

GOVERNMENT OF INDIA  
MINISTRY OF MINES  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 2923**  
ANSWERED ON 03.08.2022

**INDUSTRIAL PRODUCTION**

2923. SHRI DIBYENDU ADHIKARI:

Will the Minister of MINES be pleased to state:

- (a) whether industrial production in the mining sector and manufacture of other non-metallic mineral products for 2020-21 have gone below from the average of 2015-16 and 2013-14 levels;
- (b) if so, whether in the mining sector, opportunities for mining and metal companies will continue to outweigh risks in 2023 due to uncertain demand and ongoing volatility in a market still impacted by the Covid-19 pandemic and if so, the details thereof;
- (c) whether the Government is creating long-term value for all stakeholders to secure the future of mining and community engagement; and
- (d) if so, the details thereof?

**ANSWER**

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

(a): The value of production of minerals under the ambit of Mineral Conservation and Development Rules (MCDR) was Rs. 78,461 crore during the year 2020-21 as against Rs. 44,833 crore, which is the average for the years 2013-14 and 2015-16. Of the total value of MCDR mineral production, the value of production of non-metallic minerals was Rs. 8,926 crore during 2020-21 as against Rs. 6,828 crore, which is the average for the years 2013-14 and 2015-16.

(b) to (d): Since 2015, the Government has been carrying out reforms in the mining sector from time to time, which has created enough opportunities for investment by the mining and metal companies. The Government amended the Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act, 1957) through the MMDR Amendment Act, 2021 with effect from 28.03.2021. The reforms, *inter-alia*, include the following:

- (i) Removal of distinction between captive and non-captive mines by mandating auction of mineral blocks without any end use restriction. Further, existing captive mines have been allowed to sell up to 50 per cent of the minerals produced after meeting the requirement of linked plants and on payment of additional amount to State Government.

- (ii) Provision has been made for transfer of valid statutory clearances in relation to a mine which is expiring or terminated to the successful bidder of such mine in auction.
- (iii) Restrictions on transfer of mineral concessions for non-auctioned mines have been removed.
- (iv) Private exploration agencies which have been accredited are allowed to carry out exploration without prospecting licence upon their notification. These agencies have also been made eligible for obtaining funding under National Mineral Exploration Trust (NMET).

The objectives of the MMDR Amendment Act, 2021, *inter alia*, are 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. These reforms, while leading to long-term value realization from mining of various mineral resources, will help mining and metal companies outweigh risk, if any, in 2023.

In addition to the above reforms, several other policy initiatives have been taken up by the Government to promote 'Ease of Doing Business', expedite auction of mineral blocks and increase the pace of exploration of minerals. These reforms include simplification of exploration norms for auction of mineral blocks; enabling any person to submit a proposal to the State Government for notification of an area for auction of composite license; providing incentive for production and dispatch earlier than the scheduled date of commencement of production; cap on net worth requirement for participating in auction of mining lease and composite license; decriminalization of offences of minor nature; and allowing global positioning system (GPS) for identification and demarcation of the area where a composite licence is proposed to be granted through auction.

Earlier, amendment in the MMDR Act in 2015 had provided for establishment of District Mineral Foundation (DMF) by State Government in any district affected by mining related operations, to take care of people and areas affected by mining related activities. DMFs have been established in 622 districts in 23 States. Till May 2022, Rs. 63,845.52 crore have been collected under DMF of which Rs. 32,939.94 crore have been spent on designated high priority/ other priority areas.

As a result of the above reforms, the Government has created long-term value for all stakeholders to secure the future of mining as well as community engagement.

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