

GOVERNMENT OF INDIA
MINISTRY OF MINES
RAJYA SABHA
UNSTARRED QUESTION NO. 129
ANSWERED ON 04.12.2023

SLOWDOWN IN MINERAL PRODUCTION DUE TO HIGHER PENALTIES ON MINERS

129. SHRI JAGGESH:

Will the Minister of MINES be pleased to state:

- (a) whether it is a fact that the higher penalties on miners who have defaulted on filing their monthly returns to the Indian Bureau of Mines (IBM) has impacted their mining operations and slowdown in mineral production;
- (b) whether Government has received representation from small and medium mine holders seeking rationalization of penalties;
- (c) whether Government proposes to reduce penalties on defaulted small and medium mining companies as part of efforts to improve the ease of doing business; and
- (d) if so, the details thereof and the steps taken by Government to boost country's mineral production and the details thereof?

ANSWER

THE MINISTER OF MINES, COAL AND PARLIAMENTARY AFFAIRS
(SHRI PRALHAD JOSHI)

(a): No, Sir. There is no slowdown in mineral production in the country. The information related to production of some of the key major minerals is given below:

(unit: in Million Tonnes)

Mineral	2020-21	2021-22	2022-23
Limestone	349	393	406
Iron Ore	204	254	258
Bauxite	20.4	22.5	23.8

Production of minerals is mainly dependent on market demand and other factors and cannot be linked to imposition of penalties. Penalties are imposed on defaulting lease holders in case of contravention of rules and is important to ensure effective mineral administration in the country.

(b): Yes, Sir. Ministry of Mines has received representations from certain small and medium mining associations regarding rationalization of penalties for small miners for contravention of rules.

(c) & (d): Yes, Sir. Ministry of Mines has invited comments / suggestions on 26.10.2023 from the general public, State Governments, mining industry stakeholders, industry associations, and other persons and entities concerned, for amendment of the Mineral Conservation and Development Rules, 2017 [MCDR 2017] and the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016 [MCR 2016] for rationalizing penalties for small miners having leased area of upto 25 hectares and having per annum approved production capacity of upto 2 lakh tonnes.

The Ministry of Mines amended the Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act, 1957) through the MMDR Amendment Act, 2021 with effect from 28.03.2021 with the objective of *inter-alia* increasing mineral production and time bound operationalization

of mines, increasing employment and investment in the mining sector, maintaining continuity in mining operations after change of lessee and increasing the pace of exploration and auction of mineral resources.

Further, in order to improve the ease of doing business, the Ministry of Mines has decriminalized 49 rules under MCR 2016 and 24 rules under MCDR 2017 on 02.11.2021 and 03.11.2021 respectively. Prior to these amendments, contravention of any of the provisions of MCDR 2017 and MCR 2016 was punishable with imprisonment for a term which may extend to two years or with fine which may extend to five lakh rupees, or with both. Further, 27 rules under Atomic Mineral Concession Rules, 2016 have also been decriminalized on 22.09.2023.

Recently, Ministry of Mines amended the Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act, 1957) through the MMDR Amendment Act, 2023 with effect from 17.08.2023 with the objective of increasing exploration and production of critical and strategic minerals and facilitate private sector participation in all spheres of deep seated mineral exploration and production.
