

NEW LEGISLATION

New Mines and Minerals (Development and Regulation) Bill, 2011.

The Mines and Minerals (Development and Regulation) Bill, 2011, prepared by the Ministry to replace the existing Mines and Minerals (Development and Regulation) Act, 1957 approved by the Cabinet and the Bill has been introduced in Lok Sabha on 12th December, 2011. The Bill has been prepared after several rounds of consultation and workshop with all Stakeholders. The Bill seeks a complete and holistic reform in the mining sector with provisions to address issues relating to sustainable mining and local area development, benefit sharing mechanism to the people affected by mining operations. The Bill, also, aims to ensure transparency, equity, elimination of discretions, effective redressal and regulatory mechanisms along with incentives encouraging good mining practices, which will also lead to technology absorption and exploitation of deep seated minerals. The Bill has been referred to Standing Committee on Coal & Steel on 5th January, 2012 and the recommendations of the Standing Committee on Coal and Steel are awaited.

National Geoscience Awards - 2010

To honour geoscientists for their outstanding contribution in the field of mineral discovery, exploration, mining and applied geosciences, the Ministry of Mines has expanded the National Mineral Award Scheme instituted in 1966 and renamed it as "National Geoscience Award" Scheme from 2009. The selection of awardees is the outcome of rigorous mechanism of scrutiny and evaluation undertaken by the various members of expert committee constituted by the Ministry under the Chairmanship of Secretary (Mines).



Mrs. Meera Kumar, Hon'ble Speaker of Lok Sabha conferring National GeoScience Award 2010 on 16th February, 2012 at Vigyan Bhawan, New Delhi.



Shri Dinsha Patel, Hon'ble Minister of State (Independent Charge) for Mines, with National Geoscience Awardees 2010 at the presentation ceremony held on February 16, 2012 at Vigyan Bhawan, New Delhi.

Forty Three (43) Geoscientists and Engineers were selected for 'National Geoscience Awards-2010. Hon'ble Speaker of Lok Sabha Smt. Meira Kumar conferred the awards in a function held on 16th February 2012 at Vigyan Bhawan, New Delhi, in the presence of Shri Dinsha Patel, Hon'ble Minister of State (Independent Charge). Prof. Chervela Leelanandam Emeritus Scientist, Council of Scientific and Industrial Research (CSIR) was conferred the Award for Excellence for his lifetime achievement in the field of Mineralogy, Petrology & Geochemistry and, Shri Yogesh Ray of Wadia institute of Himalayan Geology, Dehradun received the Young Researchers Award.

[Strategic Plan for Ministry of Mines](#)

The Ministry of Mines has finalised a detailed Strategic Plan document "Unlocking the Potential of the Indian Minerals Sector" in order to systematize the functioning of the Ministry and align it more directly with the vision emanating from the National Mineral Policy. The Strategic plan has identified that the Indian minerals sector holds a huge potential for all stakeholders, including the central government, state government, community and the entire economy. With the right kind of support, the mining sector has the potential to significantly contribute to the GDP and also improve the revenues of royalty and taxes. The Strategic Plan has identified the six priorities to achieve the objectives. These priorities are (i) expanding resource and reserve base by stepping up exploration and aiding international acquisition of strategic minerals (ii) reducing permit delays to create a more favourable policy environment (iii) setting up core enablers for mining-infrastructure, human capital and technology (iv)

ensuring sustainable mining and development (v) creating an information, education and communication plan and (vi) establishing the right governance structure for effective implementation

Sustainable Development Framework (SDF)

Based on the report (2007) of the High Level Committee constituted by the Planning Commission to review the National Mineral Policy, 1993 as part of the process of bringing in International Standards into the Mining Sector, best practices in environment management, appropriate use of land within a planning framework through a decision making process on the basis of integrated assessment of ecological, environmental, economical and social impact are being incorporated into Mining based activities. The Ministry engaged an expert consultant for creating a Sustainable Development Framework (SDF) for the mining sector. The consultant, taking into consideration that mining should contribute to economic, social and cultural wellbeing of indigenous host populations and local communities by creating stakeholders interest in mining operations for the Project Affected People (PAP), has prepared a document and submitted to the Government. A wider dissemination of the SDF has been undertaken and the SDF document is being finalised. Its final roll-out will be done in April, 2012.

