# Suggestions by Mining Engineers' Association of India for National Mineral Policy, 2018

| Provision in Draft NMP 2018 | Suggestion | Justification |
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| 1. Vision<br><br>Minerals are a valuable natural resource being the vital raw material for the core sectors of the economy . Exploration, exploitation and management of minerals have to be guided by national goals and perspectives to be integrated into the overall strategy of the country's economic development and the Make in India initiative. Minerals, are nature's endowment which we need to leverage in a fair and transparent manner to sub-serve the common good. Mining needs to be carried out in an environmentally sustainable manner keeping stakeholders' interest in mind. It shall also be ensured that the regulatory environment is conducive to ease of doing business with simpler, time-bound procedures for obtaining clearances. Since mining contributes significantly to state revenues by way of auctions there is a need for an efficient regulatory mechanism with enabling e-governance system to prevent illegal mining. | 1. Vision<br><br>Minerals are a valuable natural resource being the vital raw material for the core sectors of the economy, and any explored area containing mineral must be protected from other use by earmarking it as "Mineral Land" to ensure extraction of its mineral content . Exploration, ~~exploitation~~ extraction and management of minerals ~~have to~~ must be guided by national goals and perspectives ~~to be integrated into~~ that embody the overall strategy of the country's economic development and the Make in India initiative. ~~-~~Minerals~~,~~ are nature's endowment which we need to leverage in a fair and transparent manner to sub-serve the common good. ~~-~~Mining needs to be carried out in an environmentally sustainable manner keeping stakeholders' interest in mind. It shall also be ensured that the regulatory environment is conducive to ease of doing business with simpler, time-bound and transparent procedures for obtaining clearances. ~~-~~Since mining contributes significantly to state revenues and employment, ~~by way of auctions~~ there is a need for an efficient regulatory mechanism with enabling e-governance system to prevent illegal mining. | Protection is essential to ensure that mineralized areas are not used for other developmental purpose in view of scarcity of minerals identified for exploitation. Mineral bearing areas that are not covered by forest or environmentally fragile zones, should be designated as Mineral Lands.<br><br>Transparency and Govt. revenue has been the deciding factor in making provisions for regulation of mining activity. Both are necessary, however, *the superseding factors should be economically and environmentally viable progress in mining activities to ensure extraction of requisite quantities of available mineral resources* for contribution to national security and prosperity.<br><br>"by way of auctions" limits the procedure employed for grant of mineral concessions, hence, it is removed to allow freedom to use other procedures without needing to change the policy. |
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| 2.2 In order to make the regulatory environment conducive to ease of doing business, the procedures for grant of mineral concessions shall be transparent with an assured security of tenure along with transferability of concessions playing a key role in mineral sector development. | In order to make the regulatory environment conducive to ease of doing business, the procedures for grant of mineral concessions shall be transparent with an assured security of tenure and include transferable exclusive rights to the explorer for extraction of underlying minerals along with seamless transition from RP to PL and to ML ~~along with transferability of concessions playing a key role in mineral sector development~~.<br><br>To attract professional companies with state of art technology from all over the world and to achieve the objectives of "ease of doing business", the companies will be allowed entry and exit seamlessly into/from the entire mineral value chain at different stages of reconnaissance, exploration and up to the stage of mining and processing. | In order to attract professional investors from all across the globe, the overall policy of allocation, even through auction route, ought to allow easy entry & exit into/from the entire mineral value chain at different stages of reconnaissance, exploration & up to its ultimate stage of mining & processing.<br><br>Any interested investor should be allowed to move into any stage of exploration, add value to it & thereafter may choose to continue mining or exit by trading on the additional geotechnical information generated by way of his exploration efforts.<br><br>Even like in OALP, a bidder intending to explore may apply to the Government seeking exploration of any new block which was not already covered by exploration. Instead of forcing the explorers to bid for blocks chosen by the government, placing greater discretion in the hands of explorers and operators will surely lead to faster exploration & its subsequent mining.<br><br>Exploration activity could be further strengthened by following |

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| | | International best practices like in Canada and Australia, where junior companies take the risk at exploration stage with risk capital raised through venture capital and then transfer the licenses to bigger companies at a profit. This system has brought very good results and would help in implementing latest technology in the exploration of deep-seated deposits. If a deposit has been fully explored by the government agencies, the same may be auctioned for ML. But if a deposit is fully explored by private agencies, the system of granting seamless transition to the private party from RP to PL and to ML should be followed. |
