

*Clauses 2 to 4 were added to the Bill.*

THE VICE-CHAIRMAN (SHRI TIRUCHI SIVA): In Clause 5, there is one Amendment (No.1) by Dr. T. Subbarami Reddy. Are you moving it?

DR. T. SUBBARAMI REDDY (Andhra Pradesh): Before that, I will say something. Sir, sometimes, orders have been issued for supply of goods, but, due to the management hand over, the supply is kept in abeyance. This situation should not happen to a running company. That is why I have given this Amendment. I am not moving it.

*Clause 5 was added to the Bill.*

*Clauses 6 to 12 were added to the Bill.*

THE VICE-CHAIRMAN (SHRI TIRUCHI SIVA): In Clause 13, there is one Amendment (No. 2) by Dr. T. Subbarami Reddy. Are you moving it?

DR. T. SUBBARAMI REDDY: I am not moving it.

*Clause 13 was added to the Bill.*

*Clause 14 was added to the Bill.*

*Clause 1, the Enacting Formula and the Title were added to the Bill*

SHRIMATI NIRMALA SITHARAMAN: Sir, I move: That the Bill be passed.

*The question was put and the motion was adopted.*

THE VICE-CHAIRMAN (SHRI TIRUCHI SIVA): The next Bill is, the Mineral Laws (Amendment) Bill, 2020. There is a Statutory Resolution moved by Shri K.K. Ragesh, Dr. T. Subbarami Reddy, and Shri Elamaram Kareem. Shri K. K. Ragesh.

**Statutory Resolution disapproving the Mineral Laws (Amendment) Ordinance,  
2020 (No. 1 of 2020);**

**And**

**The Mineral Laws (Amendment) Bill, 2020**

SHRI K.K. RAGESH (KERALA): Sir, I move the following Resolution:-

"That this House disapproves the Mineral Laws (Amendment) Ordinance, 2020 (No. 1 of 2020) promulgated by the President of India on 10th January, 2020."

Sir, this is again an Ordinance, and, in fact, this Bill was passed by the other House in din, and now, we are going to discuss this Bill.

THE VICE-CHAIRMAN (SHRI TIRUCHI SIVA): Right now, you are moving the Resolution. You can make your speech later.

SHRI K. K. RAGESH: But, the Member can always speak.

THE VICE-CHAIRMAN (SHRI TIRUCHI SIVA): I know that they can speak. But, please be brief.

SHRI K.K. RAGESH: Sir, in fact, the Ordinance has already lifted all the restrictions on the mining sector and it has already been thrown open for foreign and Indian players. In fact, the Statement of Objects and Reasons says that the mining leases...(Interruptions)...

THE VICE-CHAIRMAN (SHRI TIRUCHI SIVA): Mr. Ragesh, when you are given time to speak, you should confine yourself to the time.

SHRI K.K. RAGESH: Sir, but, unfortunately, the explanation does not justify the contents of the Bill. ...(Interruptions)...

THE VICE-CHAIRMAN (SHRI TIRUCHI SIVA): Now, Shri Pralhad Joshi to move for consideration of the Mineral Laws (Amendment) Bill, 2020.

THE MINISTER OF PARLIAMENTARY AFFAIRS; THE MINISTER OF COAL; AND THE MINISTER OF MINES (SHRI PRALHAD JOSHI): Sir, I move:-

"That the Bill further to amend the Mines and Minerals (Development and Regulation) Act, 1957 and to amend the Coal Mines (Special Provisions) Act, 2015, as passed by Lok Sabha, be taken into consideration."

Sir, the Mines and Minerals (Development and Regulation) Act was enacted in 1957 for a planned development of our rich minerals and also the coal reserve, which is one of the highest in the world. The MMDR Act of 1957 was amended many a time, but, in 2015, there was a landmark amendment made. The most important feature of this

