

Government of India

**Ministry of Mines
NATIONAL MINERAL EXPLORATION TRUST (NMET)**

Sub: Minutes of the 4th meeting of the Executive Committee of National Mineral Exploration Trust (NMET) held on 21st February 2017.

The 4th meeting of the Executive Committee of National Mineral Exploration Trust (NMET) was held under the Chairmanship of Shri Balvinder Kumar, Secretary, Mines, on 21st February 2017, in the Aluminium Hall, Ministry of Mines, Shastri Bhawan, New Delhi.

Dr. Niranjana K. Singh, Joint Secretary, Mines and Member Secretary, NMET welcomed the delegates and invitees and discussions on the agenda items followed.

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

4.0 Confirmation of minutes

The minutes of the 3rd meeting of Executive Committee held on 25.02.2016 was confirmed.

4.1 Action Taken Report on the minutes of the 3rd meeting of the Executive Committee.

The member Secretary presented the Action Taken Report.

4.1.1 Collection of NMET contributions by States

NMET Central account received a total Rs.591.00 crores as contributions from coal and non-coal minerals, as on 17.2.2017. Since there is a difference in the figure between NMET account and NMET statements received from States, Chairman directed the States to upload reconciled monthly statements on NMET website from 12.01.2015, on a priority basis.

(Action: all State DGMS)

4.1.2 Evaluation of exploration proposals from Ministry of Coal by Technical Committee.

The Technical Committee after evaluation recommended the following two proposals each from CMPDIL and NLC respectively to the Executive Committee:

CMPDIL

- (a) G3/G2 level exploration for coal in Nonbirra Block, Mand-Raigarh Coalfield, Chhattisgarh (estimated cost: Rs.22.20 crores).
- (b) G3/G2 level exploration for coal in Recherla Block, Godavari Valley Coal Fields, A.P (estimated cost: Rs.13.17 crores).

NLC

- (a) G2 level exploration for lignite at Veeranam
- (b) G2 level exploration for lignite at Palayamkottai
at a cumulative cost of Rs.78.93 crores.

4.1.3 Constitution of sub-committees under the Technical Committee to monitor exploration projects.

Regional-level sub-committees under the RMH-II, have been constituted in all six Regions of GSI with members from GSI, DGM and domain experts for periodical technical monitoring of on-going NMET projects and for screening and evaluating new project proposals received from states and other agencies. After appraisal, this committee will forward its findings/recommendations to the Technical Committee for final evaluation and recommendation to the Executive Committee.

4.1.4 Creation of a revolving fund for MECL to implement mineral exploration projects

There are three options of funding mineral exploration projects executed through MECL.

- i) Providing a revolving fund to MECL for executing projects, which will be reimbursed by the States, upon auction of the respective mineral blocks.
- ii) A revolving fund to MECL to be maintained with funds from NMET.
- iii) Direct funding of projects from NMET funds without establishing a revolving fund.

For disbursement of money from NMET, an approved accounting procedure has to be put in place. In this regard, JS&FA, Mines

informed that the accounting procedures for NMET will be finalised in a month's time.

4.1.5 Signing of Tripartite Agreement with State Governments

1. Tripartite Agreements have been signed with 9 States- (1) Andhra Pradesh, (2) Chhattisgarh, (3) Karnataka, (4) Jharkhand, (5) Madhya Pradesh, (6) Maharashtra, (7) Odisha, (8) Rajasthan and (9) Telangana.

MECL informed that agreements will be signed with (1) Kerala, (2) Tamilnadu, (3) Gujarat and (4) shortly.

4.1.6 IBM to submit detailed proposal on requirement of funds, modalities of payment and procedure of auditing for star rating of mines.

CG, IBM IBM informed that the modalities of payment in a phased manner are being worked out and the procedure for auditing for Star Rating is under preparation. The funds required for third party auditing for 4 or 5 Star rating, by 10 teams, for 300 mines in a year would be Rs.2.11 crores.

On the proposal to modernize mineral beneficiation facilities, IBM requested to include the names of Shri C.S. Gundewar (Ex CG, IBM) and Dr. J.C Das (Dy.DG Rtd, GSI) in the evaluation committee. IBM was advised to send a proposal for including the new experts.

IBM was also directed to submit a procedure on transferring funds from NMET to IBM and operation of accounts for utilization of funds.

