2. At the outset, the Union Mines Secretary, Shri Arun Kumar welcomed the Hon'ble Ministers & participating officials to this 5th meeting of Mining Ministry of the State Governments from across the country. He mentioned the agenda items and the recent amendment to the Mineral Auction Rules by the Union Mines Ministry to make the auction process less cumbersome to expedite the mineral auction process. The States welcomed the amendments. As a result, post amendment of Rules in 2017, about 35 blocks will be put up on auction in a month which will be the highest in a month since the auction route was adopted for allotment of the mineral blocks. He mentioned that discussions would cover Mining Surveillance System (MSS) harnessing the space technology to curb illegal mining, Star Rating of major/minor mineral mines to promote the implementation of Sustainable Development Framework (SDF) in mining, and preparations for auction of mines expiring on 31st March 2020 and PMKKKY. He invited the Union Minister of State for Mines, Shri Haribhai P Choudhary for delivering keynote address.

3. The Union Minister of State for Mines Shri Haribhai P Choudhary lauded the policy initiatives undertaken by the Union Ministry of Mines especially regarding utilization of funds under District Mineral Foundation (DMF) Trust, auctioning of Mineral blocks and welfare activities by mining companies for upliftment of poor in the mining areas. He emphasized on adoption of best practices from each other and related departments. He cited initiative undertaken by Western Coal Field Ltd. for enabling access of clean drinking water to 2.5 Lakh person by utilizing mine water thereby installing RO plant as well as for using it for irrigation in the adjoining areas. He encouraged all present to take such initiatives. He mentioned about harmonious efforts

of the State Government along with Central Government synthesizing the growth of the mineral sector.

4. In his inaugural address, the Union Minister of Mines Shri Narendera Singh Tomar welcomed the ministers and officials to the meeting and emphasized the need of judicious exploitation of natural resources of the country. He mentioned the mining sector is not only key to the economic development but also is the second largest contributor to employment generation after agriculture sector. He stressed upon the need to ramp up the exploration activities in the mineral sector to sustain yearly growth at the rate of 10%. He cited the policy and legislative changes brought about in the recent past which is reflected in the consistent growth of mining sector. With growth of revenues to the States through auctions, he emphasized on the need for enhancing exploration further. He urged the States to utilize the funds being collected under DMF for the welfare of the people and areas affected by mining. He informed that the Central Govt. has set right several issues which were crippling the mining industry before 2014, through policy initiatives and amendment to the MMDR Act in 2015. He mentioned that a total of 88 major mineral blocks have been notified by 9 States for auction and 33 blocks have been successfully auctioned having total estimated revenue to the state government over the lease period standing at Rs 1,28,388 crores. Out of this, the cumulative Royalty, District Mineral Fund (DMF) and National Mineral Exploration Trust (NMET) contributions works out to be Rs. 29,556 crores. The additionality to States due to bringing in of the auction process shall be in excess of Rs. 99,000 crores. He called upon State Governments to put more efforts to ensure early operationalization and production of auctioned blocks, of the 33 blocks auctioned. He also expressed the need to bring minor mineral under the ambit of MSS and Star Rating and sought active participation of State Government for this. He then invited the Hon'ble Ministers of the State Governments to give their comments.

5. Shri Suajaya Krishna Ranga Rao, Hon'ble Minister of Mines, Andhra Pradesh thanked Union Government for taking enabling policy initiatives for the growth of the mining sector and held that the organization of such meetings provide a platform for everyone to interact and learn the best practices from each other. He also informed that the funds collected under DMF are being consolidated with other scheme being run by State Government for upliftment of people affected by mining. He enumerated some of the schemes being initiated through DMF funds like establishment of international school in mining areas, mobile hospitals for tribals, etc. He also sought the attention of

Union Minister of Mines on several issues like, empanelment and availability of exploration agencies in the states, issues regarding safety of miners, etc. He also expressed his concerns about recent judgment of Hon'ble Supreme Court dated 02 Aug, 2017 and requested to take necessary action to obviate its pandemic effects on the mining and allied sectors of the economy.

