

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 13th 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 possibly stake holder. 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.

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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. JS, 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 inter-generational 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.

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- 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

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- 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 CRIRSCO 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 concise 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

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- 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

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- 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. Sudarsanam, 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 stake-holders.

The meeting ended with thanks to the Chair.

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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 Jharkhnad
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
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 Mohaley	-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-

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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-