

GOVERNMENT OF INDIA
MINISTRY OF MINES

LOK SABHA
UNSTARRED QUESTION NO.1975
TO BE ANSWERED ON 27.07.2017

REFORMS IN MINING SECTOR

†1975. SHRI HARI MANJHI:
SHRI JUGAL KISHORE:

Will the Minister of MINES be pleased to state:

- (a) whether the Government proposes to introduce certain regulatory reforms in the mining sector;
- (b) if so, the details thereof; and
- (c) the time by which these reforms are likely to be implemented?

ANSWER

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER, COAL, NEW & RENEWABLE ENERGY AND MINES (SHRI PIYUSH GOYAL)

(a)to(c): Reforms in the mining sector were brought about by amending the Mines and Minerals (Development and Regulation) (**MMDR**) Act, 1957 through the MMDR Amendment Act, 2015, the provisions of which are deemed to have come into effect from 12.01.2015. The Act was further amended in 2016 to allow transfer of mining leases granted otherwise than through auction for captive purpose.

The most important provision of the MMDR Amendment Act, 2015, is the grant of mineral concessions 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. The other important provisions of the MMDR Amendment Act, 2015 areas follows:

- i. Assured tenure and easy transferability of concessions granted through auctions, in order to attract private investment and Foreign Direct Investment;
- ii. Constitution of District Mineral Foundation (**DMF**) to work for the interest and benefit of persons, and areas affected by mining related operations;
- iii. Stricter punitive provisions to deter illegal mining, wherein penalties have been increased from Rs. 25 thousand per hectare to Rs. 5 Lakh per hectare and the term of imprisonment has also been increased from 2 years to 5 years;
- iv. Creation of National Mineral Exploration Trust (**NMET**) for regional and detailed exploration.

Rules to provide for implementation of the provisions of the MMDR Amendment Act, 2015 have been framed and published in the Official Gazette.

Some States have commenced auction for grant of mineral concessions for major minerals and so far 29 mineral blocks have been auctioned successfully which will yield a total revenue of approximately Rs.1.22 lakh crores to the States over the period of the lease. Advisory has also been issued to State Governments to make suitable changes in the rules for incorporating a transparent and non-discriminatory method for grant of mineral concessions for minor minerals.

Twelve mineral rich states [i.e. Goa, Karnataka, Chhattisgarh, Odisha, Jharkhand, Madhya Pradesh, Rajasthan, Telangana, Andhra Pradesh, Gujarat, Maharashtra and Tamilnadu] have framed rules for DMF and have established DMFs in 307 districts. So far, Rs.10136 Cr has been reported to have been collected for DMF by these States; and some of the States have already launched welfare programmes for the implementation of DMF.

The NMET has been set up and total amount of approximately Rs. 839 Cr has been collected under NMET. So far, 60 mineral exploration projects have been approved for implementation through NMET. National Mineral Exploration Policy, 2016 has been notified in July, 2016, which, inter-alia, provides for:

- (i) Sharing of baseline geo-scientific data free of cost in public domain as a public good; and
- (ii) Aero-geophysical survey of the country in a mission mode, initially in the obvious geological potential [OGP] area of about 8.0 lac sq. kms and subsequently in the rest of the areas. A pilot project over OGP area of about 2.06 lakh sq. km. has been initiated.

A “Star Rating” system has been instituted to recognise the efforts and initiatives taken for undertaking sustainable mining, which is based on self assessment to be done by the lessees. This has been made a statutory requirement. Rule 35 of the Mineral Conservation Development Rules, 2017 mandates that all working mines of major minerals would be required to have at least 4 star rating.

The Ministry of Mines, through IBM, has developed the Mining Surveillance System (MSS), which is a satellite based monitoring system which aims to check illegal mining activity through automatic remote sensing detection technology in order to establish a regime of responsive mineral administration. The system records activity outside the lease boundary and generates a trigger for action on part of the State Governments to investigate encroachment and take necessary action. MSS has been made functional throughout the country for major minerals. Ministry of Mines has requested the State Governments to extend MSS for surveillance of concessions, quarries/reaches given for minor minerals also. So far, a total of 296 triggers across the country were generated under MSS and sent to respective State Governments for follow-up. Field verification of the 256 triggers has resulted in detection of unauthorized mining in 47 cases.

Reforms in the mining sector have been successfully implemented, which is an ongoing process to bring an overall positive impact in the mining sector.
