

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

UNSTARRED QUESTION NO:2385
ANSWERED ON:23.08.2013
PRODUCTION OF MINERALS
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Will the Minister of MINES be pleased to state:

- (a) the number of reporting mines in the country, mineral and State/ UT-wise;
- (b) the details of minerals production in the country along with their commercial value during each of the last three years and the current year mineral and State/ UT-wise;
- (c) the performance status of mining sector in the country along with the steps taken to make it profitable;
- (d) the steps taken by the Government to enhance the production of minerals and exploit their growth potential;
- (e) whether the National Mineral Policy, 2008 has been able to streamline and simplify the procedure for grant of mineral concessions, for optimum utilisation of mineral resources and to improve the life of people living in the surroundings of the mining area; and
- (f) if so, the details thereof?

Answer

THE MINISTER OF MINES (SHRI DINSHA PATEL)

(a) & (b): The number of reporting mines in the country, mineral and State/ UT-wise is given at Annexure – I. The details of minerals production in the country along with their commercial value during each of the last three years, mineral and State/ UT-wise, is given at Annexure – II.

(c) & (d): Mineral rights vest with States, and royalties also accrue solely to State Governments. The mining sector has been liberalized since the year 1993 and private participation has been facilitated. Growth in mineral production is driven by market demand. In order to incentivize and encourage exploration and mining activities, the Government enunciated the National Mineral Policy, 2008 for non-coal and non-fuel mineral sector which provides for policy measures like assured right to next stage mineral concession, transferability of mineral concessions and transparency in allotment of concessions in order to reduce delays which are seen as impediments to investment and technology flow to the mining sector in India.

(e) & (f): National Mineral Policy (NMP), 2008 enunciates that the mineral concession system would be streamlined so as to minimize delays. The NMP, 2008 lays down that for grant of mineral concessions, eligibility conditions will be clearly defined and strictly enforced to ensure that the right person is selected. Every concession holder shall be assured security of tenure, whereby he can develop the resources optimally. Accordingly, the Government has introduced the Mines and Minerals (Development and Regulation) Bill, 2011 (Bill) in the Lok Sabha on 12.12.2011. The 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.

NMP, 2008 also seeks to develop a sustainable framework for optimum utilisation of the country's natural mineral resources for the industrial growth in the country and at the same time improving the life of people living in the mining areas, which are generally located in the backward and tribal regions of the country. The NMP, 2008 enunciates that special care will be taken to protect the interest of host and indigenous (tribal) populations through developing models of stakeholder interest based on international best practice. Accordingly, the Bill have provisions for sharing of benefits with the local population which would enable monetary benefit to families affected by mining related activities and creation, management and maintenance of local infrastructure in areas affected by mining related operations. The Bill also has provisions for:

(i) all Mining Lease holders, including public sector undertakings and private sector companies to pay annually into a District Mineral Foundation set up at District level –

a sum equivalent to royalty in case of major minerals (other than coal);

a sum equivalent to 26% of profit in case of coal minerals; and

in case of minor minerals a sum prescribed by the State Governments.

(ii) a portion of the amount paid into the District Mineral Foundation shall be used to make recurring payments to people affected by mining related operations.

(iii) all mining companies to provide employment or other compensation as stipulated under Rehabilitation & Resettlement Policy.