

1 | Highlights of 2009-2010

New Legislation

1.1 The Planning Commission had appointed a High Level Committee (Hoda Committee) in 2005 to make recommendations regarding the National Mineral Policy and the legislation on the subject, namely the Mines and Minerals (Development & Regulation) Act, 1957 (MMDR Act). Based on the Committee Report, the National Mineral Policy was notified in March 2008 and work has commenced on bringing in the recommendations of the Hoda Committee and the National Mineral Policy into the legislative framework.

After extensive consultation with all Stakeholders, including Central Ministries, State Governments, Industry associations and NGOs, a draft Act to replace the existing legislation is in the process of being finalized.

Increase in Royalty Rates

1.2 A new royalty regime has been introduced and notified on 13.08.2009 for major minerals. This is done in order to rationalize the royalty system on minerals by adopting an ad-valorem principle wherever feasible, to make assessment and collection simpler and enhance royalty accruals to State Governments. Rates for most minerals including Iron ore have been shifted to ad-valorem basis thereby addressing a long standing demand of the State Governments, whose revenues will go up substantially. It is expected that annual royalty revenues will go up from about Rs. 2400 crores to Rs. 4500 crores.

Repositioning of the Geological Survey of India

1.3 A High Powered Committee appointed under direction of the Union Cabinet studied the Geological Survey of India (GSI) in depth and submitted a detailed Report on 31st March, 2009. The Report has since been accepted and revamping of the GSI, based on the Committee Report and the mandate of the National

Mineral Policy has since commenced, with the following major initiatives:-

- A new Vision and Charter for GSI has been adopted.
- GSI has been restructured In the form of 5 Missions comprising:-
 - Baseline data generation.
 - Natural resource assessment.
 - Geoinformatics.
 - Fundamental and Multidisciplinary geoscience.
 - Training and Capacity development.
- A new free Data Policy has been adopted which requires GSI to put out all its data (other than restricted) on its Web Portal in line with best international practices.
- The Central Geological Programming Board mechanism has been revamped, as also required by the National Mineral Policy, to enable GSI to foster geo-scientific collaborative partnerships and to facilitate private sector mineral exploration.
- Acquisition of modern survey and Laboratory equipment has been fast tracked and GSI is in the process of acquiring :
 - a heliborne geophysical sensor system
 - a deep sea research vessel
 - a geotechnical vessel
 - high end laboratory equipment including Inductively Coupled Plasma Mass Spectrometry (ICPMS) for sensitive geochemical analysis.
- New survey technologies using satellites for :
 - hyperspectral mapping
 - Geomorphological and Lineament mapping

Sustainable Development Framework

1.4 The Hoda Committee which was constituted by the Planning Commission to review the National Mineral Policy pointed out that the specificity of the issue of sustainable development in the mining sector is not fully reflected in the existing statutes on the subject and while the regulatory aspect of sustainable development cannot be underplayed, it is necessary to recognize that the global dialogue currently underway has taken the entire issue of sustainable operations in mining to a much higher level. The basic approach is that (i) mining activity can and should enrich rather than deplete biodiversity as a corollary to their intervention in the ecology of the area of activity; and (ii) mining can and should contribute to the economic, social, and cultural well-being of indigenous host population and local communities. Accordingly, the Ministry has moved forward to develop a Sustainable Development Framework for the country's mining sector to ensure that mining operations are under taken keeping in view the interest of all stakeholders including the host population and the environment. A consultant has been appointed through a competitive process for creating a Sustainable Development Framework for the mining sector in consultation with all Stakeholders. The draft Framework is likely to be ready in the first half of 2010-11.

Development of Mining Tenement Registry

1.5 The Hoda Committee set up by the Planning Commission to review the National Mineral Policy had recommended creation of an Internet based mining tenement registry to enable stakeholders to know the status of an area in terms of concessions, with facility for on-line application.

A Mining tenement system is being developed by the Indian Bureau of Mines (IBM) in order to create a mining tenement registry. A Pilot Project is being undertaken in districts of Durg, Chhattisgarh and Bellary, Karnataka. Once implemented, the Online Tenement Registry will enable any person to see concession data regarding status of any area on Internet, enabling him to apply for free hold areas.

Conservation and Development of Mineral Resources

1.6 To conserve mineral resources, IBM has notified threshold values for industrial minerals including Iron

Ore to improve the resource cum reserve base. The threshold values are lower than the earlier values in many cases, and facilitate mineral conservation and beneficiation. In the case of Iron ore, the threshold value for hematitic ore has been reduced from 55% Fe to 45% Fe, and this is likely to result in very substantial increase in the country's resources of Iron ore by ensuring systematic exploitation of lower grade resources. A Pilot Project for updation of database in the Mineral Resource Inventory has also been initiated.

