

GOVERNMENT OF INDIA
MINISTRY OF MINES
LOK SABHA
UNSTARRED QUESTION NO.458
TO BE ANSWERED ON 19.07.2018

REFORMS IN MINING SECTOR

†458. SHRI JUGAL KISHORE:

Will the Minister of MINES be pleased to state:

- (a) whether the Government proposes to bring 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 FOR MINES AND COAL(SHRI HARIBHAI PARTHIBHAI CHAUDHARY)

(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 are as 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 43 mineral blocks have been auctioned successfully which will yield total revenue of approximately Rs.1.55 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.

Twenty States have framed rules for DMF and have established DMFs in 525 districts. As on 31st May, 2018, Rs.19435 Crore has been collected under DMF by these States and 64,248 projects under different sectors have been sanctioned under Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY).

National Mineral Exploration Trust has been set up under Section 9C of the MMDR Act, 2015 for giving thrust to mineral exploration. Total amount of approximately Rs. 1304 Cr has been collected under NMET. So far, 80 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 sharing of baseline geo-scientific data free of cost in public domain as a public good; and Aero-geophysical survey of the country in a mission mode.

A “Star Rating” system has been instituted to recognise the efforts and initiatives taken for ensuring 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 (MCDR), 2017, which mandates that all working mines of major minerals would be required to have at least 4 star rating within 2 years of notifying the MCDR, 2017.

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