Government of India
Ministry of Mines

NATIONAL MINERAL EXPLORATION TRUST

Minutes of the 5th meeting of the Executive Committee of the National Mineral Exploration Trust (NMET) held on 6th October, 2017

The 5th meeting of the Executive Committee (EC) of the National Mineral Exploration Trust was held under the Chairmanship of Shri Arun Kumar, Secretary, Mines, on 6th October, 2017, in the Aluminium Hall, Shastri Bhawan, New Delhi. Dr. K. Rajeswara Rao, Additional Secretary, Mines was also present in the meeting.

Dr. Niranjan K. Singh, Joint Secretary, Mines and Member Secretary, EC welcomed the members and invitees.

The list of participants is at **Annexure-1**.

5.1 Presentation of ATR of 4th EC meeting

Member Secretary, EC presented ATR of 4th meeting of EC.

5.2 Nomination of States to EC of NMET

Initially four States were represented in the EC of NMET on a two-year term basis. Since two years tenure has been completed, it was proposed that the representation of new set of States may be nominated.

It was decided that those States, which have participated consistently in EC meetings may be continued. A proposal in this regard shall be put up in the next General Body meeting.

5.3 Reconstitution of Technical Committee (TC)

Two places in the TC have fallen vacant due to superannuation of Dr. P.R. Golani, Chairman, TC and Shri S.K. Thakur, Member Secretary, TC. The issue of their replacements and inclusion of more members in the TC in view of increasing number projects was discussed.

Dr. P.R. Golani has been engaged as a technical expert in GSI and in view of his vast experience in the field exploration, it was decided that he would continue as a Technical Expert in the TC. Shri S.K. Thakur will also continue as a member of TC as a Technical Expert. Shri B.P. Raturi, DGM (Exploration), MECL is also included as a member of the TC. One representative each from AMD, NGRI and IIT (ISM) will also be inducted in the TC.

The present scope of work of TC includes only technical appraisal of the proposals while MECL prepares the cost estimates as per their approved rates. However, the EC

observed that the observations of the TC are not truly reflected in project preparation and cost estimation. It was, therefore, decided that the scope of work of TC would be expanded to include scrutiny and finalization of cost estimates of project proposals. Accordingly, TC shall be called Technical-cum-Cost Committee (TCC) with expanded scope of work.

As the modified scope of work of TCC would involve scrutiny of cost estimates, the expertise of Finance Wing would be required. Two DGM level officers, one each from NALCO and HCL would be included as members of the TCC.

With above observations, the composition of Technical-cum-Cost Committee will be as below-

1.Shri D. Mohan Raj, Dy. DG, GSI Nagpur	Chairman
2.Dr. Manoranjan Mohanty, DDG,GSI Bengaluru	Member
3.Dr. Joyesh Bagchi, Director (T),Mines	Member
4.Shri P. Tarafdar, Director, GSI, Kolkata	Member
5.Dr. J, V. Ramarao, Director, GSI, Hyderabad	Member
6.Shri Alok Sharma, GM, CMPDIL, Ranchi	Member
7.Shri S.K. Adhikary, Chief Mining Geologist, IBM, Nagpur	Member
8.Dr. P.R. Golani, DDG (Retd.), GSI	Member
9.Shri S.K. Thakur, GM, Exploration(Retd.), MECL	Member
10.Shri B.P. Raturi, DGM (Exploration), MECL	Member
11.One representative from IIT (ISM)	Member
12.One representative from AMD	Member
13.One representative from NGRI	Member
14.One representative from NMET Secretariat, New Delhi	Member
15.One DGM level officer from finance wing of NALCO	Member
16.One DGM level officer from finance wing of HCL	Member
17.Shri Mushtaque, HOD (Exploration), MECL, Nagpur	Member Secretary

It is explicitly mentioned that the Members in person has to be present in the TCC meeting. The non-official members and members from academic institutions will be entitled for TA / DA and a sitting fee of Rs. 2,000/ for attending TCC meetings.

(Action: NMET Secretariat)

5.4. Technical evaluation of project proposals by Regional Sub-committees

Regional Sub-Committees were constituted for preliminary evaluation of project proposals and sending recommendations to TC, NMET. However, it was observed that this is unnecessarily expanding the stages of appraisal.