Constitution of a Centre for Techno - Economic Mineral Policy Options (C-TEMPO)

1.7 A small techno-economic think-tank has been setup as a registered society under the Societies Registration Act, 1860 to evolve policy options and help address the technology and management gaps for non-ferrous and ferrous minerals, undertake applied research and suggest policy level intervention to guide and stimulate the growth of the mineral sector. The Centre is being developed in order to facilitate the repositioning of the Ministry of Mines from its current role of a mere regulator into a role which makes it more attuned to facilitate the Indian Mining Sector from a global techno-economic perspective.

PUBLIC SECTOR PERFORMANCE:

National Aluminum Company Limited (NALCO)

1.8 NALCO is in the process of expanding its capacity with its 2nd phase expansion at an estimated cost of Rs.4402 crore. With this, annual capacity of bauxite mine, alumina refinery, smelter and captive power plant(CPP) will increase to 6.3 million tonnes, 2.1 million tonnes, 0.46 million tonnes and 1200 MW from present 4.8 million tonnes, 1.575 million tonnes, 0.345 million tonnes and 960 MW, respectively.

1.9 The production units at NALCO have been consistently operating near or more than their rated capacity. The Company has been accorded 'Navratna' status by the Government of India in April, 2008. The Company is among the lowest cost producers of alumina and aluminium in the world.

1.10 Under the Foreign Trade Policy, 2009-10, NALCO has been granted 'Premier Trading House Status' for its achievements in exports. NALCO has achieved export of Rs. 7609.7 crores during the period April, 2006 to July, 2009.

1.11 NALCO received the Engineering Export Promotion Council's prestigious All India Export Award instituted by Ministry of Commerce & Industry, as the 'Star Performer' (in large enterprise category), for outstanding export performance during 2007-08.



NALCO receiving "All India Export Award" from the Minister of Commerce & Industry for outstanding performance during 2007-08

Hindustan Copper Limited (HCL)

1.12 HCL has been conferred Miniratna (Category-1) status by Government of India on 30th July, 2008. As on date, the company is a "Zero debt Company". Expected profit for the year 2009-10 after tax (PAT) is Rs. 124.63 crore.

1.13 Officials of HCL and NALCO visited Namibia for assessment of mine deposits of copper / other minerals at Namibia for exploring the possibility of acquiring mining assets overseas.

1.14 The company has completed commissioning of High Rate Thickener (HRT) for tailings at Khetri concentrator plant for conservation of water. It has also completed commissioning of 300 cubic ft cells at Khetri concentrator for concentrate grade improvement.

1.15 The company has Implemented Enterprise Resource Planning, (ERP) Oracle12i ERP solution integrating all functional areas for faster information flow and efficient decision making.

Mineral Exploration Corporation Limited (MECL)

1.16 The performance of drilling (upto December 2009) has been 183099 m which is 108% of MoU target and 120% of 153110 m of same period of previous year.

1.17 MECL has been conferred with "MoU Excellence Award" for the year 2006-07 instituted by the Department of Public Enterprises, Ministry of Heavy Industries under "Best Turnaround Public Sector Category".



Dr. A.K. Lomas, CMD, MECL receiving the "MoU Excellence Award" for the "Best Turn Around CPSE" from Dr. Manmohan Singh, Hon'ble Prime Minister on 15th October, 2009

International Trade & Investment Promotion

1.18 A Memorandum of Understanding (MOU) was signed between India and the Republic of Chile on 17th March, 2009, for cooperation in the field of Geology and Mineral Resources during the visit of President of Chile to India.

1.19 Ministry of Mines has signed a Memorandum of Understanding (MoU) with the Republic of Namibia on cooperation in the field of Geology and Mineral Resources, in New Delhi on 31st August, 2009.

1.20 Geological Survey of India (GSI), an attached office under the Ministry of Mines has signed a Memorandum of Understanding (MoU) with the Servicio Geologico Minero Argentino (SEGEMAR), of the Argentine Republic on scientific and technical cooperation in earth sciences on 14th October, 2009.

1.21 Ministry of Mines participated in PDAC 2009 in Toronto, Canada, which is the biggest mining event in the world. An 'India Day' was also organized at PDAC on 3rd March, 2009 which showcased India's mineral wealth and capabilities and potential of the Indian Mining Industry as an investment destination.

