**Ministry of Mines**
**National Mineral Exploration Trust (NMET)**

**Minutes of the 2nd meeting of the Governing Body of National Mineral Exploration Trust held on 27th March, 2018.**

The 2nd meeting of the Governing Body (GB) of National Mineral Exploration Trust (NMET) was held under the Chairmanship of Shri Narendra Singh Tomar, Hon'ble Minister of Rural Development, Panchayati Raj & Mines on 27th March 2018 in Unnati Hall, Ministry of Rural Development, Krishi Bhawan, New Delhi.

At the outset, Secretary, Mines & Convener, GB NMET welcomed the dignitaries and other delegates in the meeting. Agenda-wise discussions followed.

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

**2.1 Confirmation of the minutes of 1st Governing Body meeting**

GB confirmed the minutes of the 1st GB meeting held on 20th November, 2015.

**2.2 Action Taken Report (ATR) on the decisions of 1st Governing Body meeting**

Joint Secretary, Mines gave a brief overview of the constitution of the GB. He informed that the NMET was established vide notification G.S.R. 633(E) dated 14th August, 2015.

Joint Secretary, Mines informed that Executive Committee, NMET had constituted a Technical Committee for evaluation of the project proposals submitted to NMET. In view of the increasing scope of work, the TC was expanded to include scrutiny and finalization of cost estimates of project proposals and it was reconstituted as Technical-cum-Cost Committee (TCC).

Joint Secretary, Mines presented the Action Taken Report on the decisions of 1st GB meeting.

**2.2.1 Inclusion of CMPDIL in meetings of NMET**

As per the decision of 1st GB, CMPDIL being the nodal exploration agency of Ministry of Coal has been included as a special invitee in GB and EC of NMET. A representative of CMPDIL has also been included in the Technical-cum-Cost Committee of NMET.

**2.2.2 Multisensor Aerogeophysical survey of GSI**

1st GB had given a directive for GSI to carry out multisensor aerogeophysical survey in the Obvious Geological Potential (OGP) areas of the country by dividing the area in 3-4 zones. GSI has divided the 8.13 lakh sq km area covering OGP and adjoining areas into 12 blocks, 4 blocks to be taken up each year over a period of three years. As per the advice of the 1st GB, a Technical Committee comprising representatives from GSI, AMDER, NGRI, NRSC, MOPNG, MoWR, MoS and DGH was constituted for deciding the technical parameters of the program.

The Standing Finance Committee (SFC) had approved the 1st phase of the program for

covering 2.06 lakh sq km and involving a consultant for Technical Supervision and Quality Control (TS-QC) at an estimated cost of 111.34 Crore.

On the query of Hon'ble Minster,PNG about the mineral bearing areas of the country, it was informed that mineral bearing area of the country is nearly 1/5th of the total area of the country. Hon'ble Minster, PNG proposed that there should be an apex body at national level for collation of geo-scientific data generated by various government and private agencies so that they can be put to best use for mineral resource exploration, assessment and regulation.

On the purpose of establishment of NMET, Hon'ble Minister of Mines stated that NMET was constituted to boost the mineral exploration activities in the country. The responsibility of Central Government has been increased with the introduction of auction system after the enactment of MMDR (Amendment) Act, 2015 as the States were having limited capacity for carrying out exploration on the desired pace.

### 2.2.3 MECL to take up mineral exploration projects for identified mineral blocks

As per the decision of GB to take up mineral exploration projects for identified mineral blocks, 60 exploration projects for MECL has been approved by the EC at an estimated cost of Rs. 146.42 Crore. Out of these, 4 blocks with an estimated cost of Rs. 8.70 Crore were cancelled due to local problems. At present, MECL is executing 56 projects at an estimated cost of Rs. 137.72 Crore.

### 2.2.4 Tripartite agreement among Ministry of Mines, MECL and the concerned State Government

As per the directives of EC, MECL has signed tripartite agreement with 12 States and is in communication with 15 other States for signing the agreement.

Hon'ble Minister, PNG enquired about the role of GSI, MECL and CMPDIL. It was explained that while the focus of GSI is more on regional exploration, MECL and CMPDIL carry out detailed exploration. It was further explained to him that nearly 80% of exploration for coal in the country is carried out by MECL and CMPDIL. IBM approves the mining plan for non-coal minerals whereas the mining plan for coal is approved by CMPDIL.