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| **2.3** To ensure enforcement of mining plans, the Indian Bureau of Mines (IBM) and the State Directorates of Mining & Geology will be strengthened with adequate man power equipment and skill sets upgraded to state-of-the-art levels. | **2.3** To ensure ~~enforcement of mining plans~~proper regulation of mining plans and schemes, the Indian Bureau of Mines (IBM) and the State Directorates of Mining & Geology will be strengthened with adequate man power equipment and skill sets upgraded to state-of-the-art levels. | |
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| **3. ROLE OF STATE MINERAL DEVELOPMENT**<br>The core functions of state in mining will be facilitation and regulation of exploration and mining activities by investors and entrepreneurs, making provision for development of infrastructure and tax collection. There shall be transparency and fair play while reserving areas for state agencies unless security considerations or specific public interests are involved. Grant of clearances for commencement of mining operations shall be streamlined with simpler and time bound procedures facilitated through an on-line public portal with provision for generating triggers at higher level in the event of delay. | **3. ROLE OF STATE MINERAL DEVELOPMENT**<br>The core functions of state in mining will be facilitation and ~~regulation of exploration and mining activities by~~equitable regulation for investors and entrepreneurs, making provision for development of infrastructure and tax collection. There shall be transparency and fair play while reserving areas for state agencies unless security considerations or specific public interests are involved. Grant of clearances for commencement of mining operations shall be streamlined with simpler and time bound procedures facilitated through an on-line public portal with provision for generating triggers at higher level in the event of delay. | |
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| 4.2 While the Government agencies will continue to perform the tasks assigned to them for survey and exploration, the private sector would be encouraged to take up exploration activities. Government agencies will expend public funds particularly in areas where private sector investments are not forthcoming due to reasons such as high uncertainties. | 4.2 While the Government agencies will continue to perform ~~the tasks assigned to them for~~ survey and exploration wherever necessary, the private sector would be encouraged to take up bulk of the exploration activities. ~~Government agencies will expend public funds particularly in areas where private sector investments are not forthcoming due to reasons such as high uncertainties.~~ Upon finds of minerals for which mining is only allowed to public sector companies, the private exploration company shall be suitably compensated so as to feel rewarded for their work. | |
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| 4.4 Exploration shall be incentivised to attract private investments as well as the state-of the –art technology, through an adequate financial package or through right of first refusal at the time of auction<br>or any other appropriate incentive as per international practice. | Exploration shall be incentivised to attract private investments as well as ~~the~~ state-~~of~~ of-the –art technology~~,~~ through an adequate financial package or ~~through right of first refusal at the time of auction or~~ any other appropriate incentive as per international practice. | Under the existing legislative framework, it is not possible to attract private investment. The experience gained till now amply demonstrates this. |

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| 4.5 Clearances shall be streamlined with simpler, accountable and time bound procedures to facilitate exploration in order to conform to the statutory requirements especially for geologically complex deposits. | 4.5 Clearances shall be streamlined with simpler, accountable and time bound procedures to facilitate exploration in order to conform to the statutory requirements ~~especially for geologically complex deposits~~. The rules and regulations along with laws shall be amended to ensure that exploration and mining activities are least delayed by compliance activities. Towards that objective, a designated "Mineral Land" may be provided with "Environment Pre-clearance" that requires pre-declared conditions to comply with. | |
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| 5.1 National inventory of mineral resources will be based on a comprehensive and up to date review of exploration data which will be maintained in digitised form comprising both a resource inventory and a tenement registry. The resource inventory will be in accordance with a globally accepted public reporting standard for ensuring reliability of reporting and acceptability to financial institutions and stock exchanges showing reserves and remaining resources as well in the traditional IBM form of resources and probable and proven reserves. The registry shall be a web-based system for public viewing integrated with GIS, such that information could be shown spatially in the form of map based service. | 5.1 National inventory of mineral resources will be based on a comprehensive and up to date ~~review of~~ exploration data which will be maintained in digitised form comprising both a resource inventory and a tenement registry. The resource inventory will be maintained in accordance with a globally accepted public reporting standard for ensuring reliability of reporting and acceptability to financial institutions and stock exchanges showing current levels of reserves and ~~remaining~~ resources ~~as well in the traditional IBM form of resources and probable and proven reserves~~. The registry shall be a web-based system for public viewing integrated with GIS that includes up to date Land Status details, such that information could be shown spatially in the form of map based service. | The National Mineral Inventory should be updated most frequently by incorporating the Exploration targets and Exploration results generated by the exploration agencies and lessees at the earliest.<br><br>Land status details should be continuously up dated, instantly as far as possible, so that interested party is clear about the status of land while selecting an area for prospecting and mounts exploration program, since this has been experienced as one of the major hindrances in undertaking exploration. |