Amendment of Rule 45 of MCDR 1988

The Ministry of Mines has notified on 9th February, 2011 amended Rule 45 in Mineral Conservation and Development Rules, 1988, which stipulates mandatory registration of miners, stockists, traders, exporters, and end-users of minerals, and stringent reporting norms for ensuring end-to-end accounting of the mineral produced. In this system it is mandatory for the miners, traders, exporters, and end-users of the minerals to send a copy of the reports to State Governments also. The State Governments have also been advised to ensure that any automation in the reporting system developed at the State levels should be compliant with the amended Rule 45 of the MCDR. The registration system has already started and the Ministry of Mines is working closely with the IBM to commence the online submission of monthly and annual returns of production to be filed by the mining lessee at the earliest. The work on system of online reporting is in progress and is expected to start by 31st March, 2012 and will be stabilized within three months.

Revision of Rates of Royalty and Dead Rent

In order to review the royalty rates and dead rent, the Ministry of Mines has constituted a Study Group under the Chairmanship of Additional Secretary (Mines) on 13th September, 2011 regarding revision of royalty rates and rates of dead rent for minerals (other than coal, lignite and sand for stowing) and to make appropriate recommendations to the Government. Apart from other terms and recommendations, the Study Group has been also mandated to recommend revision of rates and in case, if necessary, give an additional conditional recommendation on what should be the royalty rate and the mechanism for computation of royalty rates after taking into account the liabilities on the lease holder as envisaged in the draft MMDR Bill, 2011. The report of the Study Group will be submitted in six months.

Preparations of Reports for XII Five Year Plan

The 2011-12 is the terminal year of the XI Five Year Plan and, therefore, action has been initiated for formulation of the XII Five Year Plan. In respect of non-coal sector a Working Group on Mineral Exploration and Development (Other than Coal and Lignite) has been formulated in the Ministry of Mines to make recommendations for incorporating in the XII Five Year Plan to the Planning Commission. The Working Group has submitted its report and major

long term goals such as Increasing investment in exploration; Improving regulatory systems; Promoting scientific and optimal Mining; Creating Infrastructure; Modernizing exploration and the mining industry; Increasing mineral resources and ensuing raw materials security; Implementing sustainable development framework; Providing direction to science policy and R&D; Enabling techno-economic policy formulation etc. have been proposed.

Mineral Concession System and Transparency

In the federal structure of India, the State Governments are the owners of minerals located within their respective boundaries. The Central Government is the owner of the minerals underlying the ocean within the territorial waters or the Exclusive Economic Zone of India. The State Governments grant the Mineral Concessions {Reconnaissance Permits (RP), Prospecting Licences (PL) and Mining Leases (ML)} for all the minerals located within the boundary of the State, under the provisions of the Mines and Minerals (Development and Regulation) (MMDR) Act, 1957. Prior approval of the Central Government is required under Section 5 of the Act for grant of RP, PL and ML in respect of Atomic and Metallic Minerals specified in Parts 'B' and 'C' of the first Schedule to the Act.

The Ministry of Mines has, in consultation with the State Governments, issued detailed guidelines on 24th June, 2009, in order to bring about more clarity and transparency in processing the mineral concession proposals under the MMDR Act, 1957 and MCR, 1960. The Ministry, has also, in consultation with the State Governments, framed a Policy on 'special reasons' to be adopted by all State Governments, while recommending a mineral concession proposal in favour of a later applicant under Section 11(5) of the Act. Guidelines in this regard have been issued to the State Governments on 9th February, 2010. Besides, the Ministry has issued guidelines on 13th October, 2010 regarding submission of maps by the State Governments along with the proposals.