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Amendment was the transparency and removal of discretion in the allocation of the mineral concessions. As you know very well, Sir, wherever there is a discretion,—I am not saying whether this Government or that Government, whether this party or that party—there will be corruption. So, the method of allocation of mineral concession was shifted from first-come-first-served basis to a transparent method of e-auction. This was a game-changer. The discretion was totally abolished. In this Amendment, Sir, it is aimed not to have shortage of any rich mineral, especially, iron ore, which is required for the steel sector and others. In this Amendment, a transition period of a minimum of fifteen years for the captive mines and five years for the non-captive mining leases were granted to ensure uninterrupted supply of raw materials to the industry. The mining leases, in respect of 334 iron ore mines, manganese ores and chromites ores, are expiring on 31st March, 2020. Out of these, 46 are working non-captive mines. It is observed that some States have initiated the auction well in advance. However, the mines allocated cannot start the mining operations without statutory clearances. They need to take around twenty statutory clearances before operating. This process will cause an inordinate delay. To overcome the delay, certain amendments were very much essential so as to prevent any disruption in the supply of raw materials, especially the iron ore to the industry. Hence, an Ordinance was promulgated in which a new Clause 8B and Clause 8A(4) were inserted along with the amendment of Clause 10C, by inserting the new Section 4B. After the granting of the license, they can operationalise and continue to extract ores. We will give them two years' time to obtain clearances. We are adding a new Clause 8B, by which almost all twenty clearances which were needed to be taken would be deemed to have been taken for two years, including FC and EC. In these two years, the Government prescribes the exact time they should start production. Inserting the proviso Section 8A (4) in the MMDR Act is to enable the State Government to take advance action. Actually it expires on 31st March, 2020, but we are enabling the State Government to start the auction well before March, 31, 2020. I have already mentioned the new Section 8B which provides for the de-investing of all valid rights, approvals, clearances, licence vested with the previous lessee for the period of 2 years to new lessee as per the conditions prescribed by the Central Government. As you know, Sir, there were exploration activities. As compared to the world, it is very less in India because private participation is not there. Only a few Government agencies are doing it. So, in non-exclusive reconnaissance permit, we are

amending Section 10C for the exploration of deep seated mineral and of nationally important minerals, and for their action. As far as coal is concerned, we know India is the fourth largest reserve in the world, but still we are importing. I can understand, मैं यह मानता हूँ कि हम oil, petroleum product import करते हैं। I am ready to accept it, but we are importing coal even after having the fourth largest reserves in the world. प्रधान मंत्री जी ने मुझे इस विभाग का कार्यभार देने के बाद एक बार यह कहा कि अगर petroleum product import होता है, तो मैं मानता हूँ, लेकिन अगर coal import होता है, तो यह एक पाप है। Keeping that in mind, even after having so much of coal, the per capita electricity consumption in India is just 1180 kilowatt per hour which is almost the lowest if you compare it with the major countries of the world. In China, it is 4,600 kilowatt hours, In USA it is 12,600 kilowatt hours and in Japan it is 6,800 kilowatt hours. Under such situations, we need to increase electricity production to meet the growing need of the economy, and three-fourths of our TOTAL electricity is produced from coal and, as you know, power and economy, both are related. If you increase the power production, then, it will add to the economy also. It is also mentioned that per capita Co2 emission is also very less, but still we are taking a lot of care of our environment, planting of trees and utilization of mine water. We are doing all such things. I would also like to add one thing here. Today if you don't use our coal, after 20-25 years, this coal, at least in the coming three decades, will become as good as mud. Nobody will ask for this. So, keeping that in mind, I appeal to all the State Governments also. Recently, the Odisha Government has cooperated and they have only suggested some amendments which have resulted very well in Odisha. I thank the Odisha Government particularly. Keeping that in mind, I appeal to all State Governments also. During the allocation of coal blocks under the MMDR Act, now, मैं CMSP Act के बारे में दो मिनट बोल कर अपनी बात खत्म करता हूँ। The CMSP Act provides for allocation of coal mines which were cancelled by the hon. Supreme Court, but there should not be any interruption in the production. The continuation was allowed in the CMSP Act. However, there were some problems, especially there was no provision for PL-cum-ML. That was added. And, as far as Schedule II and Schedule III mines are concerned, there was an end-use restriction because when we went for allocation of 204 mines, which were cancelled, 98 of them were allocated, but for the remaining the required response had not come for the end-use restriction. To overcome the aforesaid difficulties, both in coal and mining sector, including the CM(SP) Act, we have brought in some changes. I would also like to add one important thing here. We are also amending Section 5 and Section 17(a). That was

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providing the previous approval. कोल ब्लॉक को हम ही identify करते हैं, हम ही कोल ब्लॉक देते हैं। जब mining lease के लिए स्टेट गवर्नमेंट के पास जाता है, तब स्टेट गवर्नमेंट previous approval के लिए फिर से हमारे पास भेजती है। Under 5 & 17(a), previous approval and reservation के लिए फिर से हमारे पास आता है, which we are going to amend. This is in line with the policy of the Modi Government—minimum Government and maximum governance. This will avoid delay of almost eight to ten months for the operationalisation.

We are also amending Section 11(a). It will enable more players to participate. Keeping all these things in mind, we have brought forward so many amendments. It will help in opening of the entire sector. The economy will boost. This will also lead to more participation, more transparency, and more growth.

With these words, I appeal to all sections of the House to pass the Bill unanimously.

