

GOVERNMENT OF INDIA
MINISTRY OF MINES
RAJYA SABHA
UNSTARRED QUESTION NO. 754
ANSWERED ON 26.07.2021

REFORMS IN THE MINING SECTOR

754. SHRI SAMBHAJI CHHATRAPATI:

Will the Minister of MINES be pleased to state:

- (a) whether Government has any concrete plan to introduce much awaited reforms in the country;
- (b) if so, the details thereof;
- (c) the major ores likely to receive a much greater push in mining after the reforms; and
- (d) whether Government considers that the major reforms may push the contribution of mining sector in the Gross Domestic Product (GDP) of the country and if so, the details thereof?

ANSWER

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

(a) to (d): Yes, Sir. Ministry of Mines has amended Mines and Minerals (Development and Regulation) (MMDR) Act, 1957 through the Mines and Minerals (Development and Regulation) Amendment Act, 2021 which has been notified on 28.03.2021 for giving boost to mineral production, improving ease of doing business in the country and increasing contribution of mineral production to Gross Domestic Product (GDP). Some of the major reform brought in this Amendment Act, 2021 are as under:

- Removed the distinction between captive and merchant mines. It allows all captive mines to sell upto 50% of the minerals produced during the year after meeting the requirement of attached plant subject to the payment of additional amount as prescribed under sixth schedule of the MMDR Act. Further, all future auctions will be without any end use restrictions.
- Resolved all pending cases under section 10A(2) (b) of the Act.
- Statutory clearances to be valid even after expiry or termination of mining lease and shall be transferred to the successful bidder in the auction.
- To ensure ease of doing business, restriction on transfer of mineral concessions are removed and now mineral concession can be transferred without any transfer charge.
- Additional amount has to be paid by government companies on grant of new lease or extension of lease which will ensure additional revenue to State Government.
- Central Government is empowered to conduct auction in cases where the States face challenges in conduct of auction or fail to conduct auction within prescribed time fixed in consultation with State Government. The revenue from auctions will accrue to State Government.
- Empowered the Central Government to issue directions regarding composition and utilization of funds under DMF. Direction to include the MPs/MLs and MLCs in the Governing Council was issued on 23.04.2021.
- Simplification of exploration regime - (i) Mineral Blocks for Composite Licence can be auctioned at G4 level of exploration instead of G3 level as per the earlier standard. (ii) Mineral Block for surfacial mineral can be auctioned for grant of Mining Lease at G3 level instead of G2 level. (iii) Private entities may be notified under Section 4(1) of the MMDR Act for conducting exploration.