On receipt of proposals, it will be appraised by TCC, NMET directly. Representatives of RMH-II of GSI of concerned Regions in which the State falls and the DMGs of concerned States will be invited in the TCC meetings and they will provide their written comments for the project proposals and provide the required information.

(Action: TCC, NMET, State DMGs, RMH-II of concerned States)

5.5 Accounting procedure for NMET

A detailed accounting procedure for NMET funds is under finalization at the Ministry of Mines.

5.6. Status of NMET fund

The NMET fund is maintained in the SBI Account and the excess fund in the Bank is placed in CLTD scheme. It was observed that it may not be the best way of putting the money in CLTD scheme and a better Fixed Deposit scheme depending upon the modality of the utilization of the fund should be worked out in consultation with the State Bank of India so that the fund earns the maximum interest.

(Action: NMET Secretariat)

5.7 Reconciliation and accrual of funds received from States

It has been observed that there is a large mismatch between actual accruals in the NMET bank account and the statements provided by the States through NMET website and hard copy statements. It is due to the reason that in many States the miners are allowed to deposit the NMET equivalent of royalty directly into NMET account. NMET Rules stipulate that the States would collect NMET receipts at their end and transfer the funds to the NMET account before 10th of succeeding month. This has been a recurring issue since beginning of NMET in EC discussions. It was observed that States in any case collect royalties. NMET contribution is 2% equivalent of royalty over the above royalty. Therefore, States would be having a robust mechanism of royalty calculations, collection and monitoring.This matter has been discussed repeatedly in EC, it was decided that Additional Secretary, Ministry of Mines would examine the following issues-

i. Mechanism for debarring deposits into the NMET account from other than the State Governments.
ii. Mechanisms for reconciliation of accruals in NMET account from different States.
iii. Audit of Accounts: The lease-wise payments towards NMET may be maintained and auditable at the State Govt. level. NMET fund at the Central level will be maintained State-wise only.

Additional Secretary and team of officers including JS (NKS), JS & FA, CCA, Director (Finance), NALCO, Dy. Director General, NMET and SBI may undertake this exercise.

5.8 Funding issues

KIOCL and NMDC have requested for confirmation of payment from NMET funds for the projects allotted to them. It is decided that NMET would confirm this in accordance with the NMET Rules, so far as the projects are taken up in freehold areas.

5.9 Approval of new projects

Five new projects were put up for approval of the EC. As per the expanded scope of work of TCC, the cost estimates of these projects (Annexure-II)are required to be examined by the TCC.

EC accorded in-principle approval for these five projects subject to approval of cost estimates by TCC. On approval of TCC, approvals may be issued. These approved projects may be put up for ratification in the next EC meeting. It was also decided that the project proposals should be limited to the operations permitted under Forest Conservation Act.

(Action: TCC, NMET)

While proposing new proposals to EC, equitable distribution of the projects in all States proportionate to their production should be considered. In case of forest areas, exploration up to G3 level only would normally be allowed.

(Action: TCC, NMET)

5.10 Supervision charges to CMPDIL

The proposals of CMPDIL and NLC approved in the 4th EC meeting included 2% supervision charges over and above the cost estimate given by MECL.

As these projects are being executed by MECL, it was decided that 2% supervision charges would not be allowed. However, CMPDIL/ NLC may carry out technical supervision and monitoring of the projectsat their own costs.

It was also decided that for the approved mineral blocks of CMPDIL and NLC, which are under execution by MECL, the bill would be raised by MECL directly.

(Action: CMPDIL, NLC, MECL)

5.11 Peer review of reports

All reports of exploration projects funded through NMET will be reviewed by the approved panel of experts. The existing panel of peer reviewers will be expanded to include more experts. An honorarium of Rs. 10,000/- per report has been decided in the 4th meeting of EC, NMET. The Terms of Reference of the Peer Reviewers will also be finalized.

All Reports submitted under NMET projects will be put in the public domain on GSI portal. Therefore, GSI should send the guidelines to the implementing agencies under NMET to submit the Report in the format required for uploading on GSI portal.

