

Most Immediate

No. 10(69)/2009/ M.V.  
Government of India  
Ministry of Mines  
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New Delhi, the 29<sup>th</sup> February, 2012.

To

The Principal Secretary,  
Department of Mines,  
Govt. of Rajasthan,  
Jaipur – 302 005.

Sub: Forwarding minutes of the meeting held on 4<sup>th</sup> November 2011 under the chairmanship of Secretary, Ministry of Mines, regarding reservation of areas by the Government of Rajasthan for exploiting mineral resources.

I am directed to forward the minutes of the meeting held on 4<sup>th</sup> November 2011 under the chairmanship of Secretary, Ministry of Mines, regarding reservation of areas by the Government of Rajasthan for exploiting mineral resources.

Yours faithfully,

(Anil Subramaniam)  
Under Secretary to the Govt. of India  
Telefax: 23383946

Copy to:

1. S. C. Gupta, Joint Secretary (F & P),  
Department of Fertilizers,  
Ministry of Chemicals & Fertilizers,  
Shastri Bhavan, New Delhi.

Copy for further information:

1. PPS to Sec (Mines).
2. Senior PPs to AS (Mines).
3. PS to JS (MR),
4. Dir (CS)

**Minutes of the meeting held on 4<sup>th</sup> November 2011 under the chairmanship of Secretary, Ministry of Mines, regarding reservation of areas by the Government of Rajasthan for exploiting mineral resources**

1. A list of participants is at Annexure.
2. Secretary, Ministry of Mines, stated that it is generally observed that Fertilizer minerals are in short supply in the country, and that the country was incurring a high import bill on this account considering the fact that agriculture sector was still an important part of the Indian economy. While the country had limited resources of fertilizer minerals, which needed beneficiation due to its low grade nature, it was necessary to ensure that mineral policies encouraged and incentivized utilization of these important resources for the country rather than impose restrictions on the resources.
3. Representative from State Government of Rajasthan shared concern on the low availability of fertilizer minerals, and stated that the State Government had taken a policy decision to reserve the Rock Phosphate deposits for exclusive use by the M/s RSMML, and accord preference in grant of mineral concessions for this mineral. Representatives from the M/s RSSML stated that it was at present focusing on mining of phosphorite deposits discovered in the early 1960's by the GSI in the Udaipur region. However, it was facing restriction in mining due to Supreme Court order restricting mining in Aravallis. It was further pointed out that in terms of SAMATA judgement, it was necessary to impose restrictions on mining in tribal areas. It was also stated that the State Government was agreeable to allow grant of mining lease to M/s FAGMIL on Birmania deposits.
4. Joint Secretary, Department of Fertilizer, stated that the policy restriction of the State Government of Rajasthan to reserve areas for exclusive mining of Fertilizer by M/s RSSML was seriously impacting the growth plan of M/s FAGMIL and other fertilizer industries keen to use the resources identified in Rajasthan. M/s FAGMIL pointed out that mining of fertilizer minerals, limestone and gypsum was its core business. In respect of fertilizer minerals it was proposing to set up a SSP plant in Rajasthan, and that the State Government policy was impeding its plans.

