

GOVERNMENT OF INDIA  
MINISTRY OF MINES  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 5584**  
ANSWERED ON 06.04.2022  
**NON-FUNCTIONING MINES**

5584. SHRIMATI RITA BAHUGUNA JOSHI:

Will the Minister of MINES be pleased to state:

- (a) the number of Government/PSU mines non-functioning or closed in India;
- (b) whether the Government has taken any steps to start production in such non-functional mines in India;
- (c) if so, the details thereof; and
- (d) if not, the reasons therefor?

**ANSWER**

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

(a): A total of 147 mines in the Government sector (including Central and State public sector units) are not working as on 01.04.2021.

(b) & (c): The Mines and Minerals (Development and Regulation) (MMDR) Act, 1957 has been amended through the MMDR Amendment Act, 2021 which came into force w.e.f. 28.03.2021. The basic objective of the said amendment is to boost mineral production and generation of employment in the mineral sector. Section 17A(4) of the Act provides that the reservation of mineral bearing areas in favor of government companies made under section 17A shall lapse, if mining lease is not granted within a period of five years from the date of such reservation. However, where this period of five years has expired before 28.03.2021 or expires within a period of one year from 28.03.2021, in all such cases the reservation shall lapse if mining lease is not granted within a period of one year from the date of commencement of the amended Act.

Further, sub-section (4) of section 4A of the said Act provides that where the holder of a mining lease fails to undertake production and dispatch for a period of two years after the date of execution of the lease or having commenced production and dispatch, has discontinued the same for a period of two years, the lease shall lapse on the expiry of the period of two years from the date of execution of the lease or, as the case may be, discontinuance of the production and dispatch.

However, in both the cases i.e. execution of mining lease under section 17A(4) as well as production & dispatch under Section 4A(4) of the MMDR Act, State Government has been empowered to relax the prescribed period by a further period of one year, if it is satisfied that the reasons for execution of the lease / starting of production and dispatch, as the case may be, are beyond the control of mining lease holder.

Further, the section 8A(4) of the MMDR Act, 1957, provides that on the expiry of the lease period, the mining lease shall be put up for auction. Accordingly, mining leases of Government companies, which are lapsed as per the provision of the MMDR Act shall also be put up for auction.

(d). Do not arise in view of reply (b) & (c) above.

\*\*\*\*\*