### 2.2.5 Revolving fund for exploration of approved mineral blocks

1st GB deliberated upon the possibility of providing a revolving fund to MECL for exploration of approved mineral blocks. The matter was also discussed in the EC meeting and it was agreed upon that in view of increasing number of exploration projects and uncertainty in timely reimbursement of exploration costs by the States upon auction of mineral blocks as envisaged, granting a revolving fund to MECL may not be required. As the flow of fund to NMET from the States is continuous, it is considered that direct funding of projects by NMET would be a better proposition.

### 2.2.6 Capacity building and skill development of State DGMs

1st GB had accorded in-principle approval for capacity building and skill development of

State DGMs through NMET. In view of its expertise in mineral exploration, GSI was directed by EC to develop specialized modules for training and capacity building of States. GSI Training Institute has developed 115 training programs for Field Season 2018-19. Out of which, 92 programs are suited for participation of States and 32 out of these 92 programs are related to mineral exploration. The training calendar of GSI will be circulated to the States.In case the States need some more specific training to be conducted by GSI, they may communicate their requirements to GSI. GSI will develop such customized training programs for the States.

Hon'ble Minister, PNG observed that presently, there is high end technological options available in mining sector and the need of the hour is to look for end-to-end capacity building. Therefore, the training programmes have to devise for executive level officers as well as for skilled workers engaged at different level of mining operations. He opined that proper assessment of the requirements of capacity building in mining sector is necessary to ensure optimum utilization of allocated funds for this purpose.

Expressing his consensus with these views, Hon'ble Minister, Mines directed that a committee may be constituted for in-depth mapping and assessment of the capacity building requirements of mining sector to achieve the desired results.

**(Action: Ministry of Mines)**

**2.3 Modification of NMET Rules and finalization of accounting procedure**

**2.3.1** As per the provisions of NMET Rules, 2015, a current account for NMET was opened in SBI Main Branch, New Delhi and the details were circulated to the States for transferring the NMET contribution from 12th January, 2015, the date of effect of MMDR (Amendment) Act, 2015.

Regarding the operationalization of NMET funds, it was agreed in consultation with the Ministry of Finance that NMET fund would be constituted as Public Account of India. The receipts of NMET fund would first flow to CFI and then transferred to NMET fund with due parliamentary approval. Accordingly, draft accounting procedure of NMET was prepared. The NMET (Amendment) Rules, 2018 were notified on 7th March, 2018 as O/o C&AG sought prior modification of NMET Rules, 2015. Subsequently, the accounting procedure has been approved by C&AG. On 22nd February 2018, Rs. 1091.13 Crore and on 26th March, 2018 Rs. 88.96 Crore has been transferred to the account of PAO, Mines. The States will be issued directives to adopt the accounting procedure of NMET and the NMET bank account will be closed as soon as possible.

**2.3.2** After opening the NMET bank account, the States had started remitting NMET receipts into the account. The transfer of funds is in three modes: some States have opened separate bank accounts for collection of NMET contribution and are transferring the collected amount to NMET account; some States are collected the amount in the State treasury and transferring to central NMET account and in some States, the miners are making direct payments into central NMET account. As the numbers of transactions are large and the reconciliation of NMET accounts vis-à-vis lease wise data had not been happening, an exercise of reconciliation of NMET account has been undertaken. The reconciliation being

carried out is initially for financial years 2015-16 & 2016-17 and will be taken up for financial year 2017-18 subsequently. GB directed that this should be completed in a definite time frame and brought to its notice.

**2.3.3** After the completion of reconciliation exercise, the accounts for FY 2015-16, 2016-17 and 2017-18 will be audited by C&AG empanelled CA. C&AG shall of course be free to audit as well.

**2.4 Activities, Annual Plan and Annual Budget for 2017-18**

The Annual Report of NMET for the years 2015-16 and 2016-17 were approved in the Executive Committee meeting held on 11th January, 2018. The Annual Reports were presented before the GB.

Till date, EC of NMET has approved 89 exploration projects for funding from NMET at estimated cost of Rs. 398.18 Crore. Out of these, 4 projects with an estimated cost of Rs. 8.70 Crore have been cancelled due to local problems in the blocks. Presently, 85 NMET approved projects with an estimated cost of Rs. 389.48 Crore are being executed by the implementing agencies. The agency-wise status of the projects is as under:

| Sl. No. | Implementing Agency | No. of Projects | Estimated Cost (Rs. in crore) |
|---|---|---|---|
| 1 | MECL | 60 | 146.42 |
| 2 | NMDC | 5 | 7.40 |
| 3 | CMPDIL | 2 | 39.21 |
| 4 | NLC | 2 | 74.80 |
| 5 | KIOCL | 2 | 7.26 |
| 6 | GSI | 5 | 98.33 |
| 7 | DGM Nagaland | 2 | 0.91 |
| 8 | Telangana Mineral Development Corporation (TSMDC) | 3 | 3.20 |
| 9 | DGM Andhra Pradesh (executed by MERIT) | 7 | 19.66 |
| 10 | NTPC | 1 | 0.99 |
| | **Total** | **89** | **398.18** |