(Action: NMET Secretariat, GSI, MECL and other exploration agencies)

5.12 Revision of cost estimates of two projects of lignite approved in the 4th meeting of EC, NMET

For exploration of lignite in Veeranam lignite block, District Cuddalore, Tamil Nadu(sub-divided into 4 sub-blocks), the project was approved by 4th ECat an estimated cost of 70.42 Crore. However, TC, NMET in its 6th meeting had recommended that the exploration will be taken up initially in two blocks and remaining two blocks to be taken up subsequently may require modification depending on the results of the first two blocks. 5th EC took the following decisions-

In principle approval is accorded for the entire project. However, the work will be first taken up in the two blocks and, thereafter; it will come to TCC, NMET for evaluation of theproject in the remaining two blocks. NLC will submit the block-wise cost and the

same will be examined and approved by TCC. The progress will be monitored block-wise and the release of funds will also be done block-wise.

(Action: MECL, TCCNMET, NLC)

5.13 Exploration by MECL in Kerala

MECL requested for dropping one of the G4 project taken up in the State of Kerala on the request of the State Government. It was decided to drop this project from NMET.

It was also decided that prior consent of State Governments to be sought before finalizing project proposals of G3 level and above. A representative of concerned State Governments must be invited and be present in TCC meetings, before project for G3 level and further detailed exploration is taken up.

(Action: MECL, TCC NMET)

5.14 NMET funding for Capacity Building

In the previous meetings of EC, it was decided that States would be supported for capacity building and infrastructure development for enhancing their capability for exploration.

It was decided that States would be provided NMET funds only for training and capacity building. States should source their infrastructure and equipment needs from own funds. It was also decided that, GSI, having the expertise in mineral exploration would develop specialized modules for training and capacity building needs of States.

(Action: GSI)

5.15 Recovery and preservation of drill cores

The drill core recovery is vital for estimation of reserves and assessment of the quantum of work carried out in the project. Therefore, the implementing agencies must ensure recovery of cores and maintain the core libraries.

The preservation and archiving of drill cores generated during mineral exploration is significant. It was decided that TCC, NMET will prepare a comprehensive guideline for exploratory drilling issues such as core recovery, core preservation, borehole deviation and deflection etc. and submit in next EC meeting for ratification.

(Action: TCCNMET)

5.16Signing of tripartite agreement with States

MECL informed that it has entered into tripartite agreement with 10 States for taking up exploration projects. Chairman, EC advised that other major mineral producing States may also be approached for entering into the tripartite agreement. The State of Gujarat may be followed up for signing the tripartite agreement. MECL to write to Chief Secretaries of remaining States for signing tripartite agreement.

(Action: MECL)

5.17Star rating of mines by IBM

4th EC had accorded in-principle approval for sanction of the expenditure towards star rating of mines to be carried out by IBM. However, it was discussed that this project does not fit into the scope and objectives of the NMET. Hence, it was decided to drop this proposal from sanction under NMET.

(Action: IBM)

5.18Modernization of mineral beneficiation facilities of IBM

A proposal for modernization of mineral beneficiation facilities of IBM was submitted.In the 3rd meeting of EC, an expert panel was constituted for reviewing the proposal of IBM. IBM will co-ordinate with this expert panel and submit the proposal.

(Action: NMET Secretariat, IBM)

5.19Developing new project proposals

Stressing upon the need for submission of more proposals for mineral exploration, Chairman, EC advised TCC, NMET to prepare a comprehensive checklist for evaluation of project proposals submitted by Notified Exploration Agencies (NEAs). The NEAs should be asked to submit the proposals as per the checklist. The proposals which are not received in proper format would be returned for compliance.

(Action: TC, NMET)

With limited technical capacities, the States require hand holding support for preparing good quality project proposals. In this regard, MECL and other NEAs like NMDC, KIOCL who have done quality work and have the capacity can help the States for preparing project proposals at approved costs. These agencies may send the fee structure for preparation of mineral exploration proposals to NMET Secretariat. NMET Secretariat would inform States about the option of approaching these agencies for preparation of project proposals, after evaluation on costs.

