

GOVERNMENT OF INDIA  
MINISTRY OF MINES  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 2378**  
ANSWERED ON 15.03.2023

**LIBERALIZATION OF MINES**

†2378. SHRI JAGANNATH SARKAR:

Will the Minister of MINES be pleased to state:

- (a) whether improvement has been made by the Government in liberalisation of mines in the country and if so, the details thereof;
- (b) whether the Government is focusing on various high priority aspects of mining which include exploration, ease of doing business, policy framework for sustainable mining, critical minerals and rare earth space including new opportunities of exploring urban mining; and
- (c) if so, the details thereof and if not, the reasons therefor?

**ANSWER**

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

(a) to (c): Yes, Sir. The Ministry of Mines has 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 with the objective of inter alia 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.

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% 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) Accredited private exploration agencies which have been notified under second proviso to Section 4(1) of the MMDR Act have been allowed to carry out exploration without prospecting licence. These agencies have also been made eligible for obtaining funding under National Mineral Exploration Trust (NMET). So far, 14 accredited private exploration agencies have been notified.

In addition to the above reforms, several others policy initiatives have been taken up by the Ministry 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 licence; incentive for production & 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 GPS for identification and demarcation of the area where a composite licence is proposed to be granted through auction.

Ministry of Mines has implemented Sustainable Mining by making provisions under Chapter-V of Mineral Conservation and Development Rules (MCDR), 2017. Rule 35 of MCDR provides for star rating of the mining leases based on the sustainable mining practices adopted by the miners.

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