The Government of Madhya Pradesh has formulated their Mineral Policy 2010, which includes the 'Special Reasons' framed by them for recommending a later applicant in a non-notified area under Section 11(5) of the MMDR Act, 1957. The Ministry has advised them to ensure uniform compliance of the same in all cases. All other State Governments have also been requested vide letter dated 20th October, 2011, to examine their respective State Mineral Policies and incorporate therein suitable 'Special Reasons' specific to their respective States.

The Ministry of Mines had, vide, order dated 4th March, 2009, constituted a Central Coordination-cum-Empowered Committee (CEC) under the Chairpersonship of Secretary (Mines) on monitoring and minimizing delays at various levels in grant of approvals for mineral concession applications. So far Seven meetings of the Committee has been held on 24th July, 2009, 22nd December, 2009, 18th June, 2010, 22nd December, 2010, 3rd May, 2011, 20th September, 2011 and 16th January, 2012, wherein important decisions aimed at minimizing delays in processing of concession applications and improving the overall concession regime were taken. As per the decision taken in the first meeting of the CEC, all mineral-rich State Governments viz. Andhra Pradesh, Chhattisgarh, Gujarat, Goa, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Rajasthan and Tamil Nadu have constituted their State-level Committees.

Keeping in view the need for having more effective coordination as well as for dealing with important matters relating to mineral development and regulation in the country, the Ministry has, vide order dated 20th October, 2011, reconstituted the Committee as "Coordination-cum-Empowered Committee on Mineral Development and Regulation". Its terms of reference have also been widened to bring within its ambit other important issues like coordination and review of steps for prevention of illegal mining, development and

implementation of sustainable development framework etc. Besides the Ministry of Mines, the CEC comprises representatives of the Ministry of Environment and Forests, Home Affairs, Steel, Shipping, Finance (Revenue), Railways, Fertilizers, Department of Atomic Energy, Directorate General of Civil Aviation (DGCA), Geological Survey of India and Indian Bureau of Mines. Representatives of the State Departments are also co-opted in the Committee. All State Governments have been advised vide letter dated 17th November, 2011 to consider reconstitution of their respective State-level Empowered Committees similarly. The Last meeting of the CEC was held on 16th January, 2012.

At the instance of the Ministry of Mines, the Federation of Indian Mineral Industries (FIMI) has brought out a compendium titled "Mineral Concession System in India", which contains useful information on various aspects of mineral concessions, viz. India as a mineral investment destination, mineral legislation and regulation and grant of mineral concessions.

A Working Group under the Chairmanship of Additional Secretary (Mines) has been set up in the Ministry 20th January, 2011 for developing software for monitoring and expediting forest clearances in respect of mineral concession applications. As per the recommendations of the Working Group, the MoEF has redesigned its software, which is expected to be operationalised shortly.

The Ministry of Mines is using internet services to bring about more transparency in processing the mineral concession applications. The website of the Ministry (<http://mines.gov.in>) provides all information on the current status of the mineral concession applications.

Initiatives taken by Geological Survey of India (GSI)

GSI with its present focus on exploration for concealed and deep seated deposits has initiated a number of baseline geoscientific data generation programmes like National Geomorphological and Lineament Mapping, Hyperspectral Mapping and National Aeromagnetic Mapping. National Geochemical Mapping and Geophysical Mapping are continuing and are proposed to be completed by the end of the XII Plan through outsourcing and GSI's own resources.

During the Field Season 2010-12 GSI has made significant augmentation/discoveries in Gold, Molybdenum, Basemetal, Iron Ore and Manganese in the States of Karnataka, Tamil Nadu, Madhya Pradesh, Chhattisgarh and Orissa respectively. GSI has also estimated coal resource of 2641.63 million tonne in the states of West Bengal, Orissa, Jharkhand, Chhattisgarh and Madhya Pradesh and 124.6 million tonne of lignite in Tamilnadu, Rajasthan and West Bengal during 2010-12 (as on 1st April, 2011).