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| 5.3 Baseline and mineral exploration information generated by various central and state government agencies and also mineral concession holders will be collated and maintained for open dissemination of scientific data as a public good. Collaboration between national and international scientific and research bodies, universities and industry will be encouraged for scientific and technological research to address the mineral exploration challenges in the country. | 5.3 Baseline and mineral exploration ~~information~~ data generated by various ~~central and state~~ government agencies ~~and also~~as well as mineral concession holders will be collated and maintained for open dissemination of scientific data as a public good. Collaboration between national and international scientific and research bodies, universities, professional bodies and industry will be encouraged ~~for scientific and technological research~~ to address the mineral exploration challenges in the country. | |
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| 6.1 General Strategy<br><br>Minerals … materials.<br><br>A thrust … well-being.<br><br>Though … benefits.<br><br>Considering that large number of merchant mining leases are going to expire in the year 2020, and for captive mines in 2030, efforts shall be made to ensure uninterrupted supply of minerals/ore to the downstream industry. | 6.1 General Strategy<br><br>Minerals … materials.<br><br>A thrust … well-being.<br><br>Though … benefits.<br><br>~~Considering that large number of merchant mining leases are going to expire in the year 2020, and for captive mines in 2030, efforts shall be made~~ The government shall strive to ensure uninterrupted supply of minerals/ore to the downstream industry | The Act should be guided by the policy and not the other way around. |

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| | by enacting / amending all necessary laws, rules and regulations. | |
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| 6.2 Conservation of minerals shall be construed not in the restrictive sense of abstinence from consumption or preservation for use in the distant future but as a positive concept leading to augmentation of reserve/resource base. There shall be an adequate and effective legal and institutional framework mandating zero-waste mining as the ultimate goal and a commitment to prevent sub-optimal and unscientific mining. Value addition and general customisation of product will be encouraged by providing fiscal and/ or non-fiscal incentives. | 6.2 Conservation of minerals shall be construed not in the restrictive sense of abstinence from consumption or preservation for use in the distant future but as a positive concept leading to augmentation of reserve/resource base. There shall be an adequate and effective legal and institutional framework ~~mandating~~ promoting zero-waste mining as the ultimate goal and a commitment to prevent sub-optimal and unscientific mining. Value addition and general customisation of product will be encouraged by providing fiscal and/ or non-fiscal incentives. | Mandating zero-waste mining through legal and institutional framework without appropriate support eco-system will only lead to unscientific, selective and rat-hole mining. |
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| 6.3 Mine development and mineral conservation as governed by the rules and regulations will be on sound scientific basis …. | 6.3 Mine development and mineral conservation as governed by the rules and regulations will be on ~~sound~~ scientific basis …. | |
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| 6.7 Mining is an … status of industry. | 6.7 Mining is an … status of industry. Prospecting being a high risk venture, access to "risk funds" from capital markets and venture funds will be facilitated for exploration and mining companies. | |
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| 6.8 ……. Where small deposits are not susceptible to viable mining, a cluster approach will be adopted by granting the deposits together as a single lease within a geographically defined boundary. | **…….** Where small deposits are not susceptible to viable mining, a cluster approach will be adopted by granting the deposits together as a single lease within a geographically defined boundary, keeping in view the land requirement for its ancillary operations like mineral processing and waste dumping etc. over the life cycle of mine. ~~.~~ | For achieving economy of scale and optimal conservation of minerals the Mining Leases, irrespective of major or minor minerals, should be allocated as large as possible keeping in mind its ancillary requirements viz waste dumping, processing etc. over the entire life cycle of mining. Further where existing small MLs (either major/minor mineral) cannot be amalgamated to a bigger lease the mining should be allowed on the concept of clusters with the environmental load decided on regional basis. The entire operation could be made more scientific on the basis of such principles. |
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| 6.10 Protection of Environment<br><br>Extraction of … ecology.<br><br>Prevention … in all decisions on mines and minerals issues. The guiding principle shall be that a miner shall leave the mining area in an ecological shape which is as good as it was before the | 6.10 Protection of Environment<br><br>Extraction of … ecology.<br><br>Prevention … in all decisions on mines and minerals issues. The guiding principle shall be that a miner shall leave the mining area in an ecological shape which conforms best with the | |