The 1st phase of multisensor aero-geophysical surveys over OGP areas was approved under NMET with an estimated cost of Rs. 108.33 Crore. An arrangement with due approval was made to pay Rs. 9.97 Crore from the Mineral Exploration Fund (MEF) as the accounting procedure of NMET was not finalized. The remaining Rs. 98.33 Core will be funded by NMET.

**2.5 Annual Plan and Annual Budget of 2018-19**

An amount of Rs. 100 Crore has been approved in the Supplementary Grant for FY 2017-18 for payment of NMET funded exploration projects.

For FY 2018-19, a Budget Estimate of Rs. 400 Crore has been approved for expenditure on approved projects.

The GB approved the Annual Plan and Annual Budget for the financial year 2017-18 and 2018-19.

**2.6 Establishment of NMET office**

After notification of NMET Rules 2015, NMET Secretariat started functioning from GSI, New Delhi office with officers drawn from GSI. With increasing quantum and nature of the activities of NMET, an autonomous body needs to be created with proper technical, administrative and financial wings. It is envisaged that the body may include professionals from universities, private sector and other institutions like GSI on deputation basis to impart desired organizational structure to this body. Meanwhile, the Secretariat/Cell will function from Ministry of Mines as per present arrangement, whose strength shall stand reduced as and when the new structure is put in place.

Hon'ble Minister, Petroleum &Natural Gas enquired whether GSI can be given this responsibility. Secretary, Mines stated that GSI executes its programs from budgetary grants and therefore, has little scope of flexibility to fulfill the objectives of NMET. Hon'ble Minister, PNG further enquired about the annual mineral production in the country. It was informed that the annual production of major minerals in the country is 497 million metric tonnes out of which 192 million metric tonnes accounts for iron and limestone is the other major mineral. Hon'ble Minister advised that the global standards for expenditure for production of similar amount of minerals needs to be considered. He further stated that in the Ministry of PNG, gathering of data is considered as a separate venture and the policy to assimilate, preserve and regulate the data has also been framed along with standardization of data accessibility norms. The data so collected can be further developed by other agencies and the data becomes Government property after a stipulated period. Secretary, Mines stated that unlike in some other countries, mineral sector data is not charged for as in other countries it is a first come first serve basis while here it is auction with requisite data.

**2.7 Nomination of one representative of four State Governments for EC**

NMET notification, 2015 stipulates that one representative from any four State Governments, as decided by the Central Government, not below the rank of Secretary to the State Government or equivalent, on rotation basis, for a term not exceeding two years at a time, with eligibility for re-nomination shall be Member (*ex-officio*) in the Executive Committee.

The tenure of the presently nominated Members from States Odisha, Rajasthan, Chhattisgarh and Karnataka has been completed. It was proposed that the representatives of Andhra Pradesh, Chhattisgarh, Madhya Pradesh and Jharkhand may be inducted in the EC as Members (*ex-officio*). Other major mineral States may be called as invitees.

GB accorded approval for the above proposal.

**2.8 Nomination of one Minister from six State Governments for GB**

NMET notification, 2015 stipulates that six ministers of State Governments, holding charge of Mines and Geology to be nominated by the Chairperson of the Governing Body of the NMET, on rotation basis, for a term not exceeding two years at a time with eligibility for re-nomination shall be Member (*ex-officio*) in the Governing Body.

As the tenure of the presently nominated Ministers In-charge of Mines & Geology from States of Gujarat, Madhya Pradesh, Jharkhand, Meghalaya, Maharashtra and Telangana has been completed, it was proposed that the Ministers In-charge of Mines & Geology of Rajasthan, Karnataka, Assam, Madhya Pradesh, Maharashtra and Tamil Nadu States may be nominated as Members (*ex-officio*) in the GB.

GB accorded approval for the above proposal.

**2.9 Concluding Remarks**

Hon'ble Minister, PNG stressed on the need to adopt a dynamic policy based on the global best practices of exploration for mineral resources. He expressed his view that availability of high end, technology based exploration techniques will generate interest among the State DGMs and exposure to such techniques will enhance the capacities of the States to take up mineral exploration independently.

