

GOVERNMENT OF INDIA
MINISTRY OF MINES
RAJYA SABHA
UNSTARRED QUESTION NO. 3913
TO BE ANSWERED ON 02.04.2018

EFFECTIVENESS OF MMDR ACT

3913. SHRI P. L. PUNIA:

Will the Minister of MINES be pleased to state:

- (a) the details of number of instances during the last three years in which the States have not taken mandatory approval from the Ministry for allotting mines and the action taken thereon against them; and
- (b) the details of efforts made by Government to make the Mines and Minerals Development and Regulation (MMDR) Act, more effective?

ANSWER

THE MINISTER OF STATE FOR MINES AND COAL (SHRI HARIBHAI PARTHIBHAI CHAUDHARY)

(a): Mines and Minerals (Development and Regulation) Amendment Act, 2015 came into effect on 12.01.2015. After the amendment of the Act, the prior approval of the Central Government for grant of mineral concessions i.e. (Reconnaissance Permit, Prospecting Licence and Mining Lease) for the Part C of the First Schedule Minerals of the MMDR Act, 1957 have been done away. The Minerals of the First Schedule (other than part A & B) can be granted through auction only except to those cases / proposals which have been saved under Section 10A(2)(B) of the amended MMDR Act, 1957. There is no information of instances during the last three years in which the States have not taken mandatory approval from the Ministry for allotting mines. However, the list of prior approvals granted in case of the minerals listed in Part 'B' or 'C' of the First Schedule of MMDR Act, 1957 in last three FY is given as under:

Types of the Concession	Year (2015-16)	Year (2016-17)	Year (2017-18)
Reconnaissance Permit	Nil	Nil	Nil
Prospecting Licence	Nil	Nil	Nil
Mining Lease	06	03	Nil
Total	06	03	Nil

(b): The Mines and Mineral (Development and Regulation) Act, 1957 (MMDR Act, 1957) was amended through the MMDR Amendment Act, 2015. The most important provision of the amended Act is the grant of mineral concessions, for major minerals, through auction by competitive bidding which is a transparent and non-discriminatory method and which will also obtain for the State Government its fair share of value of the mineral resources. To make the MMDR more effective following provisions have been introduced in the MMDR Amendment Act, 2015:

- (i) All mineral concessions will be granted only through auction [Section 10 B & 11 of MMDR Act].
- (ii) Uniform lease period of 50 years; no renewals; auction at the end of lease period; [Section 8 A (1), (2), (3) and (4) of MMDR Act].
- (iii) To ensure the uninterrupted supply of raw material to the industries, section 8A(5) and 8A(6) of MMDR Amendment Act, 2015 provides for deemed extension to non-captive mines upto the year 2020 and captive mines upto the year 2030.
- (iv) The previous approval of the Central Government has been dispensed with in respect of Part C minerals as contained in the First Schedule of the MMDR Act, 1957.
- (v) Enabling powers for reservation for the public sector to continue mining operation [Section 17A(2A) of MMDR Act].
- (vi) Major deterrents against the contravention of the MMDR Act, and rules frame thereunder including illegal mining have been proposed. The penalties have increased from Rs. 25 thousand per hectares to Rs. 5 Lakh per hectares and term of imprisonment has been increased from 2 years to 5 years. [Section 21(1) & (2) MMDR Act].
- (vii) Provision for having special courts in respective states has been introduced (section 30A, 30B and 30C of the MMDR Act.)
- (viii) Provision for District Mineral Foundation to take care of people and areas affected by mining related activities [section 9B of MMDR Act].
- (ix) Provision for National Mineral Exploration Trust for impetus to exploration [section 9C of MMDR Act].
- (x) Easy transferability of concessions granted through auctions, in order to attract private investment and Foreign Direct Investment and also as per the perspective of ease of doing business [section 12A of MMDR Act].
- (xi) Powers of Central Government to issue directives to State Governments have been provided in Section 20A of the MMDR Act.

To strengthen the above stated provisions, following rules have also been framed under the MMDR Amendment Act, 2015:

- i. Minerals (Evidence of Mineral Contents) Rules, 2015;
- ii. Mineral (Auction) Rules, 2015 ;
- iii. Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015;
- iv. Mineral (Mining by Government Company) Rules, 2015;
- v. Mineral (Non-exclusive Reconnaissance Permits) Rules, 2015;
- vi. National Mineral Exploration Trust Rules, 2015;
- vii. Atomic Minerals Concession Rules, 2016;
- viii. Mineral (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules 2016;
- ix. Mineral Conservation and Development Rules, 2017;