1.22 Ministry of Mines and a CII delegation participated in the Mining Indaba in Capetown, South



President Mr. Hifikepunye Pohamba of Namibia and Prime Minister Dr. Manmohan Singh of India preside over the signing by Mr. Erkki Nghimtina, Minister of Mines and Energy of Namibia and Shri B.K. Handique Union Minister of Mines and Development of North Eastern region of India, of an MoU on Cooperation in the field of Geology and Mineral Resources on 31st August, 2009 in New Delhi.

Africa in February, 2010. The event facilitates trade and investment in coal, ferrous and non-ferrous minerals in South Africa.

During the year discussion were held on Scientific Corporation, Trade and Investment Promotion with Canada, Australia, Namibia, Chile, Argentina, South Africa, Iran and Thailand.



Mr. S.G. Roy, Director, CII, Mr. A.K. Ojha, GM, Tata Steel, Mr. S. Vijaykumar, Special Secretary (Mines), GOI, Mr. R.S. Vishwakarma, Secretary (Mines), Chattisgarh at Mining Indaba, Cape Town, South Africa

National Mineral Award

1.23 The National Mineral Awards Scheme (NMA) was instituted by the Ministry of Mines, Government

of India in the year 1966, to honour geoscientists for their outstanding contribution in the fields of mineral discovery, exploration, mining, and fundamental geosciences are presented every year.

1.24 Seventeen geoscientists and engineers who were selected for 'National Mineral Awards -2008' were honoured by Shri B.K. Handique, Minister for Mines and DoNER in a function held on 27.2.2010 at Vigyan Bhawan, New Delhi. Prof. Sisir Kumar Sen, IIT, Kharagpur was conferred National Mineral Award for his lifetime achievement.

1.25 In the wake of new National Mineral Policy the role of geosciences in sustainable development assumes significance in the industrial, infrastructural and societal development. The Ministry of Mines has decided to expand the National Mineral Award Scheme into a '**National Geoscience Award**' scheme (NGA) and to also introduce a '**Young Researcher Award**' from this year onwards .

100 Days Agenda

1.26 Soon after taking office in June, 2009 the Hon'ble Minister of Mines approved a 100 Day Agenda for



Shri B.K. Handique, Minister of Mines and DoNER addressing National Mineral Awards function on 27.2.2010.



Shri B.K. Handique, Minister of Mines and DoNER and officials of Ministry of Mines with National Mineral Awardees

the Ministry, to enable focus on key items for fast tracked implementation.

1.27 The details of the agenda and achievement in this respect are given in **Annexure.1.1**.

Results Framework Document (RFD)

1.28 Central Government have adopted a Results Framework System to help set goals and quantitatively monitor performance on an outcome basis.

Table 1.1
Results Framework for 2009-10 and performance

Objective	Action Taken
1. Effective implementation of the National Mineral Policy, MMDR Act and Rules there under.	<ul style="list-style-type: none"> i) New MMDR Act drafted ii) Offshore Areas Minerals (D&R) Act 2002 operationalised iii) Scheme proposed for strengthening of States Directorates of Geology & Mining iv) Consultant has been engaged for creating a Sustainable Development Framework for mining sector v) Skill mapping study of Geo- scientific sector started.
2. Bring about improvement in the functioning of GSI.	<ul style="list-style-type: none"> i) GSI started functioning in Mission mode ii) Phase III GSI Portal Project to implement Free data policy of 5th June 2009 is being prepared. iii) Quality Management Cell for GSI created. iv) Process for Cabinet approval for increase in strength of GSI initiated.
3. Bring about improvement in the functioning of IBM.	<ul style="list-style-type: none"> i) Committee for revamping of IBM set up. ii) Implementation of Pilot Project of mining tenement in districts of Durg, Chattishgarh and Bellary, Karnataka is underway. iii) Implementation of UNFC system of classification of mineral reserves is being facilitated.
4. Effective supervision of mineral concession system.	<ul style="list-style-type: none"> i) Pendency in mineral concession cases reduced and no case of over 12 months will be pending on 31st March. ii) Guidelines for monitoring pendency at State level issued. iii) IBM module of mineral concession software operationalized. iv) To ensure quicker disposal of Revision cases, new guidelines have been issued.
5. 2nd phase expansion of NALCO.	<ul style="list-style-type: none"> i) Captive Power Plant (2nd Unit) is in advance stage of completion. ii) A new Smelter (240 pots) has been commissioned.