(Action: IBM)

4.1.7 Hand Holding support to State Governments for auction of mineral blocks

Executive Committee accorded in principle approval to meet the expenses raised by M/s. MSTC, MECON and SBI CAPS, for the hand holding support offered to State Governments, in delineation of mineral blocks for auction and other services to facilitate auction, from NMET Funds.

4.2 Status of NMET Fund and reporting by States

As on 17.2.2017, NMET Account with SBI has received Rs.591.00 crores as NMET contribution from various States.

To resolve the issue of non reconciliation of NMET payments received from States with NMET Account, Ministry of Mines has been repeatedly requesting States to follow the prescribed norm of collecting NMET contributions at State level and transferring the cumulative amount once in a month to Central NMET Account. The states are directed to collect NMET contributions in a central account in the state and transfer the cumulative amount

In this regard, JS& FA, Mines suggested that a SOP may be developed for monitoring of NMET payments from the States where in dues and receipts are known.

In view of increasing work of NMET, Chairman directed that NMET Secretariat be strengthened with more man power and a separate office established.

(Action: NMET Secretariat)

4.3 Status of on-going mineral exploration projects

Based on the recommendations of the Technical Committee, the Executive Committee approved 11 (eleven) G4 level exploration projects on 9.5.2016 and 9 (nine) G4 level and 1 (one) G3 up-gradation on 25.10.2016. As on date, a total four G4 level exploration projects have been completed and based on positive results, recommended for G3 level of exploration. One G3 level of exploration for limestone is in progress.

Chairman, Technical Committee Dr. Golani and CMD, MECL Dr. Dawan informed that all the ongoing exploration projects keep the time lines and based on results, they are being seamlessly upgraded from G4 to G3 level.

4.4 New proposals on mineral exploration recommended by the Technical Committee of NMET for funding

Member Secretary presented the list of 39 (thirty nine) new proposals recommended by the Technical Committee after evaluation. Majority of these proposals are on non-bulk minerals like base metals, gold, PGE, silver, diamond, etc. It included 25 (twenty five) G4 and 3 (three) G3 level level exploration projects by MECL, 5 (five) G4 level exploration projects by NMDC, 2 (two) G4 level exploration by KIOCL, 2 (two) G3/G2 level exploration for coal by CMPDIL and 2 (two) G2 level exploration for lignite by NLC. The coal and lignite projects will be executed by MECL. The total estimated cost of 39 projects is Rs.203.14 crores.

The Chairman, Technical Committee stressed upon the need to take up exploration projects on REE/ PGE critical minerals/potash etc. as prescribed in the NMEP 2016.

After reviewing the new proposals, the Chairman directed MECL to concentrate more on exploration for critical minerals/PGE/REE, etc. and leave exploration of bulk commodities like limestone to State Governments. On outsourcing of exploration activities by NEA, Chairman said that the costing of various activities shall be based on the approved Schedule of charges adopted by MECL.

(Action: MECL, State DGMs)

Thereafter, the Executive Committee approved 39 mineral exploration project proposals at an estimated cost of Rs.203.14 crores. The list of approved projects and implementing agencies is at **Annexure-2**.

4.5 Capacity building of State DGMs in mineral exploration

Chhattisgarh, Kerala and Maharashtra submitted proposals on capacity building through the Regional Committees constituted to assess and recommend the capacity building needs of State DGMs. Andhra Pradesh submitted a proposal on capacity building of MERIT (Mineral Exploration Research and Innovation Trust), established to provide thrust to exploration research and innovation activities in mining sector.

To evaluate the proposals received from the States and recommend to NMET for financial support, a High Level Committee with the following composition has been constituted:

- i) Member Secretary, Executive Committee
- ii) DG, GSI
- iii) CG, IBM
- iv) Chairman, Technical Committee of NMET
- v) 2 other experts

(Action: Member Secretary, EC)

The Executive Committee accorded in principle approval for the payment of an amount of Rs.9,31,500/- as course fee to MECL, for training drilling personnel of DGM Maharashtra, in Advanced Drilling Techniques.

4.6 Honorarium for peer review of exploration reports

The Executive Committee also approved payment of Rs.4000/- as honorarium, for peer review of final reports on mineral exploration generated by NMET.

The meeting concluded with vote of thanks to the Chair.

Annexure-1

**List of Participants
4th Executive Committee Meeting of NMET
21st February, 2017**

S. No.	Name & Designation	Organization	Contact No./ email
1.	Shri Balvinder Kumar Secretary & Chairman	Ministry of Mines	secy-mines@nic.in
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