Information technology is being widely utilized by GSI for monitoring progress of field and project activities, accessing unpublished project reports, publications (Records, memoirs) Detailed Information Dossiers (DIDs), District Resource Maps, Geological Quadrangular Maps, Case Histories, Photo-gallery etc. The GSI Portal provides structured, logically organized information to different categories of users. GSI Portal received the Silver Award in the "Best Government Portal" Category for National e-Governance Awards 2011 by DARPG. GSI has embarked upon the Phase III of the Portal Project and Online Core Business Integrated System (OCBIS) is the essential part of this initiative.

In the modernisation drive GSI is in the process of acquiring a new ocean going research vessel for execution of seabed survey and exploration of non-living resources. GSI is, also, engaged in the procurement of a Geotechnical vessel with drilling capabilities. GSI is in

the process of installing geophysical instruments onto its 'Dhruv' helicopter to carry out low altitude geophysical surveys.

Restructuring of the Geological Survey of India (GSI)

Restructuring of GSI on basis of the High Power Committee recommendations has gathered momentum. There is a significant improvement in Human Resources (HR) position with induction of S&T personnel at JTS level during the year. A Cabinet note on the "Restructuring of GSI" based on the recommendations of the High Power Committee has been approved by the Cabinet on 25th October, 2011. As a consequence posts of Group 'A' & 'B' officers in Scientific and Technical streams have been enhanced from 4855 to 6019 and posts of Group 'A' & 'B' officers of Non-Scientific and Technical Streams have been enhanced from 1710 to 1781. The proposals, as approved are under implementation.

Initiatives taken by Indian Bureau of Mines (IBM)

For promotion of conservation and scientific development of mineral resources and ensuring protection of mines environment in mining areas, IBM carried out 1,478 Inspection of mines for enforcement of provision of MCDR, 1988 and examination of MP/MS, approved 113 Mining Plans and 208 Schemes of Mining. For up gradation and utilization of low grade and sub-grade ores and minerals, IBM carried out 40 Ore dressing investigations, 31,502 Chemical Analysis, 1,620 Mineralogical studies and one in Plant study. As a part of Consultancy services on charge and promotional basis to mining industry on mining, geological & environmental aspects, IBM completed 4 Technical Consultancy Assignments and 7 Mining Research Assignments and conducted 07 training courses for IBM and Industry personnel. Preparation of 100 multi-mineral maps with forest overlays in respect of Jammu & Kashmir, Himachal Pradesh, Haryana, West Bengal, North-Eastern States, Kerala and Goa are in progress. Updation of National Mineral Inventory (NMI) as on 1st April, 2010 is in progress and work completed for 36 minerals. For dissemination of data on mines and minerals, 10 Statistical and technical publications have been released.

Mineral Production / Trade

Total provisional value of mineral production including minor minerals but excluding atomic minerals during the year 2010-11 and 2011-12 (estimated) was about ` 2,12,499 crore and ` 2,26,522 crore, respectively. The value of Minerals and Ores exported during the year 2009-10 was ` 1,27,831 crore whereas the value of import was ` 5,24,830 crore. The provisional value of minerals and ores exported during the year 2010-11 (Provisional) was ` 1,65,080 crore, whereas the value of import was ` 6,69,010 crore.

National Aluminum Company Limited (NALCO)

NALCO on 14th January, 2011 signed an MoU with Indian Rare Earths Ltd (IREL), a PSU under Department of Atomic Energy, for making value-added products from beach sand minerals, which would, subsequently, be used for making titanium and allied products. The project is estimated to cost ` 400 crore and is planned to be set up at Chhatrapur in Ganjam, district of Odisha. Another MoU was, also, signed in Jakarta on 4th October, 2011 with Government of East Kalimantan in presence of Hon'ble Minister of Commerce and Industry, Government of India to set up a Smelter & Power Project.

