

GOVERNMENT OF INDIA  
MINISTRY OF MINES  
**LOK SABHA**  
**STARRED QUESTION NO. 304**  
ANSWERED ON 22.03.2023

**MINING IN SEA**

\*304. SHRI V. K. SREEKANDAN :

Will the Minister of MINES be pleased to state:

- (a) whether the Government is considering mining in the sea for placer minerals;
- (b) if so, whether the Government has invited comments from all stakeholders on the proposed amendment to the Offshore Areas Mineral (Development and Regulation) Act, 2002;
- (c) if so, the details thereof;
- (d) whether the Government is considering the participation of the private sector in sea mining and if so, the details thereof;
- (e) whether the Government has received comments from various fishers' unions from Kerala protesting against the said move; and
- (f) if so, the details thereof?

**ANSWER**

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

(a) to (f): A statement is laid on the table of the House.

**THE STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 304 REGARDING 'MINING IN SEA' ASKED BY SHRI V.K. SREEKANDAN, MEMBER OF PARLIAMENT FOR REPLY ON 22<sup>ND</sup> MARCH, 2023.**

(a): Mining in the sea for placer minerals is permitted under the Offshore Areas Mineral (Development and Regulation) Act, 2002 [OAMDR Act, 2002].

(b) & (c): Ministry of Mines has invited comments/suggestions of the stakeholders viz, Central Government Ministries/Departments concerned, State Governments and Union Territories, mining industry, industry associations, general public, and other persons and entities concerned on the proposed amendment to the OAMDR Act, 2002. The salient features of the proposed amendments are given in **Annexure-I**.

(d): Participation of private sector in sea mining is permitted under the OAMDR Act, 2002. However, offshore mining by private sector is subject to rules framed under the OAMDR Act, 2002 as well as extant laws, rules and notifications pertaining to other Ministries/Departments like Ministry of Environment, Forest & Climate Change, Department of Atomic Energy, etc. The proposed amendment in the OAMDR Act, 2002 intends to introduce auction as a mode for grant of operating rights in sea mining.

(e) & (f): Yes, Sir. Comments have been received from various fishers' unions from Kerala on the proposed amendment to the OAMDR Act, 2002. Details are at **Annexure-II**.

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## ANNEXURE-I

### **ANNEXURE-I REFERRED IN REPLY TO PART (b) & (c) OF LOK SABHA STARRED QUESTION NO. 304 REGARDING 'MINING IN SEA' ASKED BY SHRI V.K. SREEKANDAN, MEMBER OF PARLIAMENT FOR REPLY ON 22<sup>ND</sup> MARCH, 2023.**

- i. To improve transparency in allocation of mineral resources, provision has been made to grant production lease only through auction by competitive bidding.
- ii. Introduce the provision for grant of composite licence, i.e., exploration licence-cum-production lease, which is a two stage operating right granted for the purpose of undertaking exploration operation followed by production operation. Composite licence shall also be granted only through auction by competitive bidding.
- iii. Provide that rights of holder or applicant of operating rights (reconnaissance permit, exploration licence or production lease) granted prior to the commencement of the proposed Amendment Act shall lapse on commencement of the proposed Amendment Act. The provision will resolve the pending litigations stalling the sector. It will enable allocation of blocks containing atomic minerals to PSUs and allocation of blocks not containing atomic minerals through auction to PSUs and private entities.
- iv. To remove discretion in grant of renewals, the provisions for renewal of production leases have been removed and the period of production lease has been proposed to be increased to 50 years on lines similar to the MMDR Act.
- v. The area under a production lease shall comprise of contiguous standard blocks and shall not exceed an area of fifteen minutes latitude by fifteen minutes longitude.
- vi. The size of a standard block (minimum area) to be granted has been reduced to one minute latitude by one minute longitude (approx. 3.43 square km.) from five minutes latitude by five minutes longitude (approx. 85.75 square km.) so that the offshore areas for grant of concession are comparable with provisions in other jurisdictions such as Australia (one minute latitude by one minute longitude) and Philippines (half minute latitude by half minute longitude).
- vii. Limit on area has been introduced. A person cannot acquire more than 45 minutes latitude by 45 minutes longitude in respect of any mineral or prescribed group of associated mineral under one or more exploration licence, composite licence and production lease (all taken together).
- viii. To ensure availability of funds for exploration, mitigation of adverse impact of offshore mining, disaster management, research, etc. provision has been made for setting up of a non-lapsable Offshore Areas Mineral Trust which will maintain a fund under the Public Account of India. This will be funded by an additional levy, not exceeding one third of the royalty on the production of minerals. The exact rate of additional levy will be prescribed by the Central Government.

- ix. Provision has been proposed to grant mineral concession without competitive bidding to Government companies or corporations on payment of such amount as may be prescribed by the Central Government in the mineral bearing areas reserved by the Central Government. This provision is similar to provision of area reservation under the MMDR Act.
- x. To promote ease of doing business, a provision has been made for easy transfer of exploration licence, composite licence or production lease.
- xi. The Central Government has been granted powers to revise the order made by Administering Authority, issue directions and call for information from the Administering Authority, in public interest.
- xii. Provision has been proposed for grant of exploration licence or production lease only to Government, Government Company or Corporation in case grade of such mineral in such area is equal to or above a threshold value.
- xiii. Scope of power of premature termination has been expanded to include 'public interest', 'strategic interest of the country' or 'any other reason'.
- xiv. Increased fine to 5 lakh rupees per standard block which may extend to 10 lakh rupees from existing fine of upto 50 thousand rupees per standard block for illegal mining and also increased fine for other offences.
- xv. The Central Government authorized to address any difficulty that may arise while implementing the Amendment during a period of two years.

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**ANNEXURE-II**

**ANNEXURE-II REFERRED IN REPLY TO PART (e) & (f) OF LOK SABHA STARRED QUESTION NO. 304 REGARDING 'MINING IN SEA' ASKED BY SHRI V.K. SREEKANDAN, MEMBER OF PARLIAMENT FOR REPLY ON 22<sup>ND</sup> MARCH, 2023.**

| <b>S.No.</b> | <b>List of various fishers' unions from Kerala from whom comments received</b> |
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| 1            | Akhilya Kerala Dheevera Sabha  |
| 2            | Akhilya Kerala Malsya Thozilali Federation                                     |
| 3            | Kerala Matsyathozhilali Aikyavedi (TUCI)                                       |
| 4            | Fishermen Welfare Society, Moothakara, Kollam, Kerala                          |
| 5            | Swathanthra Mathsya Thozhilali Federation, Kerala                              |
| 6            | All India Fishermen Congress, Allappu, Kerala                                  |
| 7            | Matsya Thozhilali Federation (STU), National Organizing Committee              |
| 8            | Kerala State Fish workers Federation, AITUC                                    |
| 9            | Coastal Area Development Agency for Liberation (CADAL), Kerala                 |
| 10           | Karimanal Khnana Virudhae Kopanasamithi, Alappuzha(Dt), Kerala                 |
| 11           | National Fisherman Forum, Kerala   |

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