(Action: NMET Secretariat)

5.20 Cancellation of sanction of Approved Blocks of MECL.

MECL informed that they could not start work in four blocks as there was local problem or the block was falling in dense forest. The details of the blocks are as follows-

	Details of Cancellation of sanction of Approved Blocks.					
Sl. No.	Name of the Block, (Location, District, State)	Est. Cost (Rs in Lakhs)Time Schedule (Months)	Date of Start	Target/ (Achievements)	Likely Date of Report Submission	Remarks
i	G.R. Halli Block, DistrictChitradurga, Karnataka (G-4).	443.20 (11month)	Could not Start	2935m (in 17 Bhs)	Work could not started because of Local Problem	Sanction to be cancelled
ii	Tambesara Block, District Banswara, Rajasthan for Manganese (G-4).	180.18 (12 months)	Could not Start	Gphy, Survey, Drilling- 515m (in 5 Bhs)	Work could not started because of Local Problem	Sanction to be Cancelled
iii	Tarhapani Bauxite Block, District Koraput, Odisha (G-3).	116.61 (9 months)	Could not Start	500m (in 23 Bhs)	Work could not started because of Local Problem	Sanction to be Cancelled
iv	Karam Bauxite Block, District Sahibganj, Jharkhand (G-3).	130.86 (11month)	Could not Start	660.00 (44BH)	DGM, Jharkhand requested for cancellation on ground of dense forest.	Sanction to be Cancelled
	Total	**870.85 lakhs**				

The committee agreed for cancellation of the approval of these four blocks.

5.21 Request for NMET funding for ongoing projects by CMPDIL
Chairman, EC observed that NMET funds would not be sanctioned for ongoing projects.

5.22 Request of CMPDIL for inclusion in the EC, NMET
It was decided that CMD, CMPDIL would be included as a member of EC.

5.23 General Guidelines
The following guidelines were decided for approvals of projects under NMET:

5.23.1 The stages of exploration for NMET funding for the following group of minerals would be as follows-

i. Base metals and Notified Minerals	- up to G2 Stage.
ii. Coal/ Lignite	- up to G1 Stage.
iii. Non- Notified Minerals	- up to G3 Stage.

5.23.2 All blocks under NMET should be auctioned. The blocks for which the report has been submitted as per the stage mentioned at 5.23.1 and existence of mineral content has been determined as per the Minerals (Evidence of Mineral Contents) Rules, 2015 has to be notified for auction by the respective State Governments within a period of two years from the submission of such report. In case the State fails to do so, the State should refund the funds expended to NMET.

5.23.3 After successful auction of the Exploration Block, the entire amount of the exploration cost would be reimbursed by the State to NMET.

The meeting ended with Vote of Thanks proposed by DDG, NMET.

Annexure- II

Approval of new mineral exploration projects, recommended for approval by Technical Committee of NMET				
Sr. No.	**Details of Block**	**Mineral**	**Recommended in Technical Committee**	**Estimate Cost (Rs in lakhs)**
1.	Nahardih Madhaipur Block, In Tehsil -Tilda, District-Raipur, Chhattisgarh.	Limestone (G-3/ G-2)	9th TC Meeting Held on 8th & 9th June 2017 at Jaipur	289.49
2.	Pasupulabodu Block, Nereducherla Mandal, District-Suryapet, Telangana	Limestone (G-2)	11th TC of NMET held on 25th September 2017 at GSI, DGCO, New Delhi	34.44
3.	Sultanpur Block, Mattampally – Mandal, District-Suryapet, Telangana	Limestone (G-2)	11th TC of NMET held on 25th September 2017 at GSI, DGCO, New Delhi	34.99
4.	Saidulanama Block, Nereducherla Mandal, District-Suryapet, Telangana	Limestone (G-2)	11th TC of NMET held on 25th September 2017 at GSI, DGCO, New Delhi	35.62
5.	BRH Iron Ore Mines, NEB Range M/s RMMPL, ML No. 2010, District-Ballari, Karnataka	Iron G-3/G-2	11th TC of NMET held on 25th September 2017 at GSI, DGCO, New Delhi	872.24
			Total	**1266.78**

