

GOVERNMENT OF INDIA
MINISTRY OF MINES
RAJYA SABHA
UNSTARRED QUESTION NO. 1555
ANSWERED ON 05.08.2024

DISINVESTMENT IN MINING SECTOR

1555. DR. ANIL SUKHDEORAO BONDE:

SHRI BRIJ LAL:

DR. K. LAXMAN:

MS. KAVITA PATIDAR:

DR. MEDHA VISHRAM KULKARNI:

SHRI JAGGESH:

Will the Minister of MINES be pleased to state:

- (a) whether Government has undertaken steps to attract private and foreign players in the mining sector;
- (b) if so, the details thereof; and
- (c) the revenue and success attained by these steps?

ANSWER

THE MINISTER OF COAL AND MINES

(SHRI G. KISHAN REDDY)

(a) & (b): As per the FDI Policy effective from 15.10.2020, 100% FDI is allowed under 'Automatic' route for mining and exploration of metal and non-metal ores including diamond, gold, silver and precious ores. For mining and separation of titanium bearing minerals and its ores, its value addition and integrated activities, 100% FDI is allowed under 'Government' route. FDI is not allowed in mining of "prescribed substances" as specified by the Department of Atomic Energy.

The Mines and Minerals (Development & Regulation) Act, 1957 [MMDR Act, 1957] was amended with effect from 12.01.2015 whereby auction regime was introduced for grant of mineral concessions. The objective of the said amendment was to bring in greater transparency and to enhance the revenue share to the State Governments from mining sector.

Thereafter, the MMDR Act, 1957 was amended with effect from 28.03.2021 and 17.08.2023 with the objective of *inter-alia* increasing mineral production, boosting employment and investment in the mining sector, encouraging private sector participation in mineral exploration and enhancing

the pace of auction of mineral resources. Some of the key amendments include removal of end-use restrictions for auction of mines, allowing notification of accredited private exploration agencies for undertaking exploration and enabling funding of such agencies under the National Mineral Exploration Trust, removal of restrictions on transfer of mineral concessions and increasing exploration and production of critical and deep-seated minerals which are essential for the advancement of many sectors, including high-tech electronics, telecommunications, transport and defence.

(c): As a result of the reforms implemented by the Central Government, a total of 385 mineral blocks have been auctioned in the country since the introduction of auction regime in 2015 which have been allocated to both private companies and Public Sector Undertakings. Out of these, 50 mines are already in production. Further, 23 private exploration agencies have been notified for the purpose of carrying out exploration.

The revenue to the State Governments where auctioned mines have been operationalized has increased considerably. The annual accrual of auction premium to the States is around Rs. 20,000 Crores from the operationalized auctioned mines. This amount is in addition to the accrual by way of royalty payments and from contributions to District Mineral Foundation and National Mineral Exploration Trust by the lease holders.