NALCO has approved the capital restructuring of equity by splitting the share of ` 10 into two shares of ` 5 each. The Board has, also, decided for 1:1 bonus share, i.e. one bonus share for each share held, in its board Meeting held on 31st January 2011.

Approval of Mining Lease of the ` 338 crore Utkal-E Coal Mine project was received from Ministry of Coal, in June 2011.

NALCO's 2nd phase Expansion was completed in all respect with the commissioning of Alumina Refinery project in June, 2011. Other units, viz., Smelter and Captive Power Plant (CPP) were commissioned in December, 2009 and August, 2010, respectively.

Smelter Plant at Angul started production of another variety of rolled product named as chequered sheet with thickness ranging from 0.60mm to 3.0 mm. The new product has a high demand in automobile industry, vehicle manufacturing and industrial flooring. The first consignment was flagged off on 17th October, 2011.

NALCO in May, 2011 approved the Investment proposal and award of work for establishing 50 MW wind Power Plant in Andhra Pradesh at an investment ` 330 crore. The contract was awarded in June, 2011 and the project is scheduled for completion in February, 2012.

The mining lease of Panchpatmali South Block was renewed for another 20 years with the receipt of Stage-II forest clearance on 20th July, 2011. The original lease period had expired after 30 years of mining.

Against global bid, NALCO has been shortlisted as the only successful bidder for the Mines & Refinery project in Gujarat. The project is scheduled to start in 2012.

The 5th Long Term Wage Settlement of NALCO employees were signed on 5th September, 2011 for a period of ten years, with five Recognized Unions.

In financial year 2011-12, NALCO has earned profit after tax, for the half year ended September, 2011 was ` 516 crore, compared to ` 508 crore for same period last year.

Awards:

- NALCO bagged the CSR Award for Best Practices' under the Global HR Excellence, category at the World HR Congress held in Mumbai from 10th to 12th Feb, 2011. The award was received by from Secretary to Govt.of India, Department of Public Enterprise.
- Panchpatmali Bauxite Mines was awarded the 1st prize for Reclamation and Rehabilitation at the 13th Mines Environment & Mineral Conservation week 2010-11, held under the aegis of Indian Bureau of Mines, Bhubaneswar region.
- NALCO bagged EEPC (Eastern Regoin)'s Gold Trophy, as Top Exporter in the Large Enterprise Category, for its outstanding export performance during the year 2008-09 on 25th Feb, 2011.
- NALCO received the PSE Excellence Award 2011, in the Maharatna nad Navratna category, for Corporate Social Responsibility and Responsiveness, instituted by the Department of Public Enterprises, Govt of India and Indian Chamber of Commerce.
- NALCO Bagged the Top Export Award of CAPEXIL, for its outstanding export performance during the year 2010-11.
- Bagged the Best Exporters Award for Directorate of Export Promotion and Marketing, Govt. of Odisha for outstanding export of Alumina and Aluminium for the year 2009-10. The award was received in a function held on 3rd September, 2011 at Bhubaneswar.
- Smelter Plant has bagged the pretigious National Energy Conservation Award for the year, 2011.

Hindustan Copper Limited (HCL)

HCL has earned Profit before tax of ` 335.21 crore for the financial year 2010-11 which is highest ever since its inception and has become Miniratna (Category - 1) and is a zero debt Company as on date.

The Company has paid ` 92.14 crore as dividend to Government of India for the year 2010-11, which is historically the highest dividend payout by the Company.

Ore Production in 2010-11 at 3.6 million tonne is best in last 12 years.

The Company has awarded five projects valuing ` 1810.0 crore. Execution of one project has started and remaining projects will commence in the last quarter of current financial year.

Tri-partite agreement of wage settlement was signed by the Management of HCL and Recognized union in the presence of Chief Labour Commissioner.