*The questions were proposed.*

THE VICE-CHAIRMAN (SHRI TIRUCHI SIVA): Now, Dr. Amee Yajnik. I request the hon. Members to kindly confine to the time limit because the TOTAL time is restricted to one hour.

DR. AMEE YAJNIK (Gujarat): Mr. Vice-Chairman, Sir this was much-needed. But, looking at the amendments, which have come forth, I am very surprised that this has also gone the Ordinance way. It should have been a full-fledged procedure that should have been followed for such an important Amendment Bill.

However, now that this has been brought, I would just like to point out two lines from the Statement of Objects and Reasons. It says, "After enumerating the details of the Act of 1957, then, also the Coal Mines Act, 2015, and other data that has been given in respect of mines and licences, issued earlier, to overcome the difficulties in the mining sector, it has become necessary to make certain amendments in the Mines and Minerals Act and the Coal Mines Act so as to facilitate seamless transfer of all valid rights, approvals, clearances, licences, and the like, for a period of two years to a new lessee in case of minerals, other than coal, lignite and atomic minerals." After this, the amendments have been listed. After having gone through the amendments and the changes that have been intended to be brought about, it clearly shows that some of

the procedures have been done with. Two glaring things come forth. Of course, the Bill opens up the coal sector for commercial mining, allows domestic investors, also allows the global players to invest in this sector through the FDI route. And, that way, the FDI is going to be attracted. But, the other factors, which practically come with the baggage of the FDI, have to be looked into objectively. But, that has not been taken care of in this particular Bill. There are two important things that have been mentioned in these amendments. One is that there has been liberalisation or dilution of the eligibility criteria and the other is that there is a removal of end use restriction, which I would elaborate by just enumerating what the issue lying here is. You are diluting the eligibility criteria. It says that you can come with 100 per cent FDI, by automatic route in the sector, and anyone who does not have prior experience can also bid for this. Now, by removing this restriction or by diluting this particular aspect, I think, we are talking about a very specific sector which has expertise, and in that way, you do not have an eligibility criteria. I think that needs to be dealt with in a very proper and a procedural manner. That is missing. The Minister will have to tell us what they mean by just diluting this criteria and how they will evaluate whoever comes in the bidding process.

The second thing the Amendment says is that you have removed the end use restriction. So, whoever gets the end use product can use for his or her own consumption. If that kind of provision is sought to be made in the Mines and Minerals Act, —we are talking of national and natural resources of the country —and if that is the rationale behind opening up the sector for the FDI, are you exposing the national or the natural resources to foreign investors specifically and especially? When you are talking about sustainable development, you are making a commitment at the international level on climate change. We are talking about coal and we are talking about usage of coal for energy or for manufacturing of power or for getting these kinds of end products. If you think that by removing this clause the end use is going to be given to the discretion of the person who is going to use that, what is the law or what action are you going to propose to limit this particular restriction? That is not there. The removal is completely blatant and it is kind of a blanket provision which is given. So, these two criteria are giving some kind of a sense as to what this FDI route which you are allowing is or what this coal consumption is or the opening of this sector to private

[Dr. Amee Yajnik]

companies or domestic investors or foreign investors is. You are giving them access to our natural resources and allowing them to use them the way they are. One other factor which the Amendment is talking about is the approval processes and transfer of approvals. Somewhere, I think, the Central Government is not required and at some places the State Government is required to take permission. So, how do you decide this? Whether it is a convenient methodology or a convenient largesse you are giving to the Central Government, to itself or to the State Governments. These are sectors which belong to specific States. The amendments are completely silent on whether these approval systems have a proper channel or a proper procedure laid down or not. The approval, licences, etc. that the erstwhile person was having will be extended for a two year period to the successful bidder. As regards the statutory right, the statutory approval, the statutory licences which go with that particular mining lease or mining licence, I think there is no mention how you will cross check why automatic transfer of these rights will go to the new person who is bidding for this auction when the basic criterion of selecting that person or allowing the person to come in the auction itself is not clarified in the Amendment. So, these are two very big ambiguities in the Amendment, which need to be plugged. One other factor which is very important and which has been given a complete go-by is this. When you are opening the route for the FDI in such a sensitive sector, a sector where the hon. apex court has come into the picture and cancelled the allotments, there is no mention of welfare of the people, health of the people who are there, communities of the people and most importantly ecosystem's fragility and environment clearances. Earlier, you used to take Environment Impact Assessment via Notification of 2006. There have been many amendments but what about the mining part, which is not mentioned. Sir, this is important. Of course, the route is opening the sector. We need FDI in the country. FDI brings with it technology knowhow; it brings with it investments, much needed for the economy. But when you are not dealing with the most important factors about transport of coal, which will result into air pollution, and not pinning down the 'polluter pays' principle, which is absent here, on the end consumption or the person who is going to have the result of the end consumption and when the absence of regulatory mechanism for this particular transport of coal by the private players in this sector is missing, how are you going to deal with that? I hear Ministers after Ministers talking about frivolous litigation that there should be no more litigation in the courts. But you are opening a Pandora's box where, I think, people would go for their rights to the courts. When you do not