5. Ministry of Mines clarified that the National Mineral Policy, 2008, clearly provided that conservation of minerals is to be taken in positive sense of augmentation of mineral resources and zero waste mining, rather than abstaining from use of available minerals. Further it was clarified that while the State policies are respected, considering the fact that there was a need to increase exploration of minerals in which the country is scarce and utilize low grade minerals through beneficiation and the fact that State policies have to be in consonance with the MMDR Act, the State Government policy to reserve mineral bearing areas in favour of M/s RSMML cannot be agreed to by the Central Government. It was also pointed out that the policy for reservation in favour of M/s RSMML did not conform to the provisions of section 17A of the Mines and Minerals (Development and Regulation) Act, 1957. It was also pointed out that if the State Government sought to accord special preference to M/s RSMML under section 11 of the MMDR Act, 1957, it could do so accordingly while granting mineral concession, but the State Government should not encourage idle holding of a mineral deposit. In this context, it was advised that the State Government should undertake an analysis of the capacity, requirement and plan of action for ore utilization by M/s RSMML for a period of 20 years. It was also clarified that restriction flowing out of SAMATA judgement was possible only if the relevant legislation for Land in a State allowed such restrictions. Since such specific provisions were not provided in the Land laws enacted in Rajasthan, the State Government of Rajasthan should not interpret the judgement to deny concession rights accruing to a company who after completing exploration with committed expenditure, has sought for next stage concession. It was also felt that M/S FAGMIL should get into exploration for fertilizer minerals.
6. After discussions, it was decided that:
  - a. The State Government of Rajasthan should immediately review its Mineral Policy regarding reserving mineral bearing areas in favour of M/s RSMML since it is not in conformity with the provisions of Section 17A of the MMDR Act, 1957.
  - b. The State Government of Rajasthan should reconsider its decision to restrict grant of mineral concessions in tribal areas, especially to such persons who have applied for progression to next stage of concession after completing exploration under a licence.

- c. State Government of Rajasthan to furnish details of capacity, requirements and plan of action for ore utilization for a period of 20 years by M/s RSMML to the Ministry of Mines.
  - d. GSI to assess whether data generated on fertilizer minerals has been used by the State Government of Rajasthan to convert the identified resources into mining leases, and reassess their Field season programmes. In this exercise, GSI to associate Mining companies in the Sub-Group in GSI for finalizing the Field Season programme.
  - e. State Government of Rajasthan, GSI and M/s RSMML to consider a tripartite agreement for geo-chemical survey.
  - f. Existing Committee on Fertilizer minerals to be revived and operated in a Mission mode.
  - g. State Government of Rajasthan to consider grant of Birmania deposit to M/s FAGMIL.
  - h. Department of Fertilizer to issue directions to M/s FAGMIL to apply for Reconnaissance Permit / Prospecting licence/ mining lease to State Government of Rajasthan and furnish a list to the Ministry of Mines.
7. The meeting ended with a vote of thanks.

## Annexure

**List of Participants in the meeting held on 4<sup>th</sup> November 2011 under the Chairmanship of Secretary, Ministry of Mines, regarding reservation of areas by the Government of Rajasthan for exploiting mineral resources:-**

1. Shri S. Vijay Kumar, Secretary, Ministry of Mines, Govt. of India.
2. Shri G. Srinivas, Joint Secretary, Ministry of Mines, Govt. of India.
3. Shri S. C. Gupta, JS (F&P), D/o Fertilizers, Govt. of India.
4. Shri A.K. Parasher, E A, D/o Fertilizers, Govt. of India.
5. Shri K.S. Yadav, DCOM, IBM, Ajmer.
6. Shri Govind Sharma, Principal Secretary, Deptt. of Mines, Govt. of Rajasthan.
7. Shri A.K.Kothari, Addl. Director, Mines, Govt. of Rajasthan.
8. Shri R.K. Nalwaya, Supt. Mining Engineer, DMS, Udaipur, Govt. of Rajasthan
9. Shri T.S. Ranawat, Supt. Geologist, DMG, Govt. of Rajasthan.
10. Dr. S.K. Das, CMD, FAGMIL, D/o Fertilizers.
11. Shri D.K. Arora, Dy. GM, FAGMIL, Jodhpur, FCI Aravali, Gyp. Minerals India Ltd.
12. Shri Anil Malhotra, Chief Liaison Officer, FAGMIL
13. Shri P.C. Purohit, Gr. General Manager, RSMML, Jodhpur.
14. Shri G.Gondhi, G.G.M., RSMML, Jodhpur.
15. Shri V.D. Gupta, GGM (Gypsum), RSMML.
16. Shri Harsha Vardhan, Dy. G.M. (Geology), RSMML