

**GOVERNMENT OF INDIA  
MINES  
LOK SABHA**

STARRED QUESTION NO:109  
ANSWERED ON:25.02.2003  
REFORMS IN MINING SECTOR  
BHERU LAL MEENA;CHANDRAKANT BHAURAO KHAIRE

**Will the Minister of MINES be pleased to state:**

- (a) whether the Ministry have taken a decision to bring in reforms in the mining sector;
- (b) if so, the details thereof;
- (c) the steps taken by the Government to speed up the process of reforms in the mining sector;
- (d) whether the reform process would also cover scientific methods related to mining, protection of environment, education, employment generation, health care for the people living at places located near the mines on priority basis; and
- (e) if so, the details in this regard?

**Answer**

THE MINISTER OF STATE OF THE MINISTRY OF MINES (SHRI RAMESH BAIS)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN THE REPLY TO STARRED QUESTION NO.109 LAFDIBR ANSWER IN THE LOK SABHA ON THE 25TH FEBRUARY, 2003 REGARDING REFORMS IN MINING SECTOR ASKED BY SHRI BHERU LAL MEENA AND S CHANDRAKANT KHAIRE.

Implementation of reform process in the mining sector is a continuous process. The National Mineral Policy (NMP) was announced in 1993 and the mining sector was thrown open for private investment including foreign investment. To give effect to the NMP and to take the reforms process forward, extensive changes were made in the Mines and Minerals (Development & Regulation) Act, 1957 (MMDR Act) in 1994 and 1999 and Rules framed thereunder were accordingly amended.

The reform process encompassed inter alia opening up of the mining sector to private investment including foreign investment, delegation of powers to the State Governments, simplification of procedures, ushering in an investor-friendly climate comparable with best global practices and ensuring systematic and scientific mining.

Under the provisions of Section 18 of the MMDR Act, 1957, Central Government have notified Mineral Conservation and Development Rules, 1988 for conservation and systematic development of minerals and protection of environment. Appropriate penalties have been provided for contravention of these Rules.

Interaction meetings with State Governments, Central Ministries/ Departments and the Investors in the mining sector are held from time to time to make the policy and procedure of grant of mineral concessions investor friendly and to sensitise the various stake holders about the reform process. Last three such meetings, a Tripartite meeting of Central Government, State Governments and Investors, 27th meeting of the Mineral Advisory Council and Conference of State Ministers of Mining and Geology have been held on 12.11.2001, 21.9.2002 and 22.1.2003 respectively.

In the process of ongoing consultation with the Stake-holders, it has been decided in the Conference of State Ministers of Mining & Geology held on 22.1.2003 that for giving thrust to the mining sector reforms inter-alia for scientific methods related to mining, protection of environment etc., the rules framed under the MMDR Act, 1957 shall incorporate provisions relating to minimum size of mining lease, and detailed provisions regarding mine closure plans and rehabilitation of mined out areas.