6. Shri Amar Agrawal, Hon'ble Minister of Mines Chhattisgarh, appreciated the policy of cooperative federalism adopted by the Central Govt. He lauded the efforts of the Central Government in bringing various policies benefitting the mining affected areas and hoped that the proverbial destitution of "Amir Dharti-Garib Log" of the mining affected people will be finally overcome through the introduction of schemes such as DMF. He informed that the process of auction has been implemented in the State of Chhattisgarh in the minor mineral sector as well and 150 leases have been allotted through it so far. He also informed that DMF have been notified 1425 districts and 2400 Cr. have been collected under it. He informed that the State Government has been proactive in the implementation of schemes under the Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) in their districts and cited the example of construction of super specialty hospital in Bijapur district. He also informed about the education hub being created in Korba district with cost at 100 crores being met through DMF fund. Further, Shri Agrawal sought the attention of Hon'ble Minister of Mines to explore the possibility of Public Private Partnership model or Swiss Challenge mode to give thrust to exploration in the country.

7. Shri Rajendra Shukla, Hon'ble Minister of Mines, Madhya Pradesh informed that the revenue from the minerals has gone up from mere 600 Cr. to 1400 Cr in the period of six years due to proactive policy initiative of Central Govt. He informed the Govt. of MP is actively conducting the auction of mineral blocks in the State. He suggested that there should be constitution of committee for evaluation and reimbursement of expenditure to be incurred in exploration in order to outsource it to exploration agency. He also categorically stressed up on the need of opening of IBM & Director General Mines Safety office to be opened in the State of MP since the state of MP is governed by three regional offices at present which is causing confusion. He informed the house about the discovery of graphite in Betul, Oil and gas in Damoh and Coal bed Methane in Sohagpur of Shahdol District of MP. He assured that DMF will be notified shortly for minor mineral as well.

8. Shri Prafulla Kumar Malik, Hon'ble Minister of Mines, Govt. of Odisha informed that their State Govt. is taking all necessary steps to minimize the impact on availability of raw material in the country when 30 mining leases in their state would expire in year 2020. He informed that 24 out of the 30 leases have been ordered to complete the exploration by 31.3.2018 for enabling them to undergo the process of auction in advance. He also informed that Odisha is the first state of the country to notify the DMF and has collected Rs 3,884.007 Cr. under it, out of which the projects worth Rs 2231.63 Cr have already been sanctioned. He also sought the attention of Union Minister of Mines on the need of speedy Environmental and Forest Clearances of the mineral blocks awarded on auction.

9. Shri C VE Shanamugm, Hon'ble Minister of Mines, Government of Tamil Nadu thanked Union Minister of Mines for the policy initiatives of the Central Government. He also informed that Govt. of Tamil Nadu took all necessary steps for allocation of all 14 blocks saved under Section 10A (2)(c) within the stipulated period with the constant support of Ministry of Mines. He informed that due to grant of all such blocks saved under Section 10A (2)(c), the State doesn't have any blocks prepared for auction. He also informed the house that State Government is keen on implementing MTS, MSS and Star Rating in minor mineral as well.

10. Smt. Archana Pandey, Hon'ble Minister of Mines, Govt. of UP informed that their Govt. after coming into power has undertaken structural and functional reforms in the state mining sector to bring in complete transparency. She informed that process of e-tendering for allocating the sand mining has already being put into place. M/s MSTC a Public Sector undertaking has been engaged for e-auction of sand mining leases. She also informed the DMF has also been notified in the State of UP.

11. Shri Abu Bakar Siddhiqui, Mines Commissioner of Jharkhand informed that the main thrust of the PMKKKY is in the area of providing clean drinking water in the mining affected areas. He further informed that DMF for minor mineral has also been notified. He sought clarification about the definition of mining affected areas, i.e; whether the funds under the DMF may be extended to other districts as well.

12. Shri Rajendra Kataria, Principal Secretary, Government of Karnataka raised several issues and sought intervention of Central Government in regard to issues related to environment and forest clearances which are leading to stalling of auction process and their pendency in the matters Supreme Court judgment dated 02.08.2017,

the issue of taxation on DMF corpus, need for policy on abandoned mines, etc. He also was of the view that the Supreme Court judgment may have far reaching implications for the mining sector.

13. Shri Kalamakar, DGM, Maharashtra informed that Rs 555 Cr have been accrued under DMF, of which, sanction of Rs 221 Cr. has been made and the actual expenditure stands at Rs 44 Cr. He further informed that 11 leases are expiring in the year 2020. However, no auction is proposed for these blocks due to CRZ restrictions. He welcomed the relaxation in the Mineral Auction Rules done by the Central Government which would go a long way in expediting the auction process. He informed that the Government of Maharashtra has taken out NIT for e-auction of 16 blocks, which is under process for auctioning.