Implemented Enterprise Resource Planning (ERP) Oracle e-Biz Suite R12 solution integrating all functional areas for faster information flow and efficient decision making and functions have been stabilized.

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Mineral Exploration Corporation Ltd (MECL)

The upward trend in physical and financial performance of the company has been maintained during 2011. The drilling performance cumulatively up to November' 2011, has been 281281 m representing 113% of 215317 m achieved during the same period of the previous year.

The performance in developmental mining was 7844 m which is 106% of 7402 m achieved during the same period of previous year.

The performance in gross revenue is `14378 lakh which is 128% of the same period of the previous year. The Gross margin stood at `3059 lakh and the company earned a net profit (before tax) is `1540 lakh. Both these achievements are 155% as compared with the corresponding period of previous year.

A total of 34 work orders valued at `4157 lakh were received from various clients such as M/s. SAIL for exploration of iron ore, M/s. MOIL for exploration of manganese ore, M/s. AMD for exploratory drilling work, M/s. UCIL for developmental mining work and other agencies.

The MoU composite score for the year 2010-11 was 2.42 and company categorized under the "Very Good" category on the basis of audited data.

MECL has been conferred with "Turn around CPSE Award 2010" by Board for Reconstruction of Public Sector Enterprises, Department of Public Enterprises, Govt. of India, during March 2011.

Training on JORC Code: MECL has identified training on Joint Ore Reserves Committee (JORC), an Australian code for reporting of exploration results, mineral resources & ore

reserves as a thrust area along with identification/registration of “Competent Person”. As such, MECL has finalized the names of five officials and three officers have been imparted training on JORC code at Snowden Institute, Australia.

Initiatives taken for assessing and exploiting the Mineral wealth in the North-Eastern Region.

Ministry of Mines has taken several initiatives through its agencies like Geological Survey of India (GSI), Indian Bureau of Mines (IBM) and Mineral Exploration Corporation Limited (MECL) for assessing and exploiting the mineral wealth of the North Eastern Region (NER).

A meeting was held at Shillong on 17th June, 2011 under the Chairmanship of Additional Secretary (Mines) to review the progress of ongoing projects in the North Eastern Region, which was attended by representative of Indian Bureau of Mines (IBM), Mineral Exploration Corporation Limited (MECL) and representatives of Directorates of Mining and Geology (DGM) of Northern Eastern States. In this meeting GSI was advised to utilize 100% funds outlay earmarked for NER and to take more collaborative projects with concerned state Directorate of Geology and Mining (DGMs) for development of natural resources in NER. It was also, decided that state DGMs would convene their State Geological Programming Board (SGPB) meeting before the next Central Geological Programming Board (CGPB) meeting. The Central Geological Programming Board in its meeting held on 24th -25th August, 2011 discussed the issues relating to North Eastern Region. GSI has initiated a new scheme for supply of equipments to the North Eastern Region and outlay of ` 50 lakh has been kept for such purposes.

Results Framework Document (RFD)

Central Government have adopted a Results Framework System to set goals and quantitatively monitor performance on an outcome basis. Major objectives under Result Framework for 2011-12, of Ministry of Mines, are outlined in Box - 1.

The Result Framework Document for 2011-12 and achievements upto September, 2011 are available on the website <http://mines.gov.in>

Citizen’s / Client Charter of Ministry of Mines

Citizen’s / Client Charter of Ministry of Mines for the year 2011-12 is available on the website <http://mines.gov.in>

Box -1

Major Objectives under Results Framework Document (RFD) for 2011-12

Objective
1. Rework legislative framework to bring in transparency, investor confidence, sustainability concepts and better regulation.
2. Repositioning the Ministry to a “regulatory, techno-economic, scientific and facilitating role”
3. Improving the functioning of GSI

4. Improving the functioning of IBM

5. Effective supervision of mineral concession system

6. Monitoring and improving performance of PSUs.

7. Promoting R&D projects