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| commencement of mining or better.<br><br>Mining operations … mining.<br><br>With a view … incentive. | national objectives as well as the well being of local populace, for which an approved plan must be executed up to one year after the end of mining, all the while allowing for maximum extraction of reserves~~is as good as it was before the commencement of mining or better~~. No environment rehabilitation activity shall be enforced on any area within the mineral concession with underlying mineral reserve, instead a separate parcel of land may be identified for approved action to achieve concurrent environment balance while mining.<br><br>Mining operations … mining.<br><br>With a view … incentive. | |
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| 6.13 Once the process of extraction of a mine is complete, there …. | 6.13 Once the ~~process of extraction of a mine is complete~~mineral reserves in a mine are completely exhausted, there …. | |
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| 7. Foreign Trade | | 1st and 3rd para deal with export of minerals, whereas 2nd para deals with imports. Therefore, 3rd and 2nd para sequence may be interchanged. |
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| 8. FISCAL ASPECTS<br><br>It will be … normal budgetary process. | 8. FISCAL ASPECTS<br><br>It will be … normal budgetary process. The government will improve ease of doing business by subsuming existing multiple taxes and royalty into single (or at most two) heads with or without allowable input credits, at globally competitive rates. | |
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| 9.7 Coordination of Research Organisations<br><br>Research …this task.<br><br>Mining methods determine the safety, economy, speed and the percentage of extraction of the ore reserves from a mine. Research and development thrusts need to be directed in areas of such as rock mechanics, ground control, mine design engineering, equipment deployment and maintenance, … each segment. | 9.7 Coordination of Research Organisations<br><br>Research …this task.<br><br>Mining methods determine the safety, economy, speed and the percentage of extraction of the ore reserves from a mine. Research and development thrusts need to be directed in areas of such as rock mechanics, ground control, mine planning and design ~~engineering~~, equipment deployment and maintenance, … each segment. | |
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| 10. There is a need to understand that natural resources, including minerals, are a shared Inheritance where the state Is the trustee on behalf of the people to ensure that future generations receive the benefit of inheritance. State Governments will endeavour to ensure that the full value of the extracted minerals is received by the State. However, a | There is a need to understand that natural resources, including minerals, are a shared Inheritance where the state Is the trustee on behalf of the people to ensure that future generations receive the benefit of inheritance. However, the dynamics of demand for minerals has to keep pace with rise in population and aspiration of people for better quality of life coupled with | The concept of Inter-generational equity (IGE) in the light of continuously growing demand for minerals needs to be treated differently than environmental parameters. Dynamics of demand for minerals will change continually with rise in population and with aspiration for better quality of life coupled with technological innovations leading possibility of metal |

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| disaggregated approach in respect of each mineral requires to be adopted considering aspects like reserves/ resources and potential for reuse through recycling, which are relevant and suitable In the Indian context. | technological innovations leading to possibility of metal substitution in future. State Governments will endeavour to ensure that the full value of the extracted minerals is received by the State. However, a disaggregated approach in respect of each mineral requires to be adopted considering aspects like reserves/ resources and potential for reuse through recycling, which are relevant and suitable In the Indian context. | substitution in future due to constant evolution of technology (eg. the process of iron metal being increasingly replaced day by day by lighter aluminium; or palladium by Platinum; or Cobalt by Nickel in the nonrenewable energy sector). There is need for a more pragmatic and institutional approach. While capturing full value of mineral resources is important, the IGE can not be ensured simply by levying a tax for the benefit of future generations. Instead the concept of three-R viz, Reduce, Reuse & Recycle coupled with zero waste generation ought to be the guiding principle across the value chain of mineral/metal use across generations. |
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| 11. INTER MINISTERIAL MECHANISM FOR SUSTAINABLE DEVELOPMENT<br><br>An inter-ministerial body with members like MoM, … | 11. INTER MINISTERIAL MECHANISM FOR SUSTAINABLE DEVELOPMENT<br><br>An inter-ministerial body with members ~~like~~ from MoM, … | |
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| 12. CONCLUSION<br><br>Under the 'Make in India' initiative, the Government of India aims to increase the share of the manufacturing sector. These national initiatives/vision, may require a holistic development of the mineral sector on a sustainable basis in order to fulfill the demand of downstream industries dependent on mineral/ore supply. The success of the third national mineral policy will depend largely on a national consensus by various key stakeholders and their commitments to fulfil its underlying principles and objectives. | 12. CONCLUSION<br><br>Under the 'Make in India' initiative, the Government of India aims to increase the share of the manufacturing sector to provide indigenous/ finished goods and employment. ~~These national initiatives/vision, may require a~~A holistic development of the mineral sector on a sustainable basis is necessary in order to fulfill the demand of downstream industries dependent on mineral/ore supply. The success of the third national mineral policy will ~~depend largely on~~be critical in propelling India on to a loftier development trajectory and shall be ensured by achieving a national consensus by various key stakeholders and their commitments to fulfil its underlying principles and objectives. | |