worry about the welfare of the people, the social justice aspect, the environmental aspects, because we have been signatory to all CoPs at the Climate Change Conferences, we are committing ourselves to solar and renewable energies, we are trying to bring rent-a-roof policies for domestic users but in absence of this particular important sector where coal is going to be transported, coal is going to be used for personal consumption, own consumption, by the end-user, how are you going to regulate that? And that regulation is missing here.

Apart from these factors, Sir, I would also like to point out two more important issues. Several matters are pending in the apex court and in various High Courts also and especially where mining is an important aspect of that particular State or a territory, we have not been able to talk about rehabilitation and resettlement of those community workers. Well, in these individual cases or cases of a mass worker group, they do approach the courts but ultimately it is up to the Central Government and it is up to the law to see that these vulnerable sections are protected. So, when you are talking about environment and welfare of people, when you are talking about FDI, I think, it is a very, very integral part of FDI that is coming to any sector, a sector which is very important and coal being most important. I do not know whether Coal India Limited will also have to be there because of its big market presence. How is it going to take this amendment because nothing is getting pinned on them by way of responsibility? So, Sir, these two aspects, the environment, the welfare, and apart from diluting the process of getting these players into the sector and giving them complete right of use of the end-use is necessary for giving an explanation.

One last suggestion, Sir. There should be within the Ministry of Mines some kind of an intra-Ministerial Wing which should take care of all these subjects then and there what you have mentioned in the Statement of Objects and Reasons for a seamless process or a single-window kind of process. It is becoming immensely difficult for people who invest, especially, people who come from trans-border companies that they have to go for all the statutory rights. ...(*Time-bell rings*)... Well, all this transparency is required if you really want to attract FDI in this sector. So, these amendments do not address these two issues and these need to be taken care of. Thank you, Sir.

SHRI ASHWINI VAISHNAW (Odisha): Sir, at the outset, I will declare my interest. I am running a Company which is dependent upon minerals, especially, iron ore, limestone and coking coal.



**1.00 P.M.**

[Shri Ashwini Vaishnaw]

With that declaration right upfront, I greatly support this Bill. This is a very timely Bill and this Bill basically amends two Acts. One is the MMDR Act and second is the CMSP Act. What are these Acts? The Mines and Mineral Development Act basically deals with all the mines which are non-coal and non-lignite and non-atomic energy; these minerals. Second is the Coal Mines (Special Provisions) Act. That Act was brought when the hon. Supreme Court cancelled all the mining leases which were allocated in the previous regime and a new regime was created.

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**STATEMENT BY MINISTER CORRECTING ANSWER TO QUESTION**

THE VICE-CHAIRMAN (SHRI TIRUCHI SIVA): Just a minute. Mr. Ashwini. Now, Statement by Minister correcting Answer to Question; Shri Rameswar Teli; please lay it on the Table.

**खाद्य प्रसंस्करण उद्योग मंत्रालय में राज्य मंत्री (श्री रामेश्वर तेली):** महोदय, मैं दिनांक 6 दिसम्बर, 2019 के अतारंकित प्रश्न संख्या 2172 'प्रत्यक्ष विदेशी निवेश में निवेश' के संबंध में दिए गए उत्तर के अनुबंध को संशोधित करने वाला विवरण (अंग्रेज़ी तथा हिन्दी में) सभा पटल पर रखता हूँ।

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**STATUTORY RESOLUTIONS AND GOVERNMENT BILLS**

**Statutory Resolution disapproving the Mineral Laws (Amendment) Ordinance,  
2020 (No. 1 of 2020);**

**And**

**The Mineral Laws (Amendment) Bill, 2020**

SHRI ASHWINI VAISHNAW: Sir, what should be the objective of an Economic Policy? I would like to start my submissions by saying that this particular Ordinance, which is now getting converted into a Bill, is primarily focused on protecting employment.

SHRI DEREK O'BRIEN (West Bengal): Sir, it is one o'clock, lunch time.

THE VICE-CHAIRMAN (SHRI TIRUCHI SIVA): Mr. Minister, please.

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS; AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI V. MURALEEDHARAN): Sir, we are discussing a Bill meant to replace the Ordinance.