14. Sh.BRB Sushil Kumar, Director, DMG Telangana informed that Rs 1,328.24 Cr fund has been collected till Dec, 2017 out of which Rs 24 Cr worth of project have been sanctioned and actual expenditure stands at Rs 9 Cr. He proposed to establish mine safety wing within DMG by recruiting mining engineers for this purpose due to lack of staff to prioritize safety in mine working. He also raised the concern on the implications of Supreme Court judgment dated 2nd Aug, 2017.

15. Shri Sanjay Kaul, Secretary, Govt. of Kerala informed that the State of Kerala hardly has any major mineral leases and the beach sand minerals have been reserved for the public sector. He expressed the difficulty in implementation of MSS in case of minor mineral owing to the small extent of the leases, which are even less than one Ha, which might lead to false triggers being flagged in the application.

16. Shri R K Nalwaya, Dy. Director, Government of Rajasthan informed that the minor minerals leases in the State are now being granted through the auction and around 1500 have already been granted. He also informed that 1100 minor mineral leases have also been plotted for the purpose of MSS. He stressed on the need of mineral bearing area to be notified for further developing the mineral sector. He also sought intervention by Ministry of Mines on a regular basis through an institutional mechanism to cut delay in forest clearance.

17. Shri Manohar Parrikar, Hon'ble Chief Minister of Goa was invited by Union Mines Secretary to address the meeting as Chief Guest. He thanked Union Minister of Mines for holding this meeting in the State of Goa. He recounted the critical situation in Goa when mining activity was banned in 2012 in the state which accounted for 18 to

20% share in the State GDP and 22% of the state revenue coming from mining industry and the efforts put by his Government to mitigate the crisis. He also highlighted the complexity with which the Goan mining industry is undergoing as the case of 'Goa, Daman And Diu Mining Concessions (Abolition And Declaration As Mining Leases) Act, 1987' is still pending in the Hon'ble Supreme Court of India. He also informed that the 174 mining leases expiring in 2020 are slated to come up for auctions. However, he stated the State shall need to take a view as a 9 member Supreme Court bench is considering the issue of the rights of lessees given prior to independence vis-à-vis mines of the Goa Mining legislations. He stated that the Goan iron ore are of low grade and unfit for usage in the domestic steel plants and is cheaper to export than to beneficiate since the price realization in international market is low and therefore requested for a nil duty for the export of iron ore upto 60% Fe content. He also suggested to constitute a committee at the level of Central Govt. to address critical issue of the all the state Governments to provide much needed impetus to the mineral development. He also informed that around 144 Cr. have been accrued under DMF and the thrust areas under PMKKKY will be Swacha Bharat, Sanitation and Health. He also informed that another 253 Cr have been accumulated in the intergenerational fund. However, the clearance for its expenditure has not been accorded so far, by the Supreme Court. He also highlighted the critical issue of sand and expressed that out of box thinking is needed to resolve all these issues. He also lauded the efforts taken by the Central Government in bringing in a transparent regime in this sector.

18. Union Minister of Mines Shri Narendra Singh Tomar, in his concluding remarks thanked Hon'ble Chief Minister of Goa for his continued support to the mining industry in his capacity as Chief Minister of Goa and even earlier as Union Minister. He also sought the cooperation of all the States to play a proactive role in implementation of initiatives undertaken by the Central Government. He requested the ministers to take keen interest in the schemes and utilization of fund accrued under DMF for implementation of PMKKKY schemes. He also sought proactive role of central organization like IBM, GSI, MECL for implementation of policy and thanked all stakeholders for their continued support.

19. Hon'ble Union Minister of Mines and other dignitaries also released a Swachh Mines booklet on activities carried out during Swachhta PAKhwada during 16th – 31st December, 2017 by Ministry of Mines in collaboration with States and mining industries.

20. The action points which emerge from the conference are –

- 1) Timelines for the auction of mineral given by the States may be expedited utilizing the relaxation in the Mineral Auction Rules done recently by the Central Government.
- 2) States should expand exploration activities by identifying and promoting exploration of new mineral blocks.
- 3) Early operationalization and production of auctioned blocks by all the States. The States should facilitate in obtaining various approvals/ clearances expeditiously. The Ministry of Mines shall also hold discussions with MoEFCC to expedite clearances.
- 4) Depending on the needs of Districts/ States PMKKKY funds may be used for targeted sectors within scheme parameters. States should monitor proper implementation of schemes.
- 5) Expediting exploration and preparation of mineral blocks of the mining leases which would expire in year 2020 for their timely auctions by 1st May, 2019.
- 6) Implementation the Mining Surveillance System (MSS) and Star Rating to promote the implementation of Sustainable Development Framework (SDF) for minor minerals as well.