Stressing on the need for objective introspection and developing a broader vision, Hon'ble Minister, Mines stated that the NMET funds, presently, are being allocated to agencies like GSI, MECL and the States. He advised that a plan may be developed to encourage private sector participation to speed up the exploration activities through NMET. He stated that with proper vision and plan in place, allocation of additional budgetary needs can be granted by the Government. He directed that in the next meeting of GB, focused discussion on these issues may be taken up.

Secretary, Mines informed that GSI and MECL have the capacity to carry out 3-D modelling of mineral deposits based on latest global techniques and GSI has launched Project UNCOVER to target the deep-seated and concealed mineral deposits in collaboration with Geo-Science Australia, the Australian counterpart to GSI. He also mentioned that the multisensor aerogeophysical survey taken up by GSI is based on the latest state-of-the-art techniques and is one of the most cost effective methods of mineral exploration practiced globally. He assured the house that the observations made by the Chairman and Members in the meeting will be addressed in right spirit and necessary actions will be taken up.

The meeting ended with Vote of Thanks to the Chair.

**Annexure-I**

## List of participants

| Sl. No. | Name & Designation | Organization/Contact No. /email |
|---|---|---|
| 1. | Shri Narendra Singh Tomar | Hon'ble Minister of Rural Development, Panchayati Raj and Mines & Chairman |
| 2. | Shri. Dharmendra Pradhan | Hon'ble Minister of Petroleum & Natural Gas, Skill Development and Entrepreneuship & Member (*ex officio)* |
| 3 | Shri Haribhai Parthibhai Chaudhary | Hon'ble Minister of State (Mines) & Member (*ex officio*) |
| 4 | Shri Arun Kumar<br>Secretary | Ministry of Mines<br>Convener (*ex officio)*<br>secy-mines@nic.in |
| 5 | Shri Anil Gopishankar Mukim<br>OSD | Ministry of Mines |
| 6 | Dr. K. Rajeswara Rao<br>Additional Secretary | Ministry of Mines<br>as_mines@nic.in |
| 7 | Shri Niranjan K. Singh<br>Joint Secretary | Ministry of Mines<br>jse-mines@nic.in |
| 8 | Smt. Reena Sinha Puri<br>JS&FA | Ministry of Mines<br>jsfa.moc@nic.in |
| 9 | Shri N.Kutumba Rao<br>Director General | GSI<br>dg.gsi@gov.in |
| 10 | Dr. J. Bagchi<br>Director (Tech.) | Ministry of Mines<br>dirtech.mom@nic.in<br>9868918087 |
| 11 | Smt. Kumari Anjali<br>Director (Geology) | DMG, Govt. of Jharkhand<br>dirgeojh@gmail.com<br>9431592682 |
| 12 | Dr. P.K.Jain<br>Chief Mineral Economist | IBM, Nagpur<br>cme@ibm.gov.in<br>94059044100 |
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| 14 | Shri B.P. Raturi<br>HOD (Exploration) | MECL<br>bpraturi100@yahoo.co.in<br>9422806417 |
| 15 | Shri. Yogesh Sharma<br>GM(BD&P/E) | MECL<br>yogesh21@hotmail.com<br>9810163792 |

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| 16 | Shri B.N. Shukla<br>D(T) CRD | CMPDIL<br>dtcrd.cmpdi@coalindia.in |
| 17 | ShriAlok Sharma<br>GM (Exploration) | CMPDI<br>aloksharma360@gmail.com<br>8987789065 |
| 18 | Shri. Adarsh Dwivedi<br>Social Media Officer | Minister of Petroleum & Natural Gas |
| 19 | Shri Pradeep Singh<br>Director | NMET<br>nmet-mines@gov.in<br>9810233957 |
| 20 | Shri Maneesh Khar<br>Director | NMET<br>nmet-mines@gov.in<br>9462036108 |
| 21 | Shri Mriganka Ghatak<br>Director | NMET<br>nmet-mines@gov.in<br>9650267682 |
| 22 | Shri Y.S. Bhamboo<br>Senior Geologist | NMET<br>nmet-mines@gov.in<br>9672666707 |
| 23 | Smt. Rupa Kundu<br>Senior Geologist | NMET<br>nmet-mines@gov.in<br>8901518944 |
| 24 | Shri Rajendra. Prasad<br>Asst. Director | NMET<br>nmet-mines@gov.in<br>8368185922 |
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