

GOVERNMENT OF INDIA
MINISTRY OF MINES
RAJYA SABHA
UNSTARRED QUESTION NO. 1865
ANSWERED ON 17.03.2025

EXPANSION OF DOMESTIC MINING CAPACITY

1865 SHRI K.R.N. RAJESH KUMAR:

Will the Minister of MINES be pleased to state:

- (a) the Government's plan to expand domestic mining capacity to reduce import dependence;
- (b) the pending approvals for new mining leases and environmental clearances; and
- (c) the steps taken to ensure sustainable mining and rehabilitation of affected communities?

ANSWER

THE MINISTER OF COAL AND MINES
(SHRI G. KISHAN REDDY)

(a): The Mines and Minerals (Development and Regulation) Act, 1957 [MMDR Act, 1957] was amended 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.

Some of the major reforms introduced through the said amendment 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 and removal of restrictions on transfer of mineral concessions.

Thereafter, the Central Government amended the MMDR Act, 1957 through the MMDR Amendment Act, 2023 with effect from 17.08.2023. Through the said amendment, the Central Government has been empowered to exclusively auction mining lease and composite licence for 24 critical minerals listed in the new Part-D of the First Schedule to the said Act.

Besides auction of critical minerals by the Central Government, in order to further boost exploration of critical and deep-seated minerals, a new mineral concession namely, exploration licence has been introduced for 29 critical and deep-seated minerals. Critical and deep-seated minerals such as Cobalt, Lithium, Nickel, Gold, Silver, Copper are difficult to explore and mine as compared to surfacial or bulk minerals. The exploration licence granted through auction shall permit the licensee to undertake reconnaissance and prospecting operations for

critical and deep-seated minerals mentioned in the newly inserted Seventh Schedule to the MMDR Act.

Above reforms are to expand domestic mining capacity and to reduce import dependence.

(b): Before execution of mining lease under the provisions of the MMDR Act, 1957, every lessee is required to obtain statutory clearances from various departments of the Central Government and respective State Governments, including Environmental Clearance and Forest Clearance.

(c): The Ministry of Mines has implemented Sustainable Mining Practices by making provisions under Chapter-V of Mineral Conservation and Development Rules (MCDR), 2017. Provisions have been incorporated in the rules for precaution against air pollution, prevention of discharge of toxic liquid, precaution against noise, control of surface subsidence etc.

Rule 35 of MCDR, 2017 provides for star rating of the mining leases based on the sustainable mining practices adopted by the miners. The star rating scheme is designed to have an inbuilt compliance mechanism for environment and forest safeguards and has been helpful in recognizing good performers in the sector while encouraging all mining lease holders to strive for excellence.

Further, as per Rule 35 (4) of MCDR, 2017, every holder of a mining lease is mandated to achieve at least three-star rating within a period of four years from the date of commencement of mining operations and thereafter maintain the same on year-on-year basis.