Annexure- I

List of Participants
5th Executive Committee Meeting of NMET
6th October, 2017

Sl. No.	Name & Designation	Organization/Contact No. /email	Remarks
1.	Shri Arun Kumar Secretary & Chairman	Ministry of Mines secy-mines@nic.in	In Chair
2.	Dr. K. Rajeswara Rao Addl. Secratary	Ministry of Mines as_mines@nic.in	Invitee
3.	Dr. Niranjan K. Singh Joint Secretary & Member Secretary	Ministry of Mines jse-mines@nic.in	Member Secretary, *ex officio*
4.	Shri. N. Kutumba Rao DG, GSI	GSI nkraogsi@gmail.com	Member, *ex officio*
5.	Smt. Reena Sinha Puri JS&FA	Ministry of Mines	Member, *ex officio*
6.	Shri. Subodh Kumar Singh Secretary	Mineral Resource Dept. Govt. of Chhattisgarh singhsk2@ias.nic.in	Member, *ex officio*
7.	Shri. Ranjan Sahai CG, IBM	IBM, Nagpur cg@ibm.gov.in	Member, *ex officio*
8.	Dr. Bijendra Singh Ex-Scientist& Head CSIR-NGRI	NGRI, Hyderabad bsingh_ngri@yahoo.co.in 9849418898	Nominated Expert
9.	Prof. Bhabesh Chandra Sarkar, Professor, IIT (ISM), Dhanbad	IIT (ISM) Dhanbad bhabeshsarkar2005@gmail.com 9431121653	Nominated Expert
10.	Dr. P.R. Golani DDG (Retd.) GSI	DDG (Retd.), GSI prggsi@gmail.com 9414074055	Nominated Expert
11.	Shri. T. Bhattacharya General Manager	Indian Rare Earth Ltd. tbhattacharya@irel.co.in	Invitee
12.	Shri.S. Thangavel Regional Director	AMD/DAE NR R.K. Pram, New Delhi Block-7	Invitee
13.	Shri. Shashi Kanth Reddy Joint Director DMT	DMT, Karnataka 080-22384134	Invitee
14.	Shri. Sanjay Kumar Jain, Director (Exploration)	Ministry of Petroleum & Natural Gas. Kumar.sanjay74@gov.in	Invitee

15.	Shri. J.A.N.Rao DDG(Geophysics)	RSAS,GSI,Bangalore Janrao43@yahoo.co.in 9963771212	Invitee
16.	Dr. Gopal Dhawan CMD	MECL	Invitee
17.	Shri. Mushtaque HoD (Exploration) MECL	MECL mdmushtaque2018@gmail.com	Invitee
18.	Shri. B.P. Raturi DGM (Exploration)	MECL bpraturi100@yahoo.co.in 9422806417	Invitee
19.	Shri. Pushpender Gaur DCOM	IBM, p.gaur@ism.gov.in 9680877223	Invitee
20.	Shri. Yogesh Sharma, GM, (BD&P)	MECL, yogesh21@hotmail.com 9810163792	Invitee
21.	Shri. A.K.Gupta DDG,GSI	GSI, New Delhi	Invitee
22.	Shri. Alok Sharma Director, CMPDIL	CMPDI, Ranchi 9973814589	Invitee
23.	Dr. J. Bagchi Director (Tech.)	Ministry of Mines	Invitee
24.	Dr. R.P. Singh Dy. Manager (Geology)	CMPDI, Ranchi 9431358716	Invitee
25.	Shri. Pradeep Singh, Director	DGCO, GSI, NMET New Delhi	Invitee
26.	Shri. ManeeshKhar Director	DGCO, GSI, maneeshkhar1@gmail.com 9462036108	Invitee
27.	Smt. Rupa Kundu, Sr. Geologist	DGCO, New Delhi	Invitee
28.	Shri. Y.S. Bhamboo, Sr. Geologist	DGCO, GSI 9672666707	Invitee
29.	Dr. Sanjay Wahi, Director	GSI, Faridabad	Invitee
30	Shri. MriganKaGhatak Suptdg. Geologist	GSI, DGCO	Invitee
31.	Shri. S.K.Gogia Sr. Geologist	DGCO, GSI	Invitee