The meeting ended with thanks to the chair.

List of Participants in the Meeting of Mining ministers in Goa dated 19.01.2018

S. No.	Organization/ State	Name of Dignitary	Designation
1	Ministry of Mines	ShriNarendra Singh Tomar	Hon'ble Minster of Mines
2		ShriHaribhai P.Chaudhary	Hon'ble Minster of State for Mines
3		ShriArun Kumar	Secretary (Mines)
4		Dr K. RajeswaraRao	Additional Secretary (Mines)
5		ShriSubhash Chandra	Joint Secretary
6		DrJaipal Singh	PS to Hon'bleMinister of State for Mines
7		DrNavneet Mohan Kothari	PS to Minister Hon'ble Minister of Mines
8		ShriArun Kumar	Additional PS to Hon'ble Minister of Mines
9		ShriPrithul Kumar	Director
10		ShriAmit Saran	Director
11		ShriAdhir Kumar Mallik	Under Secretary
12		MsKirti	Assistant Director
13		ShriVinay Kumar Bahadur	Section Officer
14	IBM	ShriRanjanSahai	CG
15		Shri PN Sharma	COM
16		ShriKedar Singh Yadav	RCOM, Gandhi Nagar

17		Shri YG Kale	RCOM, Goa
18		Shri Abhishek Gautam	STA Mining –Ajmer
19	GSI	Shri SR Sridhar	ADG & HOD, Southern Region
20		Shri Karim	DDG, Karnataka & Goa
21	MECL	Shri RN Jha	CMD (In-charge)
22	Andhra Pradesh	Shri R V Sujaya Krishna Ranga Rao	Hon'ble Minister of Mines
23		Shri W B Chandra Shekhar	Jt. Director
24	Assam	Shri P K Hazoary	Commissioner & Secretary
25		Shri Gurdip Singh Panesar	Joint Secretary mines
26		Shri S K Lahiri	PA to Minister
27	Chhattisgarh	Shri Amar Agrawal	Hon'ble Minister of Commercial, Tax, Urban Development, Commerce & Industry and Public Enterprises
28		Shri Subodhkumar Singh	Secretary
29		Shri Mahesh Babu	Jt. Director
30		Shri Gulshan Soni	PA to Minister
31	Goa	Shri Manohar Parrikar	Hon'ble Chief Minister
32		Shri Daulat Hawaldar	Principal Secretary
33		Shri Prasanna Acharya	DMG
34	Gujarat	Shri D G Choudhary	Dy Secretary
35		Shri D M Solanki	Addl Director /DMG
36	Jammu & Kashmir	Shri Farooq Ahmed Khan	DMG
37	Jharkhand	Shri A B Siddhiqui	Commissioner of Mines
38		Ms Anjali	DGM
39	Karnataka	Shri Rajendra Kataria	Principal Secretary
40	Kerala	Shri Sanjay M Kaul	Secretary

41		ShriRadhaKrishanIyer	P S to Minister
42	Madhya Pradesh	ShriRajendraShukla	Hon'bleMinister of Mines
43		ShriManoharDubey	Secretary
44		ShriVineet Austin	DMG
45		ShriAnand Bhatt	P S to Minister
46	Maharashtra	Shri R S Kalamkar	DGM
47	Odisha	ShriPrafulla Malik	Hon'bleMinister of Mines
48		Shri Deepak Mohanty	Director (Mines)
49		ShriPramod Kumar Behra	P S to Minister
50	Rajasthan	Shri R. K. Nalvaya	DGM
51	Tamil Nadu	Thiru C VeShanmugam	Hon'bleMinister of Law, Courts & Prisons and Mines & Minerals
52		Thiru K Gnanadesikan	Addl Chief Secretary
53		Dr R Palaniswamy	CGM
54	Telangana	ShriSushil Kumar	DMG
55	Uttar Pradesh	Smt. ArchnaPandey	Minister
56		Shri Raj Pratap Singh	Additional Chief Secretary
57		DrBalkar Singh	DGM