

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

UNSTARRED QUESTION NO:2069
ANSWERED ON:02.12.2011
REFORMS IN MINING SECTOR
Sainuji Shri Kowase Marotrao

Will the Minister of MINES be pleased to state:

- (a) whether the Government proposes to bring about certain reforms in the mining sector, to give a further boost to this sector;
- (b) if so, the details thereof; and
- (c) the steps taken/proposed to be taken by the Government in this regard?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR MINES (SHRI DINSHA PATEL)

(a) and (b): As part of the process to introduce reforms in the mining sector, the Government has approved the draft Mines and Minerals (Development and Regulation) Bill, 2011 (MMDR Bill), for introduction in the Parliament. The draft Bill, inter- alia, provides for:-

a simple and transparent mechanism for grant of mining lease or prospecting licence through competitive bidding in areas of known mineralization, and on the basis of first-in-time in areas where mineralization is not known;

it enables the mining holders to adopt the advanced and sophisticated technologies for exploration of deep-seated and concealed mineral deposits, especially of metals in short supply through a new mineral concession;

it enables the Central Government to promote scientific mineral development, through Mining Plans and Mine Closure Plans enforced by a central technical agency namely the Indian Bureau of Mines, as well as the Regulatory Authorities and Tribunals;

it empowers the State Governments to cancel the existing concessions or debar a person from obtaining concession in future for preventing the illegal and irregular mining;

it empowers the Central Government and State Governments to levy and collect cess;

establishment of the Mineral Funds at National and State level for funding the activities pertaining to capacity building of regulatory bodies like Indian Bureau of Mines and for research and development issues in the mining areas;

it provides for reservation of an area for the purpose of conservation of minerals;

it enables the co-operatives for obtaining mineral concessions on small deposits in order to encourage tribals and small miners to enter into mining activities;

it empowers the Central Government to institutionalize a statutory mechanism for ensuring sustainable mining with adequate concerns for environment and socio- economic issues in the mining areas, through a National Sustainable Development Framework;

it provides for establishment of the National Mining Regulatory Authority which consists of a Chairperson and not more than nine members to advise the Government on rates of royalty, dead rent , benefit sharing with District Mineral Foundation, quality standards, and also conduct investigation and launch prosecution in cases of large scale illegal mining;

it provides for establishment of the State Mining Regulatory Authority consisting of such persons as may be prescribed by the State Government to exercise the powers and functions in respect of minor minerals;

it provides for establishment of the National Mining Tribunal and State Mining Tribunal to exercise jurisdiction, powers and authority conferred on it under the proposed legislation;

it empowers the State Governments to constitute Special Courts for the purpose of providing speedy trial of the offences relating to illegal mining;

it provides for stringent punishments for contravention of certain provisions of the proposed legislation; and

(c): The Government has moved a proposal for introducing the draft MMDR Bill, 2011 in the